

RAINDANCE METROPOLITAN DISTRICT NO.1

ANNUAL BUDGET

FOR THE YEAR ENDING DECEMBER 31, 2021

RAINDANCE METROPOLITAN DISTRICT NO. 1
SUMMARY
2021 BUDGET
WITH 2019 ACTUAL AND 2020 ESTIMATED
For the Years Ended and Ending December 31,

1/29/21

	ACTUAL 2019	ESTIMATED 2020	BUDGET 2021
BEGINNING FUND BALANCES	\$ 786,935	\$ 737,760	\$ 8,148,215
REVENUES			
Property taxes	147,215	2,108,746	4,807,694
Specific ownership taxes	9,966	162,989	174,130
Bond issuance	-	24,315,000	-
Capital facilities fees	-	375,000	1,110,000
Developer advance	2,409,985	29,178,140	233,400
Filing 9	-	-	11,000,000
Golf Course	-	1,500,000	2,735,000
Developer contribution - Pool	-	200,000	200,000
Interest income	-	1,800	24,000
Other revenue	1,355,252	99,798	100,000
Project Fees - Golf Lot Premiums	-	-	-
Town of Windsor - Sewer Reimbursement	-	-	939,200
Golf Course Construction Loan - Independent Bank	-	-	7,865,000
Pipeline easement	25,051	-	-
Stop curb repair fees	-	50,050	61,250
Transfers from District No. 2	74,014	19,198,590	53,520
Transfers from District No. 3	1,029,742	52,170	53,116
Transfers from District No. 4	3,725	5,391	15,221
Water meter fees	820,000	1,022,500	1,415,000
Water service fees	83,949	201,000	524,858
Total revenues	<u>5,958,899</u>	<u>78,471,174</u>	<u>31,311,389</u>
TRANSFERS IN			
	<u>13,898</u>	<u>-</u>	<u>-</u>
Total funds available	<u>6,759,732</u>	<u>79,208,934</u>	<u>39,459,604</u>
EXPENDITURES			
General and administrative	404,076	523,158	776,415
Operations and maintenance	1,347,640	654,037	701,005
Pool and clubhouse	-	256,795	262,580
Enterprise fund	-	22,084,550	5,465,876
Capital projects	4,256,358	47,542,179	23,239,200
Total expenditures	<u>6,008,074</u>	<u>71,060,719</u>	<u>30,445,076</u>
TRANSFERS OUT			
	<u>13,898</u>	<u>-</u>	<u>-</u>
Total expenditures and transfers out requiring appropriation	<u>6,021,972</u>	<u>71,060,719</u>	<u>30,445,076</u>
ENDING FUND BALANCES	<u>\$ 737,760</u>	<u>\$ 8,148,215</u>	<u>\$ 9,014,528</u>
EMERGENCY RESERVE	\$ 21,000	\$ 81,800	\$ 164,000
DEBT RESERVE FUND	-	2,289,792	2,289,792
TOTAL RESERVE	<u>\$ 21,000</u>	<u>\$ 2,371,592</u>	<u>\$ 2,453,792</u>

No assurance provided. See summary of significant assumptions.

**RAINDANCE METROPOLITAN DISTRICT NO. 1
PROPERTY TAX SUMMARY INFORMATION
2021 BUDGET
WITH 2019 ACTUAL AND 2020 ESTIMATED
For the Years Ended and Ending December 31,**

1/29/21

ACTUAL 2019	ESTIMATED 2020	BUDGET 2021
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ASSESSED VALUATION

Agricultural	\$ 6,000	\$ 5,330	\$ 5,440
State assessed	9,390	10,390	11,580
Vacant land	-	-	3,230
Commercial	-	-	75,400
Oil and gas	3,759,620	88,031,340	89,201,920
	3,775,010	88,047,060	89,297,570
Adjustments	-	-	-
Certified Assessed Value	\$ 3,775,010	\$ 88,047,060	\$ 89,297,570

MILL LEVY

General	39.000	39.000	39.000
Total mill levy	39.000	39.000	39.000

PROPERTY TAXES

General	\$ 147,225	\$ 3,433,835	\$ 3,482,605
Levied property taxes	147,225	3,433,835	3,482,605
Adjustments to actual/rounding	(10)	(1,325,089)	1,325,089
Budgeted property taxes	\$ 147,215	\$ 2,108,746	\$ 4,807,694

