RAINDANCE METROPOLITAN DISTRICT NOS. 1-3

2025 CONSOLIDATED ANNUAL REPORT

Pursuant to §32-1-207(3)(c) and the Consolidated Service Plan for Raindance Metropolitan District Nos. 1-3 (each a "District") are quasi-municipal corporations and political subdivisions of the State of Colorado, the Districts are required to provide an annual report to the Town Clerk of the Town of Windsor with regard to the following matters:

For the year ending December 31, 2025, the Districts make the following report:

§32-1-207(3) Statutory Requirements

1. **Boundary changes made.**

   There were no changes or proposed changes to the boundaries of the Districts during the reporting year.

2. **Intergovernmental Agreements entered into or terminated with other governmental entities.**

   The Districts did not enter into or terminate any Intergovernmental Agreements with other governmental entities during the reporting year.

3. **Access information to obtain a copy of rules and regulations adopted by the board.**

   A copy of the Districts' rules and regulations are attached hereto as **Exhibit A**.

4. **A summary of litigation involving public improvements owned by the Districts.**

   To our actual knowledge, based on review of the court records in Weld County, Colorado, and the Public Access to Court Electronic Records (PACER), there is no litigation involving the Districts' public improvements as of December 31, 2025.

5. **The status of the construction of public improvements by the Districts.**

   According to District and developer officials, approximately 95% of the public improvements within the Districts have been constructed. It is estimated that all public improvements will be completed by the end of 2025.

6. **A list of facilities or improvements constructed by the Districts that were conveyed or dedicated to the county or municipality.**

   Public improvements including water, sewer, and roadways in Raindance Filings 16, 17, 18 were conveyed to the Town or other appropriate entity in 2022 and 2023.

7. **The final assessed valuation of the Districts as of December 31st of the reporting year.**

   The assessed valuations of each District as of December 31st of the reporting year are below:

   District No. 1: $49,368,620
   District No. 2: $46,635,260
   District No. 3: $39,949,790

8. **A copy of the current year's budget.**

   Copies of the 2026 Budgets are attached hereto as **Exhibit B.**

9. **A copy of the audited financial statements, if required by the "Colorado Local Government Audit Law", part 6 of article 1 of title 29, or the application for exemption from audit, as applicable.**

   The 2025 Audits for District Nos. 1-3 are attached hereto as **Exhibit C**.

10. **Notice of any uncured defaults existing for more than ninety (90) days under any debt instrument of the Districts.**

    The Districts are not aware of any uncured events of default under any debt instrument by the Districts existing for more than ninety (90) days.

11. **Any inability of the Districts to pay their obligations as they come due under any obligation which continues beyond a ninety (90) day period.**

    The Districts are not aware of any inability to pay their obligations as they become due, in accordance with the terms of such obligations, which continue beyond a ninety (90) day period.

Service Plan Requirements

1. **A narrative summary of the progress of the Districts in implementing the Service Plan for the report year.**

   The Districts continue to make progress in the implementation of their service plan through the provision of operations services, including a non-potable water system, and parks, trails, and open space, and financing of public improvements through the issuance of debt and other sources of revenue. Approximately 95% of all public improvements have been completed and it is anticipated that all public improvements will be completed by the end of 2026. The District will continue to own, operate, and maintain recreation improvements including parks, open space, orchards, and the Raindance River Resort. The District also operates, in coordination with Poudre Tech Metropolitan District, a non-potable water system servicing the properties in the Districts.

2. **Except when exemption from audit has been granted for the report year under the Local Government Audit Law, the audited financial statements of the Districts for the report year including a statement of financial condition (*i.e.*, balance sheet) as of December 31 of the report year and the statement of operations (*i.e.*, revenues and expenditures) for the report year.**

   The 2025 Audits for District Nos. 1-3 are attached hereto as **Exhibit C**.

3. **Unless disclosed within a separate schedule to the financial statements, a summary of the capital expenditures incurred by the Districts in development of Public Improvements in the report year.**

   Copies of the 2026 Budgets are attached hereto as **Exhibit B.**

   The assessed valuations of each District as of December 31st of the reporting year are below:

   District No. 1: $49,368,620
   District No. 2: $46,635,260
   District No. 3: $39,949,790

4. **Unless disclosed within a separate schedule to the financial statements, a summary of the financial obligations of the Districts at the end of the report year, including the amount of outstanding indebtedness, the amount and terms of any new Districts indebtedness or long-term obligations issues in the report year, the amount of payment or retirement of existing indebtedness of the Districts in the report year, the total assessed valuation of all taxable properties within the Districts as of January 1st of the report year and the current mill levy of the Districts pledged to debt retirement in the report year.**

   Copies of the 2026 Budgets are attached hereto as **Exhibit B.**

5. **Any other information deemed relevant by the Town Board or deemed reasonably necessary by the Town Manager.**

   None.

6. **Copies of developer Reimbursement Agreements or amendments thereto made in the applicable year.**

   The Districts did not enter into any developer Reimbursement Agreements during the reporting year.

7. **Copies of documentation, such as acceptance letters or resolution packages, substantiating that developer reimbursement for property or services obtained by the developer on the Districts' behalf do not exceed fair market value.**

   The Districts did not accept any costs from developers for reimbursement during the reporting year.

EXHIBIT A
Rules and Regulations

RESOLUTION
OF THE BOARD OF DIRECTORS OF
RAINDANCE METROPOLITAN DISTRICT NO. 1

RESOLUTION ADOPTING A RECREATION AMENITIES USE POLICY FOR RAINDANCE

WHEREAS, Raindance Metropolitan District No. 1 (the "**District**") is a duly organized and validly existing special district, quasi-municipal corporation and political subdivision of the State of Colorado pursuant to Title 32, Colorado Revised Statutes ("C.R.S."); and

WHEREAS, pursuant to Section 32-1-l00l(l)(m), C.R.S., the District has the power to adopt, amend and enforce bylaws and rules and regulations not in conflict with the constitution and laws of this state for carrying on the business, objects, and affairs of the board and of the special district"; and

WHEREAS, pursuant to § 32-1-1001(n), C.R.S., the Board is authorized to have and exercise all rights and powers necessary or incidental to or implied from the specific powers granted to the District by Article 1, Title 32, C.R.S.; and

WHEREAS, pursuant to § 32-1-1001(1)(j), C.R.S., the District is authorized to fix and impose fees, rates, tolls, charges and penalties for services or facilities provided by the District; and

WHEREAS, the District owns, operates, and maintains certain including Raindance River Resort, trails, paths, orchards, open space, landscape tracts and turf fields (the "**Recreation Amenities**") for the benefit of the residents, property owners, and taxpayers of the District, Raindance Metropolitan District No. 2, Raindance Metropolitan District No. 3, and Raindance Metropolitan District No. 4 ("**Raindance**"), and the general public; and

WHEREAS, in Board of Directors of the District (the "**Board**") desires to adopt this Recreation Amenities Use Policy to implement policies and procedures for the use of the Recreation Amenities; and

WHEREAS, the Board finds that the adoption of this Recreation Amenities Use Policy is in the best interest of the public health, safety, and welfare of the District and Raindance.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF RAINDANCE METROPOLITAN DISTRICT NO. 1:

1. <u>Adoption</u>. The Board hereby adopts the Recreation Amenities Use Policy (the "**Policy**"), attached hereto and incorporated herein as **Exhibit A**.

2. <u>Authorization</u>. The Board hereby directs the District Manager, as may be necessary, to implement and otherwise oversee compliance with the Policy.

3. Amendments. The District expressly reserves the right to amend, revise, redact, and/or repeal this Resolution and the Policy in whole or in part, from time to time, in order to further the purpose of carrying on the business, objects, and affairs of the District.

4. Effective Date. This Resolution and the Policy shall be effective immediately and shall remain in full force and effect until such time as such processes is repealed by the Board.

5. Severability. If any term or provision of the Policy are found to be invalid or unenforceable by a court of competent jurisdiction or by operation of any applicable law, such invalid or unenforceable term or provision shall not affect the validity of the Policy as a whole but shall be severed from the Policy, leaving the remaining terms or provisions in full force and effect.

[Remainder of Page Intentionally Blank – Signature Page to Follow]

APPROVED AND ADOPTED this 24th day of March, 2022.

RAINDANCE METROPOLITAN DISTRICT NO. 1, a quasi-municipal corporation and political subdivision of the State of Colorado

DocuSigned by:
Martin Lind
2D24A9FEA47645E...
Officer of the District

ATTEST:

DocuSigned by:
Justin Donahoo
1F0D65F83C2F44E...

APPROVED AS TO FORM

WHITE BEAR ANKELE TANAKA & WALDRON
Attorneys at Law

DocuSigned by:
6B9E7F9291AB46D...
General Counsel to the District

EXHIBIT A

RAINDANCE METROPOLITAN DISTRICT NO. 1

RECREATION AMENITIES USE POLICY

1. **Preamble**: The Board of Directors of Raindance Metropolitan District No. 1 (the "**District**") has adopted the following Recreation Amenities Use Policy (the "Policy") pursuant to Section 32-1-l00l(l)(m), C.R.S., to provide for the orderly and efficient conduct of management, operation and control of the public facilities and services of the District. The District, pursuant to the provisions of its Service Plan approved by the Town of Windsor (the "**Service Plan**") has financed certain recreation amenities to serve the community commonly known as Raindance (the "**Community**") including the Raindance River Resort, trails, paths, orchards, open space, landscape tracts and turf fields (collectively, the "**Recreation Amenities**").

   Unless otherwise specified, all references to the "District" made herein shall refer to Raindance Metropolitan District No. 1, as well its respective Board of Directors. All references herein to "District Manager" shall refer to an independent contractor engaged by the District to perform such services, with and to the extent authorized by the District, by contract or other valid allocation of authority.

