

RAINDANCE METROPOLITAN DISTRICT NO. 2

ANNUAL BUDGET

FOR THE YEAR ENDING DECEMBER 31, 2024

RAINDANCE METROPOLITAN DISTRICT NO. 2
SUMMARY
2024 BUDGET
WITH 2022 ACTUAL AND 2023 ESTIMATED
For the Years Ended and Ending December 31,

| | ACTUAL 2022 | ESTIMATED 2023 | BUDGET 2024 |
|---|---------------------|---------------------|---------------------|
| BEGINNING FUND BALANCES | \$ 2,585,303 | \$ 1,846,786 | \$ 1,659,639 |
| REVENUES | | | |
| Property taxes | 332,151 | 784,121 | 1,577,619 |
| Specific ownership taxes | 19,669 | 33,170 | 63,105 |
| Net investment income/change in FV | (59,326) | 40,020 | 40,020 |
| Other revenue | - | 1,000 | 2,000 |
| Total revenues | <u>292,494</u> | <u>858,311</u> | <u>1,682,743</u> |
| Total funds available | <u>2,877,797</u> | <u>2,705,097</u> | <u>3,342,382</u> |
| EXPENDITURES | | | |
| General Fund | 54,945 | 55,460 | 56,907 |
| Debt Service Fund | 976,066 | 989,998 | 1,107,000 |
| Total expenditures | <u>1,031,011</u> | <u>1,045,458</u> | <u>1,163,906</u> |
| Total expenditures and transfers out requiring appropriation | <u>1,031,011</u> | <u>1,045,458</u> | <u>1,163,906</u> |
| ENDING FUND BALANCES | <u>\$ 1,846,786</u> | <u>\$ 1,659,639</u> | <u>\$ 2,178,476</u> |
| Operations | \$ 5 | \$ 5 | \$ 5 |
| 2019A Senior Reserve Fund | 1,549,250 | 1,549,250 | 1,549,250 |
| 2019A Senior Surplus Fund | 297,531 | 100,384 | 629,220 |
| Reserve for Future Debt Payment | - | - | - |
| TOTAL RESERVE | <u>\$ 1,846,786</u> | <u>\$ 1,649,639</u> | <u>\$ 2,178,475</u> |

**RAINDANCE METROPOLITAN DISTRICT NO. 2
PROPERTY TAX SUMMARY INFORMATION
2024 BUDGET
WITH 2022 ACTUAL AND 2023 ESTIMATED
For the Years Ended and Ending December 31,**

| ACTUAL 2022 | ESTIMATED 2023 | BUDGET 2024 |
|----------------|-------------------|----------------|
|----------------|-------------------|----------------|

ASSESSED VALUATION

| | | | |
|--------------------------|---------------------|----------------------|----------------------|
| Residential | \$ 2,975,520 | \$ 12,629,280 | \$ 18,864,230 |
| Multifamily | - | 2,310,760 | 7,447,260 |
| Commercial | - | 52,200 | 45,170 |
| State assessed | 120 | 1,430 | 2,520 |
| Vacant land | 3,656,310 | 1,261,880 | 4,192,910 |
| Personal property | 19,640 | 149,300 | 274,790 |
| Oil & Gas Pipelines | 1,532,260 | 1,483,570 | 1,591,050 |
| | <u>8,183,850</u> | <u>17,888,420</u> | <u>32,417,930</u> |
| Adjustments | - | - | - |
| Certified Assessed Value | <u>\$ 8,183,850</u> | <u>\$ 17,888,420</u> | <u>\$ 32,417,930</u> |

MILL LEVY

| | | | |
|-----------------|---------------|---------------|---------------|
| General | 6.327 | 2.922 | 1.628 |
| Debt Service | 34.279 | 40.912 | 47.037 |
| Total mill levy | <u>40.606</u> | <u>43.834</u> | <u>48.665</u> |