BUDGETED PROPERTY TAXES

General	\$ 147,215	\$ 2,108,746	\$ 4,807,694
	\$ 147,215	\$ 2,108,746	\$ 4,807,694

RAINDANCE METROPOLITAN DISTRICT NO. 1
GENERAL FUND
2021 BUDGET
WITH 2019 ACTUAL AND 2020 ESTIMATED
For the Years Ended and Ending December 31,

1/29/21

	ACTUAL 2019	ESTIMATED 2020	BUDGET 2021
BEGINNING FUND BALANCE	\$ 786,935	\$ 610,593	\$ 2,070,298
REVENUES			
Property taxes	147,215	2,108,746	4,807,694
Specific ownership taxes	9,966	162,989	174,130
Developer advance	197,760	166,666	60,000
Developer contribution - Pool	-	200,000	200,000
Pipeline easement	25,051	-	-
Water meter fees	820,000	-	-
Water service fees	83,949	-	-
Stop curb repair fees	-	50,050	61,250
Other revenue	345,349	99,798	100,000
Transfers from District No. 2	74,014	47,885	53,520
Transfers from District No. 3	9,410	52,170	53,116
Transfers from District No. 4	3,725	5,391	15,221
Total revenues	<u>1,716,439</u>	<u>2,893,695</u>	<u>5,524,931</u>
Total funds available	<u>2,503,374</u>	<u>3,504,288</u>	<u>7,595,229</u>
EXPENDITURES			
General and administrative			
Accounting	75,640	110,000	115,600
Administration and operations			
Staffing	-	-	290,000
Management fee	-	-	36,000
Asset Administration	-	-	10,000
Audit	9,600	13,800	14,500
Consulting and studies	-	45,000	20,000
County Treasurer's fee	2,208	31,631	72,115
Dues and licenses	2,683	3,025	3,200
Engineering - Cost Certification	4,942	10,000	10,000
Insurance	11,812	23,036	35,000
Legal services	86,180	110,000	100,000
Miscellaneous	13,251	10,000	10,000
Office supplies	-	-	5,000
Office overhead	-	-	60,000
Rent	-	-	24,000
Repay Developer advance	197,760	166,666	60,000
Contingency	-	-	55,005
Operation and maintenance			
District events	44,100	51,000	50,000
Equipment acquisition	3,200	40,000	250,000
Equipment repairs and maintenance	5,714	9,000	2,200
Landscaping	-	78,000	100,000
Lifestyle Director fee	62,371	75,000	-
Raindance Farms	-	370	10,000
Snow removal	18,164	40,000	60,000
Stop curb repair	-	28,000	24,800
Utility Locates	-	42,000	-
Utilities	25,260	79,000	60,000
Water meters and installations	904,154	-	-
Water purchases	86,917	45,000	-
Water system/field manager	197,760	166,667	-
Capital Outlay			
7th Street Bridge	-	-	700,000
Pool and clubhouse			
Pool management fees	-	200,000	189,500
Pool supplies	-	23,000	18,000
Pool water usage	-	8,000	9,000
Pool electricity	-	12,000	31,000
Pool telephone services	-	175	260
Pool internet	-	1,402	2,100
Pool insurance	-	8,755	9,200
Pool trash and recycle	-	1,463	2,520
Pool Miscellaneous	-	2,000	1,000
Total expenditures	<u>1,751,716</u>	<u>1,433,990</u>	<u>2,440,000</u>
TRANSFERS OUT			
Transfers to other fund	<u>13,898</u>	<u>-</u>	<u>-</u>
Total expenditures and transfers out requiring appropriation	<u>1,765,614</u>	<u>1,433,990</u>	<u>2,440,000</u>
ENDING FUND BALANCE	<u>\$ 737,760</u>	<u>\$ 2,070,298</u>	<u>\$ 5,155,229</u>
EMERGENCY RESERVE	\$ 21,000	\$ 81,800	\$ 164,000

No assurance provided. See summary of significant assumptions.