2. **District Recreation Amenities Use Generally:** Recreation Amenities are available for use by the general public during the hours of operation set forth below, subject to this Recreation Amenities Use Policy ("Policy") on a first come, first serve basis.

   HOURS OF OPERATION:
   5:00 a.m. – 10:00 p.m.

3. **No Reservations/Commercial Activity/Organized Sports:** The Recreation Amenities are available for the general, informal use of the general public - no reservations are allowed without the prior written approval of the District. Commercial use of the Recreation Amenities is prohibited without the prior written approval of the District. For purposes of this policy "commercial use" shall mean use of the Recreation Amenities for promotion of any business or sale of any product or service, including but not limited to entrance fees or ticket sales. Recreation Amenities may not be reserved for organized sports without prior written approval of the District. For purposes of this policy "organized sports" shall mean any organized team which a coach or referee is present, or any team that is part of any organized league or organization, or as otherwise determined by the Board.

4. **Prohibited Activities:** Unless specifically authorized in writing by the District, the activities described in this Section 3 are prohibited within the Recreation Amenities.

   a. Enter or remain in or refuse to leave during those times when the Recreation Amenities are not open for public use.

   b. Hold organized sports team practices or games.

c. Allow personal property to remain on the Recreation Amenities at the end of the hours of operation, including parking motor vehicles overnight.

d. Operate private or commercial drones, or other recreational aircraft.

e. Deposit, leave or bury refuse, trash, pet waste, or litter except in designated trash receptacles.

f. Place or post signs, or stick or place any handbill, poster, placard, sticker, or painted or printed matter on any public building, fence, power or light or telephone pole, or any other public structure.

g. Permit pets to be off leash. Domestic animals must be under the owner's or handler's control at all times, and on a leash. Owner or handler will be responsible for any damages caused by their animal.

h. Camp overnight.

i. Install any structure, including but not limited to, tents, booths, stands, awnings, tree houses, rope swings, inflatable amusements or canopies, except that temporary awnings and umbrellas or other temporary portable structures for shade are permitted as long as such structures are not left unattended and are removed when user leaves. No stakes may be driven into the ground.

j. Destroy, vandalize, deface or damage any property, buildings, structures, signs, equipment, fences, gates or locks regulating access.

k. Use any amplified sound system that produces audible sound beyond 25 feet.

l. Play or practice golf or archery.

m. Sell, serve, or dispense any alcoholic beverages unless a special event permit is obtained pursuant to the District Amenities Reservation Policy. The private, personal consumption of alcohol is permitted for persons 21 years of age or older and in compliance with all applicable State and local laws and regulations.

n. Smoke, including vaping and electronic cigarettes.

o. Consume or possess any illegal drugs.

p. Consume or possess marijuana.

q. Bring into, possess, or have any glass bottles, or container, plates, or any other object made of glass.

r. Engage in disorderly conduct or abusive language.

s. Discharge explosives or fireworks or operate launch model rockets or other devices which may have an explosive charge.

t. Conduct any commercial activity without prior written approval of the District Manager.

u. Block, close off, or impair access to any trails or facilities.

v. Hunt, shoot, kill, injure, trap or maim any animal.

w. Enter, without authorization, those areas and facilities posted or otherwise designated as closed to the general public, if any.

x. Remove, cut down, or disfigure rocks, trees, shrubs or other features of the natural environment. Picking fruit and vegetables in the orchards and farm fields during District approved picking seasons is permitted.

y. Plant any trees, shrubs or other vegetation anywhere within the Recreation Amenities.

z. Build a fire or operate a fire pit or charcoal grill, including propane fire pits. Portable propane grills are okay.

aa. Operate unauthorized motorized vehicles, including all off-road vehicles such as ATVs, dirt bikes, and other recreational vehicles. Golf carts are permitted pursuant to the Golf Cart Use Policy. Electric scooters and bicycles are permitted.

bb. Possess a weapon, unless authorized pursuant to C.R.S. 18-12-214, or any air rifle, spring-gun, sling, paintball gun, air soft gun or any other weapon.

5. Private Golf Carts:

a. **Use Generally**: All golf cart drivers must be at least sixteen (16) years of age and possess a valid driver's license. Golf carts may only be operated within designated areas within Raindance as depicted in **Exhibit B,** attached hereto. Golf carts shall not be driven or parked outside the designated areas, including open space, parks, and turf fields. Golf carts shall not be operated with more passengers than are seats on the golf cart. All passengers must remain seated while the golf cart is moving.

b. **Registration Required**: All golf carts used or intended for use within Raindance are required to be registered with the District. Golf Cart Registration Forms may be obtained from the District Manager. Any person found operating an unregistered golf cart may be subject to fines, at the discretion of the Board.

c. **Golf Carts on Public Streets**: Use of golf carts on designated public streets in Raindance is permitted under the jurisdiction of the Town of Windsor pursuant to Town of Windsor Resolution 2020-35, attached hereto. All golf cart users must comply with all applicable ordinances of the Town of Windsor and laws of the State of Colorado regarding motor vehicles.

d. **Lights:** Golf carts must be equipped and illuminated with head, tail and stop lamps and turn signals when used at night or low visibility.

6. Compliance/Enforcement:

a. **Disorderly or Offensive Conduct**. The District Manager and its authorized representatives, including security patrols may request any individual to cease conduct that is:

   i. In violation of any of the District's rules and regulations, including this Policy.

   ii. Interferes with, or is abusive, toward any of the District's representatives in the normal operation of the Recreation Amenities.

   iii. Interferes with any user or guest's use or enjoyment of the Recreation Amenities, or is abusive to any such person.

b. **Remedies Available for Disorderly or Offensive Conduct**. In the event that the offending party fails to cease such conduct after being requested and warned to do so, the District Manager, or its designee, is authorized to use any and all reasonable means he or she deems necessary to stop such conduct. This includes, but is not limited to, having the offender removed from the Recreation Amenities, the imposition of fines, or the revocation of further privileges at the Recreation Amenities.

c. **Violations**. If anyone is found to violate the District's rules and regulations, including this Policy, disciplinary measures may be administered by the District Manager as follows without the necessity of any action of the District's Board of Directors:

First offense:	Advisory Letter
Second offense within 90 days of the Advisory Letter:	$100
Third offense within 90 days of the Advisory Letter:	$200

Users may also be restricted from use of the Recreation Amenities at the discretion of the District Manager and must apply for reinstatement. The District Manager shall determine whether the reinstatement is approved.

The District's Board of Directors shall be notified of all disciplinary measures by the District Manager and shall, in its discretion, have the ability to impose other disciplinary measures it deems appropriate at any point in time, which may include revocation of Recreation Amenities privileges for a user and/or user's family members. Any violations and disciplinary measures taken will be recorded in writing and kept on file by the District Manager. All violations may be reported to local law enforcement authorities as deemed necessary by the District Manager or the District's Boards of Directors.

d. **Restitution for Violation**. If any user or guest commits an act or omission that constitutes a violation of this Policy, and the violation causes the District to incur expenses, the user who commits the violation, or who is responsible for the guest who commits the violation, shall be liable to the District for all such expenses and shall repay the same to the District upon request. Such expenses may include, but shall not be limited to, reasonable attorneys' fees incurred as a result of the violation, as well as reasonable costs and/or attorneys' fees incurred in obtaining and collecting a judgment against a user who commits a violation or is responsible for a guest who commits a violation.

EXHIBIT A

TOWN RESOLUTION NO. 2020-35

AND

DESIGNATED GOLF CART AREAS

TOWN OF WINDSOR

RESOLUTION NO. 2020 - 35

A RESOLUTION APPROVING A PERMIT PURSUANT TO CHAPTER 8, ARTICLE VI OF THE *WINDSOR MUNICIPAL CODE* FOR THE PURPOSE OF ALLOWING THE USE OF GOLF CARS ON PUBLIC ROADWAYS WITHIN THE NEIGHBORHOODS KNOWN AS "RAINDANCE".

WHEREAS, the Town of Windsor ("Town") is a Colorado home rule municipality with all powers and authority vested by Colorado law; and

WHEREAS, in 2009, the Town Board adopted an amendment to the *Windsor Municipal Code*, later codified at Chapter 8, Article VI, with respect to the operation of golf cars on public roadways ("Golf Car Code"); and

WHEREAS, the Golf Car Code contains various requirements for Town Board review and approval of neighborhood requests for permission to operate golf cars on public roadways; and

WHEREAS, except as approved by the Town Board, the Golf Car Code makes it clear that operation of golf cars on public streets is prohibited; and

WHEREAS, permission for the operation of golf cars on public roadways has already been provided for areas within the Water Valley Master Association, in Water Valley North, Water Valley South, and Pelican Hills (Hilltop Estates), and South Hill (Frye Farm and Pelican Farms) through expansion and amendments to Resolution No. 2005-97 dated November 14, 2005, with respect to Neighborhood Electric Vehicles as then-defined under State law.

WHEREAS, the RainDance Community Association, Inc. ("Association"), jointly with the RainDance Metropolitan District has submitted a written request to the Town Board, seeking permission for the operation of golf cars on additional public roadways within a defined area, to include RainDance; and

WHEREAS, the Town's Police Department has undertaken the necessary administrative reviews, and has made its recommendations to the Town Board in this regard; and

WHEREAS, the Town Board has undertaken the necessary legislative review, and has concluded that, subject to the limitations, conditions and restrictions set forth herein, the requested permit should be issued pursuant to the Golf Car Code; and

WHEREAS, the within Resolution is intended to promote the public health, safety and welfare.