PROPERTY TAXES

| | | | |
|--------------------------------|-------------------|-------------------|---------------------|
| General | \$ 51,779 | \$ 52,270 | \$ 52,776 |
| Debt Service | 280,534 | 731,851 | 1,524,842 |
| Levied property taxes | <u>332,313</u> | <u>784,121</u> | <u>1,577,619</u> |
| Adjustments to actual/rounding | 162 | - | - |
| Budgeted property taxes | <u>\$ 332,151</u> | <u>\$ 784,121</u> | <u>\$ 1,577,619</u> |

BUDGETED PROPERTY TAXES

| | | | |
|--------------|-------------------|-------------------|---------------------|
| General | \$ 51,754 | \$ 52,270 | \$ 52,776 |
| Debt Service | 280,397 | 731,851 | 1,524,842 |
| | <u>\$ 332,151</u> | <u>\$ 784,121</u> | <u>\$ 1,577,619</u> |

**RAINDANCE METROPOLITAN DISTRICT NO. 2
GENERAL FUND
2024 BUDGET
WITH 2022 ACTUAL AND 2023 ESTIMATED
For the Years Ended and Ending December 31,**

| | ACTUAL 2022 | ESTIMATED 2023 | BUDGET 2024 |
|---|----------------|-------------------|----------------|
| BEGINNING FUND BALANCES | \$ 5 | \$ 5 | \$ 5 |
| REVENUES | | | |
| Property taxes | 51,754 | 52,270 | 52,776 |
| Specific ownership taxes | 3,065 | 2,170 | 2,111 |
| Net investment income/change in FV | 126 | 20 | 20 |
| Other revenue | - | 1,000 | 2,000 |
| Total revenues | <u>54,945</u> | <u>55,460</u> | <u>56,907</u> |
| | | | |
| Total funds available | <u>54,950</u> | <u>55,465</u> | <u>56,912</u> |
| EXPENDITURES | | | |
| General and administrative | | | |
| County Treasurer's fee | 786 | 784 | 792 |
| Contingency | - | 1,000 | 2,000 |
| Transfer to District No.1 | 54,159 | 53,676 | 54,115 |
| Total expenditures | <u>54,945</u> | <u>55,460</u> | <u>56,907</u> |
| | | | |
| Total expenditures and transfers out requiring appropriation | <u>54,945</u> | <u>55,460</u> | <u>56,907</u> |
| | | | |
| ENDING FUND BALANCES | <u>\$ 5</u> | <u>\$ 5</u> | <u>\$ 5</u> |

**RAINDANCE METROPOLITAN DISTRICT NO. 2
DEBT SERVICE FUND
2024 BUDGET
WITH 2022 ACTUAL AND 2023 ESTIMATED
For the Years Ended and Ending December 31,**

| | ACTUAL 2022 | ESTIMATED 2023 | BUDGET 2024 |
|---|----------------|-------------------|----------------|
| BEGINNING FUND BALANCES | \$ 2,585,298 | \$ 1,846,781 | \$ 1,659,634 |
| REVENUES | | | |
| Property taxes | 280,397 | 731,851 | 1,524,842 |
| Specific ownership taxes | 16,604 | 31,000 | 60,994 |
| Net investment income/change in FV | (59,452) | 40,000 | 40,000 |
| Total revenues | 237,549 | 802,851 | 1,625,836 |
| Total funds available | 2,822,847 | 2,649,632 | 3,285,470 |
| EXPENDITURES | | | |
| General and administrative | | | |
| County Treasurer's fee | 4,259 | 10,978 | 22,873 |
| Banking fees | 20 | 20 | 40 |
| Paying agent fees | 2,500 | 3,000 | 3,000 |
| Investment Advisory Fee | 3,787 | 4,500 | 4,500 |
| Bond interest - Series 2019A | 965,500 | 965,500 | 965,500 |
| Bond interest - Series 2019B | - | - | 105,000 |
| Contingency | - | 6,000 | 6,087 |
| Total expenditures | 976,066 | 989,998 | 1,107,000 |
| Total expenditures and transfers out requiring appropriation | 976,066 | 989,998 | 1,107,000 |
| ENDING FUND BALANCES | \$ 1,846,781 | \$ 1,659,634 | \$ 2,178,470 |
| 2019A Senior Reserve Fund | \$1,549,250 | \$1,549,250 | \$1,549,250 |
| 2019A Senior Surplus Fund | 297,531 | 100,384 | 629,220 |
| Reserve for Future Debt Payment | - | - | - |
| TOTAL RESERVE | \$ 1,846,781 | \$ 1,649,634 | \$ 2,178,470 |

