

RAINDANCE METROPOLITAN DISTRICT NO. 2

ANNUAL BUDGET

FOR THE YEAR ENDING DECEMBER 31, 2022

**RAINDANCE METROPOLITAN DISTRICT NO. 2
SUMMARY
2022 BUDGET
WITH 2020 ACTUAL AND 2021 ESTIMATED
For the Years Ended and Ending December 31,**

1/13/22

	ACTUAL 2020	ESTIMATED 2021	BUDGET 2022
BEGINNING FUND BALANCES	\$ 23,505,253	\$ 3,551,115	\$ 2,598,395
REVENUES			
Property taxes	46,380	74,457	332,313
Specific ownership taxes	2,201	3,490	16,616
Interest income	129,534	20	2,500
Total revenues	<u>178,115</u>	<u>77,967</u>	<u>351,429</u>
TRANSFERS IN	<u>2,473</u>	-	-
Total funds available	<u>23,685,841</u>	<u>3,629,082</u>	<u>2,949,824</u>
EXPENDITURES			
General Fund	48,581	53,839	54,368
Debt Service Fund	932,967	976,848	1,000,000
Capital Projects Fund	19,150,705	-	-
Total expenditures	<u>20,132,253</u>	<u>1,030,687</u>	<u>1,054,368</u>
TRANSFERS OUT	<u>2,473</u>	-	-
Total expenditures and transfers out requiring appropriation	<u>20,134,726</u>	<u>1,030,687</u>	<u>1,054,368</u>
ENDING FUND BALANCES	<u>\$ 3,551,115</u>	<u>\$ 2,598,395</u>	<u>\$ 1,895,456</u>
2019A SENIOR RESERVE FUND	\$ 1,549,250	\$ 1,549,250	\$ 1,549,250
2019A SENIOR SURPLUS FUND	3,678	16,155	278,796
2019A CAP I/BOND FUND	1,998,182	1,032,985	67,405
TOTAL RESERVE	<u>\$ 3,551,110</u>	<u>\$ 2,598,390</u>	<u>\$ 1,895,451</u>

No assurance provided. See summary of significant assumptions.

RAINDANCE METROPOLITAN DISTRICT NO. 2
PROPERTY TAX SUMMARY INFORMATION
2022 BUDGET
WITH 2020 ACTUAL AND 2021 ESTIMATED
For the Years Ended and Ending December 31,

1/13/22

	ACTUAL 2020	ESTIMATED 2021	BUDGET 2022
ASSESSED VALUATION			
Industrial	\$ 1,170	\$ -	\$ -
Agricultural	6,020	5,080	-
Residential	-	-	2,975,520
Vacant land	-	327,920	3,656,310
State Assessed	-	-	19,760
Oil and Gas	1,061,020	1,438,450	1,532,260
Certified Assessed Value	<u>\$ 1,068,210</u>	<u>\$ 1,771,450</u>	<u>\$ 8,183,850</u>
MILL LEVY			
General	43.418	29.191	6.327
Debt Service	0.000	10.604	34.279
Total mill levy	<u>43.418</u>	<u>39.795</u>	<u>40.606</u>
PROPERTY TAXES			
General	\$ 46,380	\$ 51,710	\$ 51,779
Debt Service	-	18,784	280,534
Levied property taxes	<u>46,380</u>	<u>70,494</u>	<u>332,313</u>
Taxes on omitted properties	-	3,985	-
Refunds and abatements	-	(22)	-
Budgeted property taxes	<u>\$ 46,380</u>	<u>\$ 74,457</u>	<u>\$ 332,313</u>
BUDGETED PROPERTY TAXES			
General	\$ 46,380	\$ 51,268	\$ 51,779
Debt Service	-	23,189	280,534
	<u>\$ 46,380</u>	<u>\$ 74,457</u>	<u>\$ 332,313</u>

No assurance provided. See summary of significant assumptions.

**RAINDANCE METROPOLITAN DISTRICT NO. 2
GENERAL FUND
2022 BUDGET
WITH 2020 ACTUAL AND 2021 ESTIMATED
For the Years Ended and Ending December 31,**

1/13/22

	ACTUAL 2020	ESTIMATED 2021	BUDGET 2022
BEGINNING FUND BALANCE	\$ 5	\$ 5	\$ 5
REVENUES			
Property taxes	46,380	51,268	51,779
Specific ownership taxes	2,201	2,551	2,589
Interest income	-	20	-
Total revenues	<u>48,581</u>	<u>53,839</u>	<u>54,368</u>
Total funds available	<u>48,586</u>	<u>53,844</u>	<u>54,373</u>
EXPENDITURES			
General and administrative			
County Treasurer's fees	696	769	777
Banking fees	-	40	40
Transfer to District No. 1	47,885	53,030	53,551
Total expenditures	<u>48,581</u>	<u>53,839</u>	<u>54,368</u>
Total expenditures and transfers out requiring appropriation	<u>48,581</u>	<u>53,839</u>	<u>54,368</u>
ENDING FUND BALANCE	<u>\$ 5</u>	<u>\$ 5</u>	<u>\$ 5</u>

No assurance provided. See summary of significant assumptions.