NOW, THEREFORE, be it resolved by the Town Board for the Town of Windsor, Colorado, as follows:

1. The foregoing recitals are incorporated herein as if set forth fully.

2. Pursuant to Chapter 8, Article VI of the *Windsor Municipal Code*, the operation of golf cars* shall be lawful upon public roadways within the geographical area depicted upon the attached Exhibit A ("Permit Area") for the areas inclusive within the RainDance Metropolitan District, and the RainDance Community Association, Inc.

3. The following conditions shall apply to the operation of golf cars within the Permit Area:

    a. No golf car shall be operated by any person under the age of sixteen (16) years.

    b. No golf car shall be operated by any person unless such person holds valid driving privileges pursuant to Title 42, C.R.S., or the equivalent under the law of any other jurisdiction within the United States.

    c. No golf car shall be operated upon any sidewalk, pedestrian trail or recreational facility within the Town, whether or not such trail or recreational facility is operated under authority of the Town, unless the sidewalk, trail or recreational facility is posted as a designated golf car path. No golf cars shall be allowed on the Poudre River Trail.

    d. Golf cars shall not be operated upon any roadway with a speed limit greater than 35 mph; and shall not be operated on any portion of 7th Street, Colorado Boulevard, Colorado State Highway 392 or Colorado State Highway 257. Golf cars shall only cross such roadways where golf car crossings are permitted, and posted as set forth in Section 4 below.

    e. The operator of a golf car must obey all traffic and parking regulations otherwise applicable to motor vehicles.

    f. No golf car shall be operated between sunset and sunrise or at any other time when, due to insufficient light or unfavorable atmospheric conditions, persons and vehicles on the highway are not clearly discernible at a distance of one thousand (1,000) feet ahead, unless such golf car is equipped and illuminated with head lamps, tail lamps, stop lamps and turn signals as required under Title 42, Article 4, Part 2, C.R.S.

    g. Golf cars shall be operated as close to the right side of the roadway as practicable, exercising due care when approaching, overtaking or passing a

* As defined in Chapter 8, Article VI of the *Windsor Municipal Code*

standing vehicle or one proceeding in the same direction or when approaching, overtaking or passing a pedestrian or bicyclist.

4. In addition to the operation-specific conditions set forth above, the permissions granted under this Resolution shall be expressly conditioned upon the posting of signage within the Permit Area, the cost of which shall be borne solely by the Association, which signage shall comply with the following requirements:

a. At each roadway intersection through which vehicular traffic may exit the Permit Area, a sign having a reflective surface area of no less than twenty-four by twenty-four inches ("24 X 24") shall face the exiting traffic lane, shall contain the universal symbol prohibiting golf cars, and shall either contain the phrase, "NO GOLF CARS BEYOND THIS POINT", or shall separately contain such phrase elsewhere upon the same sign post; and

b. Within fifty feet of each roadway intersection, a sign having a reflective surface of not less than twenty-four by twenty-four inches ("24 X 24") shall face approaching traffic, and shall contain a depiction of a golf car, and shall either contain the phrase, "GOLF CARS ON ROADWAY", or shall separately contain such phrase elsewhere upon the same sign post.

c. At every crossing of any State Highway or roadway posted at a speed limited greater than 35 mph, a sign having a reflective surface of not less than twenty-four by twenty-four inches ("24 X 24") shall face approaching traffic, and shall contain a depiction of a golf car, and shall either contain the phrase, "GOLF CARS CROSSING", or shall separately contain such phrase elsewhere upon the same sign post.

d. Until such time as a crossing has been authorized by official Town Board action at any State Highway or roadway posted at a speed limited greater than 35 mph, signs, meeting the requirements stated above in "c", shall be clearly posted stating "NO GOLF CARS CROSSING", with a depiction of the universal symbol prohibiting golf cars, shall be posted at any area where a golf car may try to cross.

5. In addition to the foregoing requirements and limitations, the Association shall distribute a complete copy of the within Resolution by United States Mail, First Class postage pre-paid, to each of its members. The Association shall also distribute the attached Notification to any of its membership for which electronic mail addresses are maintained by the Association.

6. The Golf Car privileges granted herein are revocable if, in the sole discretion of the Windsor Town Board, the safety of the public cannot be assured.

Upon motion duly made, seconded and carried, the foregoing Resolution was adopted this 13th day of April, 2020.

TOWN OF WINDSOR, COLORADO

By: Kristie Melendez

Kristie Melendez, Mayor

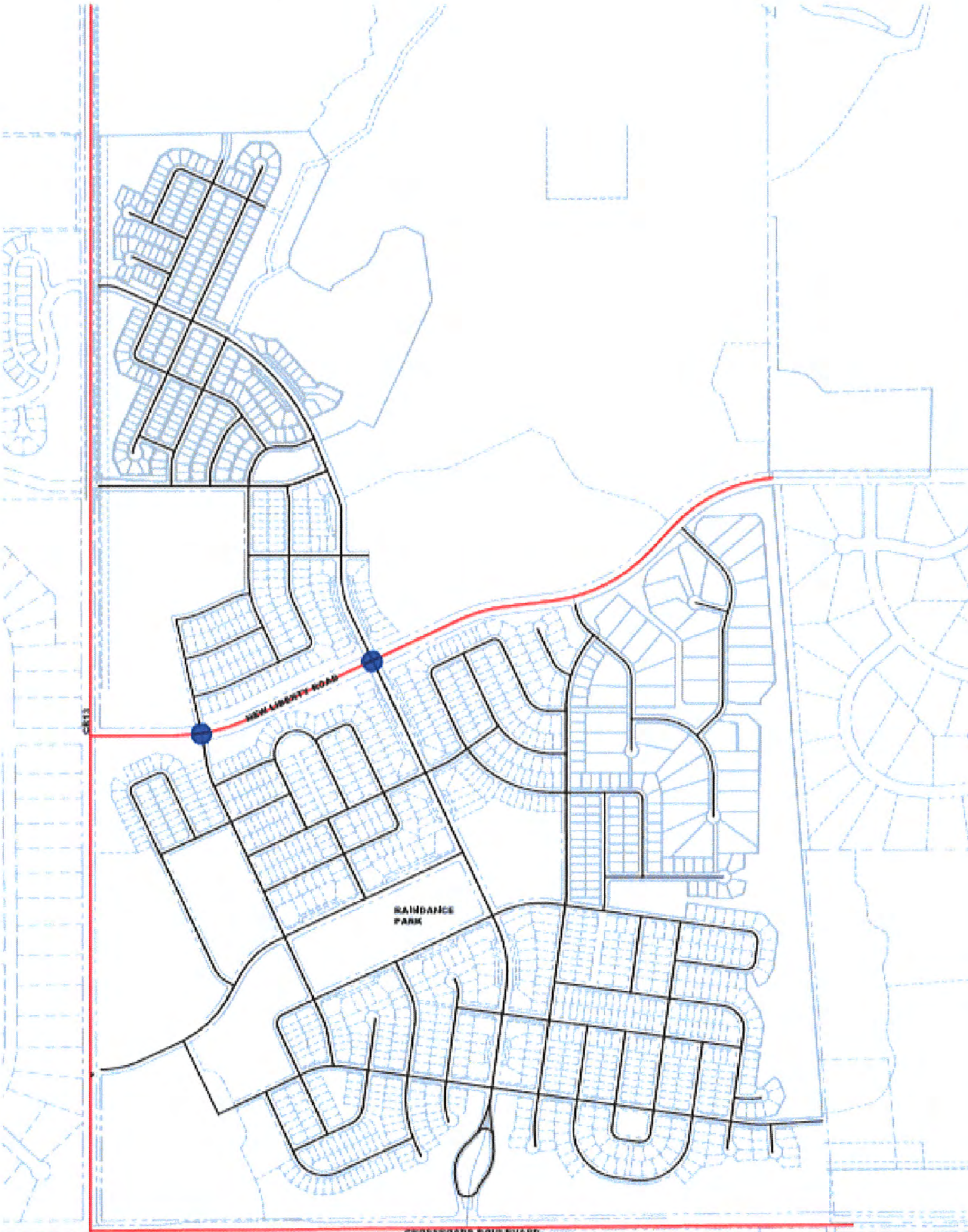
ATTEST:

Krystal Eucker, Town Clerk

Town of Windsor Colorado
WINDSOR
1890
COLO
SEAL

RAINDANCE: COMMUNITY GOLF CART MAP

-Per State law, no golf cart can drive along roads marked 35 mph or faster.
-Carts must be operated as close to the right side of the road as possible.



LEGEND

BLACK LINE INDICATES CITY STREET & CART PATH FRIENDLY ROAD.

RED LINE INDICATES ROAD WHERE CARTS CANNOT DRIVE.

BLUE CIRCLES INDICATE LOCATIONS WHERE CARTS MUST CROSS COLLECTOR ROADS.

(GOLF CART USAGE IS SUBJECT TO WINDSOR TOWN BOARD PERMIT REQUIREMENTS.)

EXHIBIT B
2026 BUDGETS

RAINDANCE METROPOLITAN DISTRICT NO. 1
2026 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.

Revenues (Continued)

Property Taxes (Continued)
For property tax collection year 2026, SB24-233 and HB24B-1001 set the assessment rates and actual value reductions as follows:

Category	Rate		Category	Rate
Single-Family Residential	6.25%		Agricultural Land	27.00%
Multi-Family Residential	6.25%		Renewable Energy Land	27.00%
Commercial	27.00%		Vacant Land	27.00%
Industrial	27.00%		Personal Property	27.00%
Lodging	27.00%		State Assessed	27.00%
			Oil & Gas Production	87.50%

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.

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 4% of the property taxes collected.

Interest Income
Interest earned on the District's available funds has been estimated based on historical earnings.

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.

Revenues (Continued)

Water Service Fee
The District provides non-potable water to various users, and charges fees based upon a fee resolution approved by the District's Board of Directors.

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 unit.

