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Accountant's Compilation Report

Board of Directors
RainDance Metropolitan District No. 1

Management is responsible for the accompanying budget of revenues, expenditures, and fund balances of RainDance Metropolitan District No. 1 for the year ending December 31, 2020, including the estimate of comparative information for the year ended December 31, 2019, and the actual comparative information for the year ended December 31, 2018, in the format prescribed by Colorado Revised Statutes (C.R.S.) 29-1-105 and the related summary of significant assumptions in accordance with guidelines for the presentation of a budget established by the American Institute of Certified Public Accountants (AICPA). We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the budget nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on the accompanying budget.

The budgeted results may not be achieved as there will usually be differences between the budgeted and actual results, because events and circumstances frequently do not occur as expected, and these differences may be material. We assume no responsibility to update this report for events and circumstances occurring after the date of this report.

We draw attention to the summary of significant assumptions which describe that the budget is presented in accordance with the requirements of C.R.S. 29-1-105, and is not intended to be a presentation in accordance with accounting principles generally accepted in the United States of America.

We are not independent with respect to RainDance Metropolitan District No. 1.

CliftonLarsonAllen LLP

Greenwood Village, Colorado
January 29, 2020



An independent member of Nexia International

**RAINDANCE METROPOLITAN DISTRICT NO. 1
SUMMARY
2020 BUDGET
WITH 2018 ACTUAL AND 2019 ESTIMATED
For the Years Ended and Ending December 31,**

1/29/20

	ACTUAL 2018	ESTIMATED 2019	BUDGET 2020
BEGINNING FUND BALANCES	\$ 191,573	\$ 786,935	\$ 757,422
REVENUES			
Property taxes	564	147,255	3,433,835
Specific ownership taxes	18	10,101	240,368
Developer advance	13,170,254	1,057,000	19,503,060
Water service fee	-	80,000	190,000
Water meter fees	282,500	777,500	500,000
Transfers from District No. 2	369,990	74,427	19,301,991
Transfers from District No. 3	14,569,344	1,033,528	53,275
Transfers from District No. 4	5,161	3,752	5,505
Easement payment	257,296	25,051	-
Other revenue	-	272,580	250,000
Total revenues	<u>28,655,127</u>	<u>3,481,194</u>	<u>43,478,034</u>
TRANSFERS IN	<u>1,875</u>	-	-
Total funds available	<u>28,848,575</u>	<u>4,268,129</u>	<u>44,235,456</u>
EXPENDITURES			
General and administrative	225,477	388,203	501,008
Operations and maintenance	94,071	1,227,297	1,201,992
Capital projects	27,740,217	1,895,207	38,506,120
Total expenditures	<u>28,059,765</u>	<u>3,510,707</u>	<u>40,209,120</u>
TRANSFERS OUT	<u>1,875</u>	-	-
Total expenditures and transfers out requiring appropriation	<u>28,061,640</u>	<u>3,510,707</u>	<u>40,209,120</u>
ENDING FUND BALANCES	<u>\$ 786,935</u>	<u>\$ 757,422</u>	<u>\$ 4,026,336</u>
EMERGENCY RESERVE	\$ 27,500	\$ 41,700	\$ 141,700

This financial information should be read only in connection with the accompanying accountant's compilation report and summary of significant assumptions.

RAINDANCE METROPOLITAN DISTRICT NO. 1
PROPERTY TAX SUMMARY INFORMATION
2020 BUDGET
WITH 2018 ACTUAL AND 2019 ESTIMATED
For the Years Ended and Ending December 31,

1/29/20

ACTUAL	ESTIMATED	BUDGET
2018	2019	2020

ASSESSED VALUATION

Agricultural	\$ 10	\$ 6,000	\$ 5,330
State assessed	-	9,390	10,390
Oil and gas	14,450	3,759,620	88,031,340
	14,460	3,775,010	88,047,060
Adjustments	-	-	-
Certified Assessed Value	\$ 14,460	\$ 3,775,010	\$ 88,047,060

MILL LEVY

General	39.000	39.000	39.000
Total mill levy	39.000	39.000	39.000

PROPERTY TAXES

General	\$ 564	\$ 147,225	\$ 3,433,835
Levied property taxes	564	147,225	3,433,835
Budgeted property taxes	\$ 564	\$ 147,225	\$ 3,433,835

BUDGETED PROPERTY TAXES

General	\$ 564	\$ 147,225	\$ 3,433,835
	\$ 564	\$ 147,225	\$ 3,433,835

This financial information should be read only in connection with the accompanying accountant's compilation report and summary of significant assumptions.