**RAINDANCE METROPOLITAN DISTRICT NO. 2
2024 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Services Provided

RainDance Metropolitan District No. 2'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. 1, 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. 2
2024 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Revenues (continued)

Property Taxes (continued)

For property tax collection year 2024, SB22-238 and SB23B-001 set the assessment rates and actual value reductions as follows:

| Category | Rate | Category | Rate | Actual Value Reduction | Amount |
|---------------------------|-------------|-----------------------|-------------|-------------------------------|---------------|
| Single-Family Residential | 6.70% | Agricultural Land | 26.40% | Single-Family Residential | \$55,000 |
| Multi-Family Residential | 6.70% | Renewable Energy Land | 26.40% | Multi-Family Residential | \$55,000 |
| Commercial | 27.90% | Vacant Land | 27.90% | Commercial | \$30,000 |
| Industrial | 27.90% | Personal Property | 27.90% | Industrial | \$30,000 |
| Lodging | 27.90% | State Assessed | 27.90% | Lodging | \$30,000 |
| | | Oil & Gas Production | 87.50% | | |

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 that the District's share will be equal to approximately 4% of the property taxes collected.

Expenditures

County Treasurer's Fees

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

Transfer to RainDance Metropolitan District No. 1

Pursuant to the District Coordinating Services Agreement, RainDance Metropolitan District No. 1 will provide certain operation, maintenance and administrative services benefitting the District, 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 RainDance Metropolitan District No. 1.

**RAINDANCE METROPOLITAN DISTRICT NO. 2
2024 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Expenditures (continued)

Debt Service

Interest payments in 2024 are provided based on the attached debt amortization schedule for the Series 2019A Bonds (discussed under Debt and Leases). The Series 2019B Bonds are paid based on available funds, as such a debt amortization schedule has not been included.

Debt and Leases

Series 2019 Limited Tax General Obligation Bonds

The District issued Bonds on December 20, 2019, in the amounts of \$19,310,000 in Limited Tax General Obligation Bonds Series 2019A (Senior Bonds) and \$4,575,000 in Subordinate Limited Tax General Obligation Bonds Series 2019B (Subordinate Bonds). The proceeds from the sale of the Senior Bonds were used for the purposes of: (i) paying a portion of the costs of public improvements or reimbursing the Developer for the advancement of those costs, to the extent of available proceeds; (ii) providing capitalized interest; (iii) providing the Senior Bonds Reserve Fund; and (iv) paying costs of issuance of the Senior Bonds. Proceeds from the sale of the Subordinate Bonds were used to: (i) pay a portion of the costs of public improvements or reimbursing the Developer for the advancement of those costs, to the extent of available proceeds; and (ii) paying costs of issuance of the Subordinate Bonds.

The Senior Bonds bear interest rate of 5.000% payable semi-annually on June 1 and December 1, beginning on December 1, 2020. Annual mandatory sinking fund principal payments on the Senior Bonds are due on December 1, beginning on December 1, 2025. The Senior Bonds mature on December 1, 2039 and December 1, 2049.

The Subordinate Bonds are assumed to bear interest at 7.500% payable annually on December 15, from, and to the extent of, Subordinate Pledge Revenue available. Annual mandatory sinking fund principal payments on the Senior Bonds are due on December 1, to the extent of moneys on deposit, if any, in the Subordinate Bonds Mandatory Redemption Account of the Subordinate Bond Fund. The Subordinate Bonds mature on December 15, 2049.

The District has no capital nor operating lease.