**RAINDANCE METROPOLITAN DISTRICT NO. 1
CAPITAL PROJECTS FUND
2021 BUDGET
WITH 2019 ACTUAL AND 2020 ESTIMATED
For the Years Ended and Ending December 31,**

1/29/21

	ACTUAL 2019	ESTIMATED 2020	BUDGET 2021
BEGINNING FUND BALANCE	\$ -	\$ -	\$ -
REVENUES			
Other revenue	1,009,903	-	-
Town of Windsor - Sewer Reimbursement	-	-	939,200
Developer Advance	2,212,225	26,891,474	-
Filing 9	-	-	11,000,000
Golf Course	-	1,500,000	2,735,000
Golf Course Construction Loan - Independent Bank	-	-	7,865,000
Transfers from District No. 2	-	19,150,705	-
Transfers from District No. 3	1,020,332	-	-
Total revenues	<u>4,242,460</u>	<u>47,542,179</u>	<u>22,539,200</u>
TRANSFERS IN			
Transfers from other funds	<u>13,898</u>	-	-
Total funds available	<u>4,256,358</u>	<u>47,542,179</u>	<u>22,539,200</u>
EXPENDITURES			
Capital Outlay			
Parks and recreation	505,593	-	-
Streets	1,859,592	-	-
Softcosts	88,858	-	-
Repay Developer Advance	1,802,315	19,150,705	-
Sewer Reimbursement	-	-	939,200
Capital Outlay- Public Improvements	-	26,891,474	-
Golf Course	-	1,500,000	10,600,000
Filing 9	-	-	11,000,000
Total expenditures	<u>4,256,358</u>	<u>47,542,179</u>	<u>22,539,200</u>
Total expenditures and transfers out requiring appropriation	<u>4,256,358</u>	<u>47,542,179</u>	<u>22,539,200</u>
ENDING FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

No assurance provided. See summary of significant assumptions.

**RAINDANCE METROPOLITAN DISTRICT NO. 1
ENTERPRISE FUND
2021 BUDGET
WITH 2019 ACTUAL AND 2020 ESTIMATED
For the Years Ended and Ending December 31,**

1/29/21

	ACTUAL 2019	ESTIMATED 2020	BUDGET 2021
BEGINNING FUNDS AVAILABLE	\$ -	\$ 127,167	\$ 6,077,917
REVENUES			
Bond issuance	-	24,315,000	-
Capital facilities fees	-	375,000	1,110,000
Developer advance	-	2,120,000	173,400
Interest income	-	1,800	24,000
Water meter fees	-	1,022,500	1,415,000
Water service fees	-	201,000	524,858
Total revenues	-	28,035,300	3,247,258
Total funds available	-	28,162,467	9,325,175
EXPENDITURES			
General and administrative			
Administration - Billing	-	-	32,640
Consulting and studies	-	200,000	60,000
Legal services	-	90,000	60,000
Operations and maintenance			
Repairs and maintenance	-	10,000	-
Electricity and gas	-	-	94,461
Water meters and installation	-	720,000	1,415,000
Miscellaneous	-	110	-
Other Water Operating Expenses			
Scada	-	-	20,000
Delivery and Ditch expenses	-	-	15,000
Water system manager and field staff	-	83,333	173,400
Tools and Equipment	-	-	10,200
Equipment acquisition	-	9,000	-
Contingency	-	-	25,000
Capital			
Repay Developer advance	-	2,120,000	173,400
Capital outlay	-	17,500,000	2,120,000
Debt Service			
Bond interest- Series 2020	-	403,450	1,262,975
Cost of Issuance	-	945,807	-
Paying agent fee	-	2,850	3,800
Total expenditures	-	22,084,550	5,465,876
Total expenditures and transfers out requiring appropriation	-	22,084,550	5,465,876
ENDING FUNDS AVAILABLE	\$ -	\$ 6,077,917	\$ 3,859,299
DEBT RESERVE FUND	\$ -	\$ 2,289,792	\$ 2,289,792
TOTAL RESERVE	\$ -	\$ 2,289,792	\$ 2,289,792

No assurance provided. See summary of significant assumptions.

**RAINDANCE METROPOLITAN DISTRICT NO. 1
2021 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
2021 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 5% of the property taxes collected.