Stop Curb Repair Fees
During 2026, 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 and 3
Pursuant to the District Coordinating Services Agreement, the District will provide certain operation, maintenance and administrative services benefitting the RainDance Metropolitan District No. 2 and RainDance Metropolitan District No. 3 (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.

Recreation fees (Pool and W-Club)
During 2026, the District anticipates collecting $1,090,000 from selling River Resort and W-Club guest passes and memberships.

IGA - PTMD - River Resort Cost Share
During 2026, the District anticipates receiving $335,000 from Poudre Tech Metro District (PTMD) as PTMD's share of the operating costs of the pool.

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.

Expenditures (Continued)

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 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. 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.

On October 17, 2023, the District acting by and through its Water Activity Enterprise, entered into a subordinate pledge agreement with Poudre Tech Metropolitan Distict (PTMD) agreeing to remit to PTMD, for the purpose of paying a portion of principal and interest on the PTMD 2023 Loan. These payments are a maximum of 27% of each payment and are cash flow in nature; therefore, no schedule of payments is included herein.

The District has no outstanding capital or operating leases.

Emergency Reserve
The District has provided an emergency reserve fund equal to at least 3% of fiscal year spending for 2025, 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.

RAINDANCE METROPOLITAN DISTRICT NO. 1
SCHEDULE OF DEBT REQUIREMENTS TO MATURITY

$24,315,000
Non-Potable Water Enterprise Revenue Bonds, Series 2020
Interest 5% before December 1 2040
Interest 5.25% after December 1, 2040
Date August 6, 2020
Interest Payable June 1 and December 1
Principal Payable December 1

Bonds & Interest Maturing in the Year Ending December 31,	Principal	Principal Payment	Annual Interest	Total Debt Service
2026	24,260,000	35,000	1,260,225	1,295,225
2027	24,225,000	45,000	1,258,475	1,303,475
2028	24,180,000	55,000	1,256,225	1,311,225
2029	24,125,000	60,000	1,253,475	1,313,475
2030	24,065,000	75,000	1,250,475	1,325,475
2031	23,990,000	90,000	1,246,725	1,336,725
2032	23,900,000	170,000	1,242,225	1,412,225
2033	23,730,000	255,000	1,233,725	1,488,725
2034	23,475,000	350,000	1,220,975	1,570,975
2035	23,125,000	450,000	1,203,475	1,653,475
2036	22,675,000	560,000	1,180,975	1,740,975
2037	22,115,000	650,000	1,152,975	1,802,975
2038	21,465,000	750,000	1,120,475	1,870,475
2039	20,715,000	855,000	1,082,975	1,937,975
2040	19,860,000	970,000	1,040,225	2,010,225
2041	18,890,000	1,090,000	991,725	2,081,725
2042	17,800,000	1,220,000	934,500	2,154,500
2043	16,580,000	1,360,000	870,450	2,230,450
2044	15,220,000	1,510,000	799,050	2,309,050
2045	13,710,000	1,670,000	719,775	2,389,775
2046	12,040,000	1,755,000	632,100	2,387,100
2047	10,285,000	1,850,000	539,963	2,389,963
2048	8,435,000	1,945,000	442,837	2,387,837
2049	6,490,000	2,045,000	340,725	2,385,725
2050	4,445,000	4,445,000	233,362	4,678,362
Total		24,260,000	24,508,112	48,768,112

RainDance Metropolitan District No. 1
2026 Budget Property Tax Summary Information
For the Years Ended and Ending December 31,

	Assessed Value 2024	Assessed Value 2025	Preliminary Assessed Value 2026
Commercial	969,420	1,403,760	1,620,450
Oil & Gas - Production	232,335,130	79,497,270	46,873,850
Oil & Gas - Pipeline	592,900	653,350	859,740
State Assessed	160	120	14,420
Personal Property	16,040	11,970	12,210
Vacant Land	180	180	160
Certified Assessed Value	233,913,830	81,566,650	49,380,830
Mill Levy			
General	39.000	39.000	39.000
Debt Service	-	-	-
Total Mill Levy	39.000	39.000	39.000
Property Taxes Levied			
General	9,122,639	3,181,099	1,925,852
Debt Service	-	-	-
Total Taxes Levied	9,122,639	3,181,099	1,925,852

5.25% Revenue Growth Limit Test*		**2025**	**2026**
Previous year general revenue		9,122,639	3,181,099
Previous year assessed value *less pers*	÷	969,760	1,404,060
Previous year tax rate		9,407.110	2,265.643
Assessed value of new construction	x	-	-
Revenue from growth properties		-	-
Expanded revenue base *(prior general revenue + growth revenue)*		9,122,639	3,181,099
5.25% Increase	x	1.055	1.0525
Increased revenue base		9,624,384	3,348,107
Current year assessed value *less perso*	÷	1,404,060	1,635,030
General Mill Levy with 5.25% Growth		6,854.681	2,047.734

**Informational purposes only. Levy remains at 39.000 Mills.*

RainDance Metropolitan District No. 1
2026 Budget - General Fund
For the Years Ended and Ending December 31,

	2024 Estimated Actual	2025 Budget	2025 Estimated Actual	2026 Budget
Beginning Fund Balances	$ 3,456,545	$ 8,205,601	$ 8,205,601	$ 8,062,650
Revenues				
Property Taxes	9,120,684	3,181,099	3,181,100	1,925,852
Specific Ownership Taxes	330,259	127,244	127,244	130,000
Interest Income	172,693	164,112	170,273	161,253
IGA - River Resort Cost Share - PTMD	-	360,000	360,000	335,000
IGA - Maint. Building Exp. and Fuel Share	-	-	-	45,000
RiverDance River Resort Membership	-	-	12,456	-
Intergovernmental Revenue - RDMD2	56,891	600,164	600,735	727,649
Intergovernmental Revenue - RDMD3	-	636,529	636,639	684,528
Intergovernmental Revenue - RDMD4	-	-	-	-
Recreation Fees (Pool & W-Club)	1,146,471	435,000	985,564	1,090,000
Developer Advance - Overhead	60,000	60,000	-	-
Developer Contribution - Pool	-	-	-	-
Other Revenues	16,480	-	7,000	-
Total Revenues	10,903,478	5,564,148	6,081,011	5,099,282
Total Funds Available	14,360,023	13,769,749	14,286,612	13,161,932
Expenditures				
General and Administrative				
District Management Contract	51,975	60,000	45,000	39,690
Administration Staff	527,320	102,000	155,628	129,000
Accounting	194,347	125,000	120,417	50,400
Accounting - Cost Certification	-	15,000	15,000	5,000
Audit	41,313	50,000	70,000	50,000
Legal Services	85,462	110,000	49,831	90,000
Consulting and Studies	3,021	10,000	10,000	5,000
Engineer - Cost Certification	-	-	-	-
Election		15,000	3,797	-
County Treasurer's Fees	136,822	47,716	47,742	28,888
Insurance	70,377	80,934	80,934	86,400
Dues and Memberships	2,644	2,044	2,286	2,800
Office Rent	27,182	31,000	31,000	34,765
Office Supplies	-	7,000	3,727	6,000
Miscellaneous	20,455	-	-	-
Office Overhead	60,000	60,000	60,000	60,000
Bank Fees	5,772	500	103	1,000
Website	-	11,100	2,000	7,000
District Events	807	15,000	15,000	7,500
Developer Repayment - Overhead	60,000	60,000	-	-
Contingency	-	30,000	30,000	30,000
Operations and Maintenance				
Utilities - Water, Electricity & Gas	245,436	125,000	57,875	100,000
Non-potable Water	263,528	275,000	275,000	300,000
Community Management Staff	-	131,000	50,000	134,000
Maintenance Staff	-	240,000	220,000	279,000
Cost Share W-Club	573,236	450,000	450,000	567,300
Dues, Education, and Certifications	-	-	-	2,500
Landscape Contract	393,693	400,000	400,000	410,000
Landscape Projects	136,629	30,000	58,075	35,000
Parks & Playgrounds	-	-	19,875	15,000
Sprinkler System Repairs	35,057	50,000	75,000	50,000

RainDance Metropolitan District No. 1
2026 Budget - General Fund
For the Years Ended and Ending December 31,

	2024 Estimated Actual	2025 Budget	2025 Estimated Actual	2026 Budget
Snow Removal	14,608	50,000	50,000	45,000
Farms	35,025	45,000	45,000	47,000
Orchard Trees and Operations	48,534	15,000	30,000	15,000
Small Tools and Supplies	39,746	16,000	8,000	17,000
Repairs and Maintenance	125,126	90,000	35,000	45,000
Lease - Truck	-	14,300	14,300	14,300
Vehicle & Equip Maint & Repair	-	-	14,803	18,000
Gas & Diesel	-	-	177	-
Safety Equipment and Education	750	6,000	6,000	2,500
Patrol Services	89,423	80,000	80,000	80,000
Curb Stop Repairs	-	-	-	-
Storm Sewer Maintenance	790	90,000	39,564	45,000
Dog Waste Stations	-	-	6,500	7,000
Street Trees		20,000	20,000	20,000
Fences Maintenance and Stain		45,000	45,000	45,000
Pool and Clubhouse				
Pool Management	269,069	250,000	354,778	375,000
Pool Cashier	-	45,000	-	-
Pool Insurance	-	42,000	30,000	35,000
Pool Supplies & Chemicals	64,946	80,000	30,000	68,000
Pool Utilites	63,367	93,100	57,000	75,000
Pool Repairs and Maintenance	128,844	40,000	32,000	42,000
Pool Security	-	-	550	-
Pool Cleaning	30,489	45,000	45,000	35,000
Poolhouse, Silos, & Restroom Repair	-	25,000	12,000	25,000
Pool Contingency	7,778	15,000	-	15,000
Landscape River Resort	-	7,500	-	-
Maintenance Building/Facilities				
IGA - Maint. Building Expense and Fuel Share	2,341	40,000	40,000	60,000
Lease - Principal	-	-	-	-
Lease - Down Payment	4,994	-	-	-
Capital Outlay				
Capital Projects		145,000	145,000	54,500
Capital Reserves		200,000	200,000	100,000
Equipment Acquisition	86,311	80,000	85,000	80,000
Transfer out to Capital Projects	2,207,205	2,400,000	2,400,000	-
Contingency	-	50,000	50,000	50,000
Total Expenditures	6,154,422	6,562,194	6,223,962	3,941,543
Excess Revenues (Expenditures)	4,749,056	(998,046)	(142,951)	1,157,739
Ending Fund Balance	$ 8,205,601	$ 7,207,555	$ 8,062,650	$ 9,220,389
Emergency Reserve	$ 327,200	$ 167,000	$ 182,500	$ 153,000
Total Reserve	$ 327,200	$ 167,000	$ 182,500	$ 153,000
Total Expenditures Requiring Appropriation	6,154,422	6,562,194	6,223,962	3,941,543