**RAINDANCE METROPOLITAN DISTRICT NO. 1
GENERAL FUND
2020 BUDGET
WITH 2018 ACTUAL AND 2019 ESTIMATED
For the Years Ended and Ending December 31,**

1/29/20

	ACTUAL 2018	ESTIMATED 2019	BUDGET 2020
BEGINNING FUND BALANCE	\$ 191,573	\$ 786,935	\$ 757,422
REVENUES			
Property taxes	564	147,255	3,433,835
Specific ownership taxes	18	10,101	240,368
Developer advance	-	197,000	250,000
Easement payment	257,296	25,051	-
Water meter fees	282,500	777,500	500,000
Water service fee	-	80,000	190,000
Other revenue	-	261,486	250,000
Transfers from District No. 2	369,990	74,427	48,931
Transfers from District No. 3	1,256	9,415	53,275
Transfers from District No. 4	5,161	3,752	5,505
Total revenues	<u>916,785</u>	<u>1,585,987</u>	<u>4,971,914</u>
Total funds available	<u>1,108,358</u>	<u>2,372,922</u>	<u>5,729,336</u>
EXPENDITURES			
General and administrative			
Accounting	78,015	77,000	81,000
Audit	9,300	9,600	10,000
County Treasurer's fee	8	2,208	51,508
Dues	1,398	2,683	3,000
Insurance	10,697	11,812	12,500
Legal	110,708	75,850	80,000
Miscellaneous	2,044	2,050	3,000
Repay Developer advance	-	197,000	250,000
Engineering - Cost Certification	13,307	10,000	10,000
Operation and maintenance			
Management/Lifestyle/Advance HOA	25,860	54,583	60,000
Equipment acquisition	-	5,000	250,000
District events	-	30,000	10,000
Snow removal	-	10,000	20,000
Utilities	-	20,000	60,000
Water meter and installations	56,539	900,000	500,000
Water System/Field Manager	11,672	197,000	250,000
Contingency	-	10,714	51,992
Total expenditures	<u>319,548</u>	<u>1,615,500</u>	<u>1,703,000</u>
TRANSFERS OUT			
Transfers to other fund	<u>1,875</u>	<u>-</u>	<u>-</u>
Total expenditures and transfers out requiring appropriation	<u>321,423</u>	<u>1,615,500</u>	<u>1,703,000</u>
ENDING FUND BALANCE	<u>\$ 786,935</u>	<u>\$ 757,422</u>	<u>\$ 4,026,336</u>
EMERGENCY RESERVE	\$ 27,500	\$ 41,700	\$ 141,700

This financial information should be read only in connection with the accompanying accountant's compilation report and summary of significant assumptions.

**RAINDANCE METROPOLITAN DISTRICT NO. 1
CAPITAL PROJECTS FUND (DISTRICT NO. 3)
2020 BUDGET
WITH 2018 ACTUAL AND 2019 ESTIMATED
For the Years Ended and Ending December 31,**

1/29/20

	ACTUAL 2018	ESTIMATED 2019	BUDGET 2020
BEGINNING FUND BALANCE	\$ -	\$ -	\$ -
REVENUES			
Developer advance	13,170,254	860,000	-
Transfers from District No. 3	14,568,088	1,024,113	-
Total revenues	<u>27,738,342</u>	<u>1,895,207</u>	<u>-</u>
TRANSFERS IN			
Transfers from other funds	<u>1,875</u>	-	-
Total funds available	<u>27,740,217</u>	<u>1,895,207</u>	<u>-</u>
EXPENDITURES			
Capital Outlay			
Parks and Recreation	-	201,089	-
Repay Developer advance	13,382,232	860,000	-
Transfer to District No. 3	10,500	-	-
Softcosts	498,680	37,805	-
Covered Bridge	1,143,955	13,937	-
Streets	7,532,472	520,011	-
Water	2,339,431	161,505	-
Sanitation / Storm Sewer	2,832,069	100,800	-
Safety	878	60	-
Total expenditures	<u>27,740,217</u>	<u>1,895,207</u>	<u>-</u>
Total expenditures and transfers out requiring appropriation	<u>27,740,217</u>	<u>1,895,207</u>	<u>-</u>
ENDING FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

This financial information should be read only in connection with the accompanying accountant's compilation report and summary of significant assumptions.

**RAINDANCE METROPOLITAN DISTRICT NO. 1
 CAPITAL PROJECTS FUND (DISTRICT NO. 2)
 2020 BUDGET
 WITH 2018 ACTUAL AND 2019 ESTIMATED
 For the Years Ended and Ending December 31,**

1/29/20

	ACTUAL 2018	ESTIMATED 2019	BUDGET 2020
BEGINNING FUND BALANCE	\$ -	\$ -	\$ -
REVENUES			
Developer Advance	-	-	19,253,060
Transfers from District No. 2	-	-	19,253,060
Total revenues	-	-	38,506,120
Total funds available	-	-	38,506,120
EXPENDITURES			
Capital Outlay			
Repay Developer Advance	-	-	19,253,060
Public Improvements	-	-	19,253,060
Total expenditures	-	-	38,506,120
Total expenditures and transfers out requiring appropriation	-	-	38,506,120
ENDING FUND BALANCE	\$ -	\$ -	\$ -

This financial information should be read only in connection with the accompanying accountant's
 compilation report and summary of significant assumptions.