Interest Income

Interest earned on the District's available funds has been estimated based on average interest rate of approximately 0.5%.

Capital Facilities Fees

The District imposes a Capital Facilities Fee in the amount of \$2,500 per single family detached unit, which is due and payable on or before a building permit is issued by the County.

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 single-family detached units and for single-family attached and apartment units. The District expects to collect \$2,500 per single-family detached unit and \$1100 per single family attached and apartment units.

Stop Curb Repair Fees

During 2021, the District anticipates invoicing various builders for damages to streets and curbs. The District expects to collect \$1,250 per address.

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.

Golf Course Construction Loan

During 2021, the District anticipates receiving a loan for purposes of constructing a golf course. The final terms of the loan will be determined upon receipt of the Loan.

**RAINDANCE METROPOLITAN DISTRICT NO. 1
2021 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Revenues (continued)

Other Revenue

The District anticipates generating additional revenue of approximately \$100,000 from the sale of dirt.

The District anticipates receiving a reimbursement for Sewer costs from the Town of Windsor in the amount of \$939,200.

Expenditures

County Treasurer's Fees

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

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.

Pool and Clubhouse

Pool and clubhouse expenditures have been estimated by the District's management. The estimated expenditures include maintenance and repairs of the District's pool and clubhouse.

Debt Service

Principal and interest payments are provided based on the debt amortization schedule from the Series 2020 Bonds (discussed under Debt and Leases)

Debt and Leases

On August 6, 2020, the District, acting by and through its Water Activity Enterprise, issued \$24,315,000 in Non-Potable Water Enterprise Revenue Bonds, Series 2020. The District's primary revenue sources for repayment of the Bonds are rates assessed on residential and non-residential customers of

**RAINDANCE METROPOLITAN DISTRICT NO. 1
2021 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Debt and Leases (continued)

the District and RainDance Metropolitan District Nos. 2, 3 and 4 based on non-potable water usage within the District's Service Area and Capital Facilities Fees collected within the boundaries of RainDance Metropolitan District No. 2 (District No. 2). The Bonds were issued as two term bonds with the first bearing interest at 5.00% per annum and maturing on December 1, 2040 and the second bearing interest at 5.25% and maturing on December 1, 2050. Interest on the Bonds is payable semiannually on June 1 and December 1, beginning on December 1, 2020. Annual mandatory sinking fund principal payments are due on December 1, beginning on December 1, 2024. The Bonds are subject to redemption prior to maturity, at the option of the District, on December 1, 2025, and on any date thereafter, upon payment of par, accrued interest, and a redemption premium equal to a percentage of the principal amount

The District has no outstanding capital or operating leases.

	Balance at December 31, 2019	Additions*	Reductions*	Balance at December 31, 2020*
Non-Potable Water Revenue Bonds Series 2020	\$ -	\$ 24,315,000	\$ -	\$ 24,315,000
Developer Advances Capital	409,915	30,511,474	21,270,705	9,650,684
Interest	95,557	468,412	-	563,969
Total	<u>\$ 505,472</u>	<u>\$ 55,294,886</u>	<u>\$ 21,270,705</u>	<u>\$ 34,529,653</u>

	Balance at December 31, 2020*	Additions*	Reductions*	Balance at December 31, 2021*
Non-Potable Water Revenue Bonds Series 2020	\$ 24,315,000	\$ -	\$ -	\$ 24,315,000
Developer Advances Capital	9,650,684	13,735,000	939,200	22,446,484
Interest	563,969	1,520,069	-	2,084,038
Construction Loan Principal	-	7,865,000	-	7,865,000
Interest	-	393,250	-	393,250
Total	<u>\$ 34,529,653</u>	<u>\$ 23,513,319</u>	<u>\$ 939,200</u>	<u>\$ 57,103,772</u>

*Estimates

**RAINDANCE METROPOLITAN DISTRICT NO. 1
2021 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Reserves

Emergency Reserve

The District has provided an emergency reserve fund equal to at least 3% of fiscal year spending for 2021, as defined under TABOR.

Debt Service Reserves

The District maintains a Debt Service Reserve as required with the issuance of the Series 2020 Non-Potable Water Enterprise Revenue Bonds.

This information is an integral part of the accompanying budget.