RainDance Metropolitan District No. 1
2026 Budget - Enterprise Fund
For the Years Ended and Ending December 31,

	2023 Actual	2024 Approved Budget	9/30/2024 Actual	2024 Estimated Actual	2025 Budget	2025 Estimated Actual	2026 Propsed Budget
Beginning Funds Available	$ 3,029,097	$ 7,817,812	$ 4,438,628	$ 4,438,628	$ 4,917,834	$ 4,917,834	$ 4,679,902
Operating Revenues							
Water Fees			-				
Residential/Commercial Use	1,246,472	1,250,000	738,746	992,288	1,500,000	899,964	550,000
Annual Captial Fee	-	-		-	-	600,036	638,037
District	216,486	300,000	-	263,528	275,000	275,000	300,000
Hoedown Hill	-	70,000	-	42,029	70,000	70,000	45,000
Golf Course	-	320,000	-	324,405	315,000	315,000	315,000
Meter Sales	214,000	200,000	-	257,600	140,000	140,000	140,000
Curb Stop	-	-	-	-	15,000	15,000	5,000
Tap Fees (System Development Fees)	90,000	200,000	-	135,000	125,000	125,000	125,000
Total Revenues	1,766,958	2,340,000	738,746	2,014,850	2,440,000	2,440,000	2,118,037
Total Funds Available	4,796,055	10,157,812	5,177,374	6,453,478	7,357,834	7,357,834	6,797,939
Operating Expenditures							
General and Administrative							
District Management Contract	250,000	60,000	-		50,000	12,000	17,010
Administration, Water, and Billing Staff	36,587	-	40,843	56,928	-	-	103,000
Admin Staff - On-site	-	130,000	-	-	108,000	108,000	-
Legal Services	3,520	5,000	1,507	1,833	4,000	25,000	5,000
Bank Fees	-	-		2,979	-	123	3,000
Bad Debt	-	-		-	-	5,275	-
Consulting and Studies	88,194	10,000	30,925	32,262	10,000	20,000	35,000
Operations and Maintenance							
Electricity & Gas	7,588	50,000	45,958	19,057	90,000	163,020	115,000
Delivery and Ditch Expenses	-	15,000	-	-	15,000	15,000	6,000
Maintenance & Field Staff	-	250,000	-	250,000	300,000	300,000	225,000
Repairs and Maintenance	105,447	70,000	74,400	123,579	75,000	75,000	110,000
Tools and Equipment	2,005	5,000	491	491	4,000	4,000	4,000
Water Quality Treatments	-	30,000	-	-	10,000	500	30,000
Water Meter Installation	-	125,000	196,902	259,513	130,000	130,000	140,000
Meter Reading & Billing Software	-	-		-	-	20,747	25,000
Gasoline, Oil & Diesel	-	-		-	-	19,653	-
IGA - Maint. Building Expense and Fuel Share	-	-		-	-	31,200	15,000
Maintenance Building Utilities	-	-		-	-	4,825	-
Pump Station Lease	-	-		-	-	34,667	32,000
Curb Stop Repairs	-	-	-		15,000	-	5,000
Other Operating Expenses							
SCADA	-	20,000	-	1,755	20,000	20,000	15,000
Utilities	-	-		1,544	-	-	-
Utility Locates	106,423	80,000	74,928	99,648	100,000	100,000	96,000
Miscellaneous	1,329	900	2,810	2,865	-	15,864	-
Contingency	-	37,125	-	-	15,000	10,000	10,000
Total Operating Expenditures	601,093	888,025	468,764	852,454	946,000	1,114,874	991,010
Excess Operating Revenues	1,165,865	1,451,975	269,982	1,162,396	1,494,000	1,325,126	1,127,027
Debt							
2020 Bond Principal	-	25,000	-	25,000	30,000	30,000	35,000
2020 Bond Interest	1,262,975	1,262,975	631,488	1,262,975	1,261,725	1,261,725	1,260,225
Paying Agent Fees	633	2,000	1,320	1,320	2,000	2,000	2,000
2023 Loan Transfers to PTMD	117,502	210,000	-	210,438	302,003	302,003	302,565
Total Debt Service	1,381,110	1,499,975	632,808	1,499,733	1,595,728	1,595,728	1,599,790
Funds Available after Debt Payments	2,813,852	7,769,812	4,075,802	4,101,291	4,816,106	4,647,232	4,207,139
Other Sources (Uses) of Funds							
Non-operating Revenue and Expenditures							
Interest Income	104,613	50,000	-	137,469	49,178	72,444	46,799
Other Income	100	-	-	-	-	10,226	-

RainDance Metropolitan District No. 1
2026 Budget - Enterprise Fund
For the Years Ended and Ending December 31,

	2023 Actual	2024 Approved Budget	9/30/2024 Actual	2024 Estimated Actual	2025 Budget	2025 Estimated Actual	2026 Propsed Budget
Depreciation	(281,682)	-	-	-	-	-	
Developer Advance - Field Staff	-	250,000	-	-	250,000	250,000	-
Developer Repayment - Field Staff	-	(250,000)	-	-	(250,000)	(250,000)	-
Capital Outlay Revenue and Expenditures				-			
Other Capital Projects	-	-	-	(3,945,783)	(50,000)	(50,000)	(35,000)
Transfers from PTMD	-	-	3,383,733		-	-	-
Intergovernmental Revenue - PTMD Reservoir	1,801,745	-	3,383,733	4,624,857	-	-	-
Intergovernmental Expenses - RDM1 Reservoir	-	-	-	-	-	-	-
Total Other Sources (Uses) of Funds	1,624,776	50,000	6,767,466	816,543	(822)	32,670	11,799
Ending Funds Available	4,438,628	7,819,812	10,843,268	4,917,834	4,815,284	4,679,902	4,218,938
Debt Service Reserve	$ 2,289,792	$ 2,289,792	$ 22,200	$ 2,289,792	$ 2,289,792	$ 2,289,794	$ 2,289,795
Total Reserve	$ 2,289,792	$ 2,289,792	$ 22,200	$ 2,289,792	$ 2,289,792	$ 2,289,794	$ 2,289,795
Total Expenditures Requiring Appropriation	1,982,203	2,638,000		6,297,970	2,841,728	3,010,602	2,625,800

RainDance Metropolitan District No. 1
2026 Budget - Capital Projects Fund
For the Years Ended and Ending December 31,

	2024 Estimated Actual	2025 Budget	2025 Estimated Actual	2026 Budget
Beginning Fund Balances	$ (85,459)	$ (483,933)	$ (483,933)	$ (495,423)
Revenues				
PIF - Golf Lot Premium	-	-		-
Interest Income	-	-		-
Other Revenues	48,873	-	(11,490)	-
Total Revenues	48,873	-	(11,490)	-
Total Funds Available	(36,586)	(483,933)	(495,423)	(495,423)
Expenditures				
General and Administrative	-		-	-
Accounting	-	-	-	-
Miscellaneous	447,347		-	-
Legal	-	-	-	-
Capital Projects				
Golf Course/Hoedown Hill/Country Store/Maintenance Bldg	-	-	-	-
Landscape & Parks	-	-	-	-
Streets and Sidewalks	-	2,400,000	-	
Engineering	-	-	-	-
Total Expenditures	447,347	2,400,000	-	-
Other Sources (Uses)				
Developer Advance	-	-	-	-
Developer Repayment	(2,207,205)	-	-	-
Transfer in From General	2,207,205	2,400,000	-	-
Total Other Sources (Uses)	-	2,400,000	-	-
Excess Revenues (Expenditures)	(398,474)	-	(11,490)	-
Ending Fund Balance	$ (483,933)	$ (483,933)	$ (495,423)	$ (495,423)
Total Expenditures Requiring Appropriation	447,347	2,400,000	-	-

RAINDANCE METROPOLITAN DISTRICT NO. 2
2026 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.

Revenues (continued)

Property Taxes (continued)

For property tax collection year 2026, SB24-233 and HB24B-1001 set the assessment rates and actual value reductions as follows:

Category	Rate		Category	Rate
Single-Family Residential	6.25%		Agricultural Land	27.00%
Multi-Family Residential	6.25%		Renewable Energy Land	27.00%
Commercial	27.00%		Vacant Land	27.00%
Industrial	27.00%		Personal Property	27.00%
Lodging	27.00%		State Assessed	27.00%
			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, and RainDance Metropolitan District No. 3 (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.

Expenditures (continued)

Debt Service

Interest payments in 2026 are provided based on the attached debt amortization schedule for the Series 2024 Refunding Bonds (discussed under Debt and Leases).