**RAINDANCE METROPOLITAN DISTRICT NO. 2
DEBT SERVICE FUND
2022 BUDGET
WITH 2020 ACTUAL AND 2021 ESTIMATED
For the Years Ended and Ending December 31,**

1/13/22

	ACTUAL 2020	ESTIMATED 2021	BUDGET 2022
BEGINNING FUND BALANCE	\$ 4,430,185	\$ 3,551,110	\$ 2,598,390
REVENUES			
Property taxes	-	23,189	280,534
Specific ownership taxes	-	939	14,027
Interest income	51,419	-	2,500
Total revenues	<u>51,419</u>	<u>24,128</u>	<u>297,061</u>
TRANSFERS IN			
Transfers from other funds	<u>2,473</u>	-	-
Total funds available	<u>4,484,077</u>	<u>3,575,238</u>	<u>2,895,451</u>
EXPENDITURES			
General and administrative			
County Treasurer's fees	-	348	4,208
Paying agent fees	-	2,500	3,000
Investment advisory fee	18,424	8,500	8,500
Contingency	-	-	18,792
Debt Service			
Bond interest Senior Bonds	<u>914,543</u>	<u>965,500</u>	<u>965,500</u>
Total expenditures	<u>932,967</u>	<u>976,848</u>	<u>1,000,000</u>
Total expenditures and transfers out requiring appropriation	<u>932,967</u>	<u>976,848</u>	<u>1,000,000</u>
ENDING FUND BALANCE	<u>\$ 3,551,110</u>	<u>\$ 2,598,390</u>	<u>\$ 1,895,451</u>
2019A SENIOR RESERVE FUND	\$ 1,549,250	\$ 1,549,250	\$ 1,549,250
2019A SENIOR SURPLUS FUND	3,678	16,155	278,796
2019A CAP I/BOND FUND	1,998,182	1,032,985	67,405
TOTAL RESERVE	<u>\$ 3,551,110</u>	<u>\$ 2,598,390</u>	<u>\$ 1,895,451</u>

No assurance provided. See summary of significant assumptions.

**RAINDANCE METROPOLITAN DISTRICT NO. 2
CAPITAL PROJECTS FUND
2022 BUDGET
WITH 2020 ACTUAL AND 2021 ESTIMATED
For the Years Ended and Ending December 31,**

1/13/22

	ACTUAL 2020	ESTIMATED 2021	BUDGET 2022
BEGINNING FUND BALANCE	\$ 19,075,063	\$ -	\$ -
REVENUES			
Interest income	78,115	-	-
Total revenues	<u>78,115</u>	<u>-</u>	<u>-</u>
Total funds available	<u>19,153,178</u>	<u>-</u>	<u>-</u>
EXPENDITURES			
Capital Projects			
Transfers to District No.1	19,150,705	-	-
Total expenditures	<u>19,150,705</u>	<u>-</u>	<u>-</u>
TRANSFERS OUT			
Transfers to other fund	<u>2,473</u>	<u>-</u>	<u>-</u>
Total expenditures and transfers out requiring appropriation	<u>19,153,178</u>	<u>-</u>	<u>-</u>
ENDING FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

No assurance provided. See summary of significant assumptions.

**RAINDANCE METROPOLITAN DISTRICT NO. 2
2022 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
2022 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 that 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 an average interest rate of approximately 0.1%.

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.

Debt Service

Interest payments in 2022 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

**RAINDANCE METROPOLITAN DISTRICT NO. 2
2022 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Debt and Leases (continued)

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.

	Balance at December 31, 2020	Additions	Reductions	Balance at December 31, 2021
Developer Advances - Operations	\$ 5	\$ -	\$ -	\$ 5
Limited Tax General Obligation Bonds:				
Series 2019A	19,310,000	-	-	19,310,000
Series 2019A - Premium	451,914	-	21,226	430,688
Series 2019B	4,575,000	-	-	4,575,000
Total	<u>\$ 24,336,919</u>	<u>\$ -</u>	<u>\$ 21,226</u>	<u>\$ 24,315,693</u>

	Balance at December 31, 2021	Additions	Reductions	Balance at December 31, 2022
Developer Advances - Operations	\$ 5	\$ -	\$ -	\$ 5
Limited Tax General Obligation Bonds:				
Series 2019A	19,310,000	-	-	19,310,000
Series 2019A - Premium	430,688	-	21,226	409,462
Series 2019B	4,575,000	-	-	4,575,000
Total	<u>\$ 24,315,693</u>	<u>\$ -</u>	<u>\$ 21,226</u>	<u>\$ 24,294,467</u>

**RAINDANCE METROPOLITAN DISTRICT NO. 2
2022 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

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
2022	\$ -	\$ 965,500	965,500
2023	-	965,500	965,500
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
	<u>\$ 19,310,000</u>	<u>\$ 19,590,250</u>	<u>\$ 38,900,250</u>

No assurance provided. See summary of significant assumptions.