**RAINDANCE METROPOLITAN DISTRICT NO. 2
2024 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Debt and Leases (continued)

| | Balance at December 31, 2022 | Additions | Reductions | Balance at December 31, 2023 |
|--|------------------------------------|-------------|------------------|------------------------------------|
| Developer Advances - Operations | \$ 5 | \$ - | \$ - | \$ 5 |
| Limited Tax General Obligation Bonds: | | | | |
| Series 2019A | 19,310,000 | - | - | 19,310,000 |
| Series 2019A - Premium | 409,461 | - | 21,226 | 388,235 |
| Series 2019B | 4,575,000 | - | - | 4,575,000 |
| Total | <u>\$ 24,294,466</u> | <u>\$ -</u> | <u>\$ 21,226</u> | <u>\$ 24,273,240</u> |

| | Balance at December 31, 2023 | Additions | Reductions | Balance at December 31, 2024 |
|--|------------------------------------|-------------|------------------|------------------------------------|
| Developer Advances - Operations | \$ 5 | \$ - | \$ - | \$ 5 |
| Limited Tax General Obligation Bonds: | | | | |
| Series 2019A | 19,310,000 | - | - | 19,310,000 |
| Series 2019A - Premium | 388,235 | - | 21,226 | 367,009 |
| Series 2019B | 4,575,000 | - | - | 4,575,000 |
| Total | <u>\$ 24,273,240</u> | <u>\$ -</u> | <u>\$ 21,226</u> | <u>\$ 24,252,014</u> |

Reserves

Emergency Reserve

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of fiscal year spending. Since substantially all funds received by the District are transferred to RainDance Metropolitan District No. 1, which pays for all Districts' operations and maintenance costs, and which provides for the required reserve amount, an Emergency Reserve is not reflected in the District's Budget.

Debt Service Reserves

The District maintains a Debt Service Reserve of \$1,549,250 as required with the issuance of the Series 2019A Limited Tax General Obligation Bonds. Additionally, the District maintains a Debt Service Surplus Reserve up to the maximum Surplus amount of \$780,000.

This information is an integral part of the accompanying budget.

RAINDANCE METROPOLITAN DISTRICT NO. 2
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY

| | \$19,310,000 Limited Tax General Obligation Bonds Series 2019A Interest 5.00% Dated December 20, 2019 Interest Payable June 1 and December 1 Principal Payable December 1 | | |
|--|---|---------------|---------------|
| Bonds and Interest Maturing in the Year Ending December 31, | Principal | Interest | Total |
| 2024 | \$ - | \$ 965,500 | \$ 965,500 |
| 2025 | 60,000 | 965,500 | 1,025,500 |
| 2026 | 220,000 | 962,500 | 1,182,500 |
| 2027 | 300,000 | 951,500 | 1,251,500 |
| 2028 | 340,000 | 936,500 | 1,276,500 |
| 2029 | 355,000 | 919,500 | 1,274,500 |
| 2030 | 400,000 | 901,750 | 1,301,750 |
| 2031 | 420,000 | 881,750 | 1,301,750 |
| 2032 | 465,000 | 860,750 | 1,325,750 |
| 2033 | 490,000 | 837,500 | 1,327,500 |
| 2034 | 540,000 | 813,000 | 1,353,000 |
| 2035 | 565,000 | 786,000 | 1,351,000 |
| 2036 | 620,000 | 757,750 | 1,377,750 |
| 2037 | 650,000 | 726,750 | 1,376,750 |
| 2038 | 710,000 | 694,250 | 1,404,250 |
| 2039 | 745,000 | 658,750 | 1,403,750 |
| 2040 | 815,000 | 621,500 | 1,436,500 |
| 2041 | 855,000 | 580,750 | 1,435,750 |
| 2042 | 925,000 | 538,000 | 1,463,000 |
| 2043 | 970,000 | 491,750 | 1,461,750 |
| 2044 | 1,050,000 | 443,250 | 1,493,250 |
| 2045 | 1,100,000 | 390,750 | 1,490,750 |
| 2046 | 1,185,000 | 335,750 | 1,520,750 |
| 2047 | 1,245,000 | 276,500 | 1,521,500 |
| 2048 | 1,335,000 | 214,250 | 1,549,250 |
| 2049 | 2,950,000 | 147,500 | 3,097,500 |
| | \$ 19,310,000 | \$ 17,659,250 | \$ 36,969,250 |