Debt and Leases

Series 2024 Limited Tax General Obligation Refunding Bonds

The District issued Refunding Bonds on October 9, 2024, in the amount of $41,540,000. Proceeds from the sale of the Series 2024 bonds refunded the District's series 2019A and series 2019B bonds and District No. 3's Series 2018A and Series 2018B bonds. Bonds maturing through 2039 bear an interest rate of 5% and bonds maturing after 2039 bear an interest rate of 4%. The bonds are payable by moneys derived from the District's property tax revenues, specific ownership tax revenue, and any other legally available moneys and the District No. 3 pledged revenues.

Required Mill Levy

The required mill levy, as defined in the Pledge Agreement and imposed upon all taxable property of the Taxing Districts, is the amount that would generate Tax Revenue equal to the Annual Financing costs but not in excess of 39.000 mills, as adjusted for changes in the method of calculating assessed valuations after January 1, 2014. The actual mill levies imposed by each Taxing District are to be the same if sufficient to generate the Annual Financing costs. For collection year 2026, the mill levy for both districts has been set at 28.060 mills, which provides sufficient revenue for the annual financing costs.

The scheduled principal and interest payments are secured by a Municipal Bond Insurance Policy issued by Build America Mutual Assurance Company. Interest payments are due June 1 and December 1 each year and principal payments are due December 1 each year. See the Schedule of Debt Service Requirements. Bonds maturing on or before December 1, 2029 are not subject to optional redemption. The Bonds maturing after December 1, 2029 are subject to redemption prior to maturity according to the following schedule of redemption premium.

Date of Redemption	Redemption Premium
December 1, 2029 to November 30, 2030	3.00%
December 1, 2030 to November 30, 2031	2.00
December 1, 2031 to November 30, 2032	1.00
December 1, 2032 and thereafter	0.00

The District has no capital or operating lease.

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 $2,492,800, which was fully funded at debt issuance by the debt service reserve insurance policy, as required with the issuance of the Series 2024 Limited Tax General Obligation Refunding Bonds.

This information is an integral part of the accompanying budget.

RAINDANCE METROPOLITAN DISTRICT NO. 2
2026 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS

SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY

$41,540,000
Limited Tax General Obligation Refunding Bonds, Series 2024
Interest Rate 4% to 5%
Interest Payment June 1 and December 1
Principal Payment December 1

Period Ending December 31,	Principal	Interest	Total Debt Service
2026	695,000	1,790,250	2,485,250
2027	730,000	1,755,500	2,485,500
2028	770,000	1,719,000	2,489,000
2029	805,000	1,680,500	2,485,500
2030	850,000	1,640,250	2,490,250
2031	890,000	1,597,750	2,487,750
2032	935,000	1,553,250	2,488,250
2033	985,000	1,506,500	2,491,500
2034	1,030,000	1,457,250	2,487,250
2035	1,080,000	1,405,750	2,485,750
2036	1,140,000	1,351,750	2,491,750
2037	1,190,000	1,294,750	2,484,750
2038	1,250,000	1,235,250	2,485,250
2039	1,315,000	1,172,750	2,487,750
2040	1,380,000	1,107,000	2,487,000
2041	1,440,000	1,051,800	2,491,800
2042	1,495,000	994,200	2,489,200
2043	1,550,000	934,400	2,484,400
2044	1,620,000	872,400	2,492,400
2045	1,680,000	807,600	2,487,600
2046	1,750,000	740,400	2,490,400
2047	1,815,000	670,400	2,485,400
2048	1,895,000	597,800	2,492,800
2049	1,965,000	522,000	2,487,000
2050	2,040,000	443,400	2,483,400
2051	2,125,000	361,800	2,486,800
2052	2,210,000	276,800	2,486,800
2053	2,300,000	188,400	2,488,400
2054	2,410,000	80,333	2,490,333
Total	41,340,000	30,809,233	72,149,233

RainDance Metropolitan District No. 2
2026 Budget Property Tax Summary Information
For the Years Ended and Ending December 31,

	Assessed Value 2024	Assessed Value 2025	Preliminary Assessed Value 2026
Residential	18,864,230	21,142,140	28,777,690
Multi-Family	7,447,260	10,580,350	12,646,880
Commercial	45,170	266,030	287,770
Vacant Land	4,192,910	3,446,180	4,324,990
Oil & Gas	1,591,050	1,021,760	209,870
State Assessed Personal Property	274,790	241,030	384,590
State Assessed-Real	2,520	2,210	3,470
Certified Assessed Value	32,417,930	36,699,700	46,635,260
Mill Levy			
General	1.628	15.954	15.222
Debt Service	47.037	29.645	28.060
Total Mill Levy	48.665	45.599	43.282
Property Taxes Levied			
General	52,776	585,507	709,882
Debt Service	1,524,842	1,087,963	1,308,585
Total Taxes Levied	1,577,618	1,673,470	2,018,467

5.25% Revenue Growth Limit Test*		**2025**	**2026**
Previous year general revenue		52,776	585,507
Previous year assessed value *less Gas & Oil & Personal Pr*	÷	30,552,090	35,436,910
Previous year tax rate		1.727	16.523
Assessed value of new construction	x	3,584,460	4,863,290
Revenue from growth properties		6,190	80,356
Expanded revenue base *(prior general revenue + growth revenue)*		58,966	665,863
5.25% Increase	x	1.055	1.0525
Increased revenue base		62,209	700,821
Current year assessed value *less gas & oil and personal pr*	÷	35,436,910	46,040,800
General Mill Levy with 5.25% Growth		1.755	15.222

**Informational purposes only. District has debruced and debt refunding allocated mills for operations.*

RainDance Metropoloitan District No. 2
2026 Budget - General Fund
For the Years Ended and Ending December 31,

	2024 Estimated Actual	2025 Budget	2025 Amended Budget and Estimated Actual	2026 Budget
Beginning Fund Balances	$ 5	$ 5	$ 5	$ 5
Revenues				
Property Taxes	55,772	585,507	585,507	709,882
Specific Ownership Taxes	1,910	23,420	23,420	28,395
Interest Income	-	20	20	20
Other Revenues	46	-	571	-
Total Revenues	57,728	608,947	609,518	738,297
Total Funds Available	57,733	608,952	609,523	738,302
Expenditures				
General and Administrative				
County Treasurer's Fee	837	8,783	8,783	10,648
Transfer to RDMD1	56,891	600,164	600,735	727,649
Contingency	-	-	-	-
Total Expenditures	57,728	608,947	609,518	738,297
Excess Revenues (Expenditures)	-	-	-	-
Ending Fund Balance	$ 5	$ 5	$ 5	$ 5
Total Expenditures Requiring Appropriation	57,728	608,947	609,518	738,297

RainDance Metropoloitan District No. 2
2026 Budget - Debt Service
For the Years Ended and Ending December 31,

	2024 Actual	2025 Budget	2025 Estimated Actual	2026 Budget
Beginning Fund Balances	$ 1,693,550	$ (132,126)	$ (132,126)	$ 113,584
Revenues				
Property Taxes	1,524,844	1,087,963	1,087,963	1,308,585
Specific Ownership Taxes	55,203	43,519	43,519	52,343
Interest Income	67,570	-	2,377	-
Other Revenue	1,626	-	1,061	-
Total Revenues	1,649,243	1,131,482	1,134,920	1,360,928
Total Funds Available	3,342,793	999,356	1,002,794	1,474,512
Expenditures				
General and Administrative				
County Treasurer's Fee	22,897	16,319	16,319	19,629
Bank Fees	20	100	120	170
Contingency	-	32,000	32,000	8,000
Debt Service				
Paying Agent Fees	7,000	9,000	9,000	9,000
Investment Advisory Fees	3,800	-	-	-
Bond Principal	-	200,000	200,000	695,000
Bond Interest	1,131,019	1,800,250	1,800,250	1,790,250
Total Expenditures	1,164,736	2,057,669	2,057,689	2,522,049
Excess Revenues (Expenditures)	484,507	(926,187)	(922,769)	(1,161,121)
Other Sources (Uses) of Funds				
Debt Proceeds	42,204,849	-	-	-
Debt Refunding	(23,885,000)	-	-	-
Costs of Issuance	(905,489)	-	-	-
Gain/Loss on Refunding	(2,588,527)	-	-	-
Transfer to D1 - 2024 Bond Interest Payment	-	(260,036)	-	-
Transfer from D3	4,667,708	1,186,369	1,168,479	1,149,516
Transfer to D3 - Debt Refunding	(21,803,724)	-	-	-
Total Other Sources (Uses)	(2,310,183)	926,333	1,168,479	1,149,516
Ending Fund Balance	$ (132,126)	$ (131,980)	$ 113,584	$ 101,979
Total Expenditures Requiring Appropriation	47,758,949	2,317,705	2,057,689	2,522,049

RAINDANCE METROPOLITAN DISTRICT NO. 3
2026 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS

Services Provided

Raindance Metropolitan District No. 3'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. 2, 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.

Revenues (Continued)

Property Taxes (Continued)

For property tax collection year 2026, SB22-238 and SB23B-001 set the assessment rates and actual value reductions as follows:

Category	Rate		Category	Rate
Single-Family Residential	6.25%		Agricultural Land	27.00%
Multi-Family Residential	6.25%		Renewable Energy Land	27.00%
Commercial	27.00%		Vacant Land	27.00%
Industrial	27.00%		Personal Property	27.00%
Lodging	27.00%		State Assessed	27.00%
			Oil & Gas Production	87.50%

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.

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.

Capital Facilities Fees

The District imposes a Capital Facilities Fee in the amount of $2,500 per single family detached unit, single family attached and apartment units, which is due and payable on or before a building permit is issued by the County. For the calendar year 2026, the District anticipates collecting fees on 7 units.