**RAINDANCE METROPOLITAN DISTRICT NO. 1
2020 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Services Provided

RainDance Metropolitan District No. 1's (the District) organization was approved by eligible electors of the District at an election held on May 6, 2014. The District was organized by order of the District Court in and for Weld County on June 6, 2014. The formation of the District was approved by the Town of Windsor, Colorado in conjunction with the approval by the Town Board of a Consolidated Service Plan for the District, RainDance Metropolitan District No. 2, RainDance Metropolitan District No. 3, and RainDance Metropolitan District No. 4 on March 24, 2014. The District exists as a quasi-municipal corporation and political subdivision of the State of Colorado under Title 32, Article 1 of the Colorado Revised Statutes, as amended (C.R.S.).

At a special election of the eligible electors of the District on May 6, 2014, a majority of those qualified to vote voted in favor of certain ballot questions authorizing the issuance of indebtedness and imposition of taxes for the payment thereof, for the purpose of providing financing for the planning, design, acquisition, construction, installation, relocation, redevelopment, operations and maintenance of the public improvements within the District including streets, parks and recreation, water and wastewater facilities, transportation, mosquito control, safety protection, fire protection, television relay and translation, and security.

The District prepares its budget on the modified accrual basis of accounting in accordance with the requirements of Colorado Revised Statutes C.R.S. 29-1-105 using its best estimates as of the date of the budget hearing. These estimates are based on expected conditions and its expected course of actions. The assumptions disclosed herein are those that the District believes are significant to the budget. There will usually be differences between the budget and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material.

The District has no employees and all administrative functions are contracted.

Revenues

Property Taxes

Property taxes are levied by the District's Board of Directors. The levy is based on assessed valuations determined by the County Assessor generally as of January 1 of each year. The levy is normally set by December 15 by certification to the County commissioners to put the tax lien on the individual properties as of January 1 of the following year. The County Treasurer collects the determined taxes during the ensuing calendar year. The taxes are payable by April or, if in equal installments, at the taxpayer's election, in February and June. Delinquent taxpayers are notified in August, and generally, sale of the tax liens on delinquent properties are held in November or December. The County Treasurer remits the taxes collected monthly to the District.

The calculation of the taxes levied is displayed on the Property Tax Summary page of the budget using the adopted mill levy imposed by the District.

**RAINDANCE METROPOLITAN DISTRICT NO. 1
2020 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Revenues (continued)

Specific Ownership Taxes

Specific ownership taxes are set by the State and collected by the County Treasurer, primarily on vehicle licensing within the County as a whole. The specific ownership taxes are allocated by the County Treasurer to all taxing entities within the County. The budget assumes the District's share will be equal to approximately 7% of the property taxes collected.

Water Service Fee

The District charges service fees to each homeowner for non-potable water usage.

Water Meter Sales

The District anticipates selling and installing water meters for 200 single-family detached units. The District expects to collect \$2,500 per unit.

Transfers from RainDance Metropolitan District Nos. 2-4

Pursuant to the District Coordinating Services Agreement, the District will provide certain operation, maintenance and administrative services benefitting the RainDance Metropolitan District No. 2, RainDance Metropolitan District No. 3 and RainDance Metropolitan District No. 4 (collectively, "Districts"). The Districts will pay all costs of such services through the imposition of ad valorem property taxes and transferring the net tax revenues to the District.

Additionally, the District Coordinating Services Agreement stipulates that the District will own, operate and maintain all public improvements within the Districts. The Districts will transfer project funds, as they are requisitioned from bond proceeds, to the District as the District will pay for the construction or acquisition of such public improvements.

Other Revenue

The District anticipates generating additional revenue of approximately \$250,000 from the sale of dirt.

Expenditures

County Treasurer's Fees

County Treasurer's collection fees have been computed at 1.5% of property taxes.

**RAINDANCE METROPOLITAN DISTRICT NO. 1
2020 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Expenditures (Continued)

General and Administrative

General and administrative expenditures include the estimated costs of services necessary to maintain the District's administrative viability such as legal, accounting, audit, insurance and membership dues.

Operation and Maintenance

Operation and maintenance expenditures have been estimated by the District's management. The estimated expenditures include maintenance and repairs of the District's property and non-potable water facilities.

Debt and Leases

The District has no outstanding debt nor any capital or operating leases.

Reserves

Emergency Reserve

The District has provided an emergency reserve fund equal to at least 3% of fiscal year spending for 2020, as defined under TABOR.

This information is an integral part of the accompanying budget.