RAINDANCE METROPOLITAN DISTRICT NO. 3
2026 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS

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

Raindance Metropolitan District No. 1 (District No. 1) will provide certain operation, maintenance and administrative services benefitting the District, Raindance Metropolitan District No. 2 and Raindance Metropolitan District No. 3 (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 District No. 1.

Debt and Leases

Debt Service

District No. 2 issued Refunding Bonds on October 9, 2024, in the amount of $41,540,000. Proceeds from the sale of the Series 2024 bonds refunded District No. 2’s series 2019A and series 2019B bonds and District No. 3’s Series 2018A and Series 2018B bonds. Bonds maturing through 2039 bear an interest rate of 5% and bonds maturing after 2039 bear an interest rate of 4%. The bonds are payable by moneys derived from District No. 3 pledged revenues and District No. 2’s property tax revenues, specific ownership tax revenue, and any other legally available moneys.

Required Mill Levy

The required mill levy, as defined in the Pledge Agreement and imposed upon all taxable property of the Taxing Districts, is the amount that would generate Tax Revenue equal to the Annual Financing costs but not in excess of 39.000 mills, as adjusted for changes in the method of calculating assessed valuations after January 1, 2014. The actual mill levies imposed by each Taxing District are to be the same if sufficient to generate the Annual Financing costs. For collection year 2026, the mill levy for both districts has been set at 28.060 mills, which provides sufficient revenue for the annual financing costs.

The District has no capital nor operating lease.

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.

RainDance Metropolitan District No. 3
2026 Budget Property Tax Summary Information
For the Years Ended and Ending December 31,

	Assessed Value 2024	Assessed Value 2025	Preliminary Assessed Value 2026
Residential	34,882,620	36,312,430	37,874,600
Commercial	523,800	521,650	648,210
Vacant Land	2,143,820	1,849,660	1,077,030
Industrial	-	-	-
Oil & Gas	-	-	30,300
Agricultural	4,020	2,060	-
Personal Property	279,750	236,680	316,790
State Assessed	2,570	2,170	2,860
Certified Assessed Value	37,836,580	38,924,650	39,949,790
Mill Levy			
General	-	15.954	16.718
Debt Service	48.846	29.645	28.060
Total Mill Levy	48.846	45.599	44.778
Property Taxes Levied			
General	-	621,004	667,881
Debt Service	1,848,166	1,153,921	1,120,991
Total Taxes Levied	1,848,166	1,774,925	1,788,872

5.25% Revenue Growth Limit Test*		**2025**	**2026**
Previous year general revenue		-	621,004
Previous year assessed value *less personal property* &	÷	37,556,830	38,687,970
Previous year tax rate		-	16.052
Assessed value of new construction	x	1,300,410	502,240
Revenue from growth properties		-	8,062
Expanded revenue base *(prior general revenue + growth revenue)*		-	629,066
5.25% Increase	x	1.055	1.0525
Increased revenue base		-	662,092
Current year assessed value *less gas & oil and persona*	÷	38,687,970	39,602,700
General Mill Levy with 5.25% Growth		-	16.718

RainDance Metropolitan District No. 3
2026 Budget - General Fund
For the Years Ended and Ending December 31,

	2024 Actual	2025 Budget	2025 Amended Budget and Estimated Actual	2026 Budget
Beginning Fund Balances	$ 5	$ 5	$ 5	$ 5
Revenues				
Property Taxes	-	621,004	621,004	667,881
Specific Ownership Taxes	-	24,840	24,840	26,715
Interest Income	-	-	-	-
Other Revenues	-	-	150	-
Total Revenues	-	645,844	645,994	694,596
Total Funds Available	5	645,849	645,999	694,601
Expenditures				
General and Administrative				
County Treasurer's Fee	-	9,315	9,315	10,018
Bank Fees	-	-	40	50
Intergovernmental expenditures	-	636,529	636,639	684,528
Contingency	-	-	-	-
Total Expenditures	-	645,844	645,994	694,596
Excess Revenues (Expenditures)	-	-	-	-
Ending Fund Balance	$ 5	$ 5	$ 5	$ 5
Total Expenditures Requiring Appropriation	-	645,844	645,994	694,596

RainDance Metropolitan District No. 3
2026 Budget - Debt Service Fund
For the Years Ended and Ending December 31,

	2024 Actual	2025 Budget	2025 Estimated Actual	2026 Budget
Beginning Fund Balances	$ 3,104,035	$ -	$ -	$ -
Revenues				
Property Taxes	1,848,171	1,153,921	1,153,921	1,120,991
Specific Ownership Taxes	66,908	46,157	46,157	44,840
Interest Income	139,060	500	75	500
Facilities Fees	15,000	17,500	-	-
Other Revenue	2,781	-	185	-
Total Revenues	2,071,920	1,218,078	1,200,338	1,166,331
Total Funds Available	5,175,955	1,218,078	1,200,338	1,166,331
Expenditures				
General and Administrative				
County Treasurer's Fee	27,770	17,309	17,309	16,815
Bank Fees	40	-	150	-
Contingency	-	14,400	14,400	-
Debt Service				
Paying Agent Fees	6,000	-	-	-
Investment Advisory Fees	3,800	-	-	-
Bond Principal	-	-	-	-
Bond Interest	3,064,362	-	-	-
Total Expenditures	3,101,972	31,709	31,859	16,815
Other Sources (Uses)				
Transfer from D2 - Debt Proceeds	21,803,725	-	-	-
Transfer to D2 - Pledged Revenue	(4,667,708)	(1,186,369)	(1,168,479)	(1,149,516)
Refunding of 2018 Bonds	(19,210,000)	-	-	-
Costs of Issuance	-	-	-	-
Total Other Sources(Uses)	(2,073,983)	(1,186,369)	(1,168,479)	(1,149,516)
Excess Revenues (Expenditures)	(3,104,035)	-	-	-
Ending Fund Balance	$ -	$ -	$ -	$ -
Total Expenditures Requiring Appropriation	22,311,972	1,218,078	1,200,338	1,166,331

EXHIBIT C
2025 AUDITS

RAINDANCE METROPOLITAN DISTRICT NO. 1s
Weld County, Colorado

FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

YEAR ENDED DECEMBER 31, 2025

RAINDANCE METROPOLITAN DISTRICT NO. 1
TABLE OF CONTENTS
YEAR ENDED DECEMBER 31, 2025

DMC
AUDITING AND CONSULTING, LLC
(720) 422-1352
DCHERNYAK@DMCCPAS.NET

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Raindance Metropolitan District No. 1
Weld County, Colorado

Opinions

We have audited the accompanying financial statements of the governmental activities, business-type activities, and each major fund of the Raindance Metropolitan District No. 1 (the District) as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, and each major fund of the District, as of December 31, 2025, and the respective changes in financial position and, where applicable, cash flows thereof, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

Emphasis of a Matter

As discussed in Note 3 to the financial statements, in 2025, the County restated prior year financial statements due to corrections of errors. Our opinions are not modified with respect to this matter.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

We have applied certain limited procedures to the budgetary comparison schedules in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the budgetary comparison schedules because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinions on the basic financial statements are not affected by this missing information.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The supplementary information listed in the table of contents is presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information listed in the table of contents is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information, including continuing disclosure annual financial information, included in the report. The other information comprises the continuing disclosure annual financial information but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

DMC Auditing and Consulting, LLC

Bailey, Colorado
August 2, 2026

BASIC FINANCIAL STATEMENTS

RAINDANCE METROPOLITAN DISTRICT NO. 1
STATEMENT OF NET POSITION
DECEMBER 31, 2025

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and Investments	$ 10,079,499	$ 3,279,456	$ 13,358,955
Cash and Investments - Restricted	188,500	105,019	293,519
Receivables	-	1,043,139	1,043,139
Due from District No. 2	19,531	-	19,531
Due from District No. 3	12,582	-	12,582
Due from NRMD	646,208	-	646,208
Due from Other Funds	1,329,975	212,209	1,542,184
Due from Other Governments	252,446	-	252,446
Prepaid Expenses	94,770	-	94,770
Property Tax Receivable	1,925,376	-	1,925,376
Capital Assets:			
Capital Assets, not being depreciated	-	26,873,121	26,873,121
Capital Assets, being depreciated, net	11,491,929	5,598,090	17,090,019
Total Assets	26,040,816	37,111,034	63,151,850
Liabilities			
Accounts Payables	75,458	1,037,337	1,112,795
Prepaid Assessments	-	28,633	28,633
Due to PTMD	1,195,239	-	1,195,239
Due to Others	-	227,127	227,127
Due to Other Funds	212,245	1,329,939	1,542,184
Accrued Interest Payable	912	105,019	105,931
Noncurrent Liabilities:			
Due Within One Year	35,744	35,000	70,744
Due in More Than One Year	14,788,178	25,533,877	40,322,055
Total Liabilities	16,307,776	28,296,932	44,604,708
Deferred Inflows of Resources			
Property Tax Revenue	1,925,376	-	1,925,376
Net Position			
Net Investment in Capital Assets	(3,331,993)	6,902,334	3,570,341
Restricted for:			
Emergency Reserves	188,500	-	188,500
Unrestricted	10,951,157	1,911,768	12,862,925
Total Net Position	$ 7,807,664	$ 8,814,102	$ 16,621,766

See accompanying Notes to Basic Financial Statements

RAINDANCE METROPOLITAN DISTRICT NO. 1
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2025

		Program Revenue			Net Revenues (Expenses) and Change in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Functions/Programs							
Primary Government							
Government Activities							
General Government	$ 4,349,805	$ 1,247,437	$ 1,244,096	$ -	$ (1,858,272)	-	$ (1,858,272)
Capital Asset Conveyance to Other Governments	-	-	-	-	-	-	-
Interest and Related Costs on Long-Term Debt	856,244	-	-	-	(856,244)	-	(856,244)
Total Governmental Activities	5,206,049	1,247,437	1,244,096	-	(2,714,516)	-	(2,714,516)
Business-Type Activities							
Non-potable Water	3,067,627	1,001,287	-	948,012	-	(1,118,328)	(1,118,328)
Total Business-Type Activities	3,067,627	1,001,287	-	948,012	-	(1,118,328)	(1,118,328)
Total Primary Government	$ 8,273,676	$ 2,248,724	$ 1,244,096	$ 948,012	$ (2,714,516)	$ (1,118,328)	(3,832,844)
General Revenues							
Property Taxes					3,181,100	-	3,181,100
Specific Ownership Taxes					128,871	-	128,871
Interest on Late Tax Payments					1,723	-	1,723
Net Investment Income					217,527	127,036	344,563
Other Revenue					303,245	-	303,245
Total General Revenues					3,832,466	127,036	3,959,502
Change in Net Position					1,117,950	(991,292)	126,658
Net Position, Beginning of Year, as Originally Stated					43,197,929	8,591,328	51,789,257
Restatement, Correction of Error					(36,508,215)	1,214,066	(35,294,149)
Net Position, Beginning of Year, as Restated					6,689,714	9,805,394	16,495,108
Net Position - End of Year					$ 7,807,664	$ 8,814,102	$ 16,621,766

See accompanying Notes to Basic Financial Statements

RAINDANCE METROPOLITAN DISTRICT No. 1
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2025

	General	Capital Projects	Total Governmental Funds
Assets			
Cash and Investments	$ 7,102,695	$ 2,976,804	$ 10,079,499
Cash and Investments - Restricted	188,500	-	188,500
Due from District No. 2	19,531	-	19,531
Due from District No. 3	12,582	-	12,582
Due from District No. 4	560,739	85,469	646,208
Due from Other Funds	1,287,772	42,203	1,329,975
Due from PTMD	252,446	-	252,446
Prepaid Expenditures	94,770	-	94,770
Property Tax Receivable	1,925,376	-	1,925,376
Total Assets	$ 11,444,411	$ 3,104,476	$ 14,548,887
Liabilities, Deferred Inflows of Resourses and Fund Balances			
Liabilities			
Accounts Payable	$ 75,458	$ -	$ 75,458
Due to PTMD	1,195,239	-	1,195,239
Due to Other Funds	212,245	-	212,245
Total Liabilities	1,482,942	-	1,482,942
Deferred Inflows of Resources			
Deferred Property Tax	1,925,376	-	1,925,376
Fund Balances			
Nonspendable			
Prepaid Expenditures	94,770	-	94,770
Restricted for:			
Emergency Reserves	188,500	-	188,500
Assigned to:			
Capital Projects	-	3,104,476	3,104,476
Unassigned	7,752,823	-	7,752,823
Total Fund Balances	8,036,093	3,104,476	11,140,569
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 11,444,411	$ 3,104,476	

Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governemental activities are not financial resources; and therefore are not reported in the fund financial statements.	
Capital Assets, being depreciated, net	11,491,929
Long-term liabilities, including bonds payables, are not due and payables in the current periods and; therefore, are not recorded as liabilities in the funds.	
Accrued Interest Payable	(912)
Financed Purchase Payable	(24,933)
Lease Payable	(1,514,488)
Developer Advance and Accrued Interest Payable	(13,284,501)
Net Position of Governmental Activities	$ 7,807,664

See accompanying Notes to Basic Financial Statements

RAINDANCE METROPOLITAN DISTRICT NO. 1
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2025

	General	Capital Projects	Total Governmental Funds
Revenues			
Property Taxes	$ 3,181,100	$ -	$ 3,181,100
Specific Ownership Taxes	128,871	-	128,871
Interest on Late Tax Payments	1,723	-	1,723
Net Investment Income	217,527	-	217,527
Other Income	4,151	42,168	46,319
Recreation Fees (Pool & W-Club	1,247,437	-	1,247,437
Pledged Revenue From District No. 2	601,318	-	601,318
Pledged Revenue From District No. 3	637,684	-	637,684
River Resort Cost Share IGA	256,926	-	256,926
Contributions from Other Government	5,094	-	5,094
Total Revenues	6,281,831	42,168	6,323,999
Expenditures			
General & Administrative			
Accounting	124,406	-	124,406
Auditing	105,092	-	105,092
Bad Debt Expense	163,641	-	163,641
County Treasurer's Fee	47,742	-	47,742
Dues and Memberships	5,188	-	5,188
Insurance	59,830	-	59,830
Legal	52,242	-	52,242
Management Fee	37,800	-	37,800
Office Overhead	60,000	-	60,000
Operation Supplies	5,335	-	5,335
Staffing	445,579	-	445,579
Operations and Maintenance			
Cost Share - W-Club	1,195,239	-	1,195,239
Dog Waste Stations	5,438	-	5,438
Dues, Education, and Certifications	1,052	-	1,052
Equiment Acquisition	68,790	-	68,790
Landscaping - Irrigation Repair and Maintenance	77,269	-	77,269
Landscaping - Orchard Trees and Operation	50,116	-	50,116
Landscaping - Softscape Contract	320,763	-	320,763
Landscaping - Special Projects and Mowing	51,217	-	51,217
Miscellaneous	2,197	-	2,197
Parks & Playgrounds	20,764	-	20,764
Projects - Capital	42,667	-	42,667
Raindance Farms	59,405	-	59,405
Rent	30,453	-	30,453
Repairs and Maintenance	101,099	-	101,099
Security	66,157	-	66,157
Small Tools and Supplies	4,638	-	4,638
Snow Removal	24,226	-	24,226
Utilities	29,486	-	29,486
Water Usage - District Irrigation	166,935	-	166,935

See accompanying Notes to Basic Financial Statements

RAINDANCE METROPOLITAN DISTRICT NO. 1
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS (CONTINUED)
YEAR ENDED DECEMBER 31, 2025

	General	Capital Projects	Total Governmental Funds
Expenditures (Continued)			
Pool and Clubhouse			
Pool Management Fees	$ 319,300	$ -	$ 319,300
Pool Insurance	29,156	-	29,156
Pool Supplies	27,646	-	27,646
Pool Water Usage	19,435	-	19,435
Pool Gas and Electricity	37,647	-	37,647
Pool Telephone Services	831	-	831
Pool Internet	3,870	-	3,870
Pool Trash and Recycle	4,449	-	4,449
Pool Repair and Maintenance	53,987	-	53,987
Pool Cleaning Services	15,954	-	15,954
Pool Miscellaneous	622	-	622
Debt Service			
Lease Expense - Parking Lot	5,094	-	5,094
Lease Expense - Property (Maint. Bldg)	31,200	-	31,200
Lease Expense - Vehicle	14,153	-	14,153
Total Expenditures	3,988,110	-	3,988,110
Excess of Revenues Over (Under) Expenditures	2,293,721	42,168	2,335,889
Other Financing Sources (Uses)			
Transfer In (Out)	(2,400,000)	2,400,000	-
Net Change in Fund Balances	(106,279)	2,442,168	2,335,889
Fund Balances, Beginning of Year, *as Originally Stated*	8,142,372	662,308	8,804,680
Fund Balances - End of Year	$ 8,036,093	$ 3,104,476	$ 11,140,569

See accompanying Notes to Basic Financial Statements

RAINDANCE METROPOLITAN DISTRICT NO. 1
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF THE GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2025

Net Change in Fund Balances - Total Governmental Funds	2,335,889
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlay as expenditures. In the statement of activities, capital outlay is not reported as an expenditure. However, the statement of activities will report as depreciation and amortization the allocation of the cost of any depreciable asset over the estimated useful life of the asset or lease term.	
Capital Outlay	122,001
Depreciation Expense - Current Year	(447,474)
Amortization Expense - Current Year	(36,222)
The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. The net effect of these differences in the treatment of long-term debt and related items is as follows:	
Lease Increase	(46,522)
Financed Purchase	10,962
Lease Principal Payment	21,877
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	
Accrued Interest on Developer Advances - Change in Liability	(842,561)
Changes in Net Position of Governmental Activities	1,117,950

See accompanying Notes to Basic Financial Statements

RAINDANCE METROPOLITAN DISTRICT NO. 1
STATEMENT OF FUND NET POSITION
PROPRIETARY FUND
YEAR ENDED DECEMBER 31, 2025

	Enterprise Fund - Non-Potable Water
Assets	
Cash and Investments - Unrestricted	$ 3,279,456
Cash and Investments - Restricted	105,019
Accounts Receivable	1,043,139
Due from Other Funds	212,209
Noncurrent Assets:	
Capital Assets, not being depreciated or amortized	26,873,121
Capital Assets, being depreciated or amortized, net	5,598,090
Total Assets	37,111,034
Liabilities	
Accounts Payable	1,037,337
Prepaid Assessments	28,633
Due to Poudre Tech Metropolitan District	227,127
Due to Other Funds	1,329,939
Accrued Bond Interest	105,019
Noncurrent Liabilities:	
Due Within One Year	35,000
Due in More Than One Year	25,533,877
Total Liabilities	28,296,932
Net Position	
Net Investment in Capital Assets	6,902,334
Restricted	-
Unrestricted	1,911,768
Total Net Position	$ 8,814,102

See accompanying Notes to Basic Financial Statements

RAINDANCE METROPOLITAN DISTRICT NO. 1
STATEMENT OF REVENUES, EXPENSES, AND CHANGE IN NET POSITION
PROPRIETARY FUND
YEAR ENDED DECEMBER 31, 2025

	Enterprise Fund - Non-Potable Water
Operating Revenues	
Water Service Fees	$ 1,000,273
Miscellaneous Income	1,014
Total Revenues	1,001,287
Operating Expenses	
General & Administrative	
Administration - Billing	136,503
Legal Services, Consulting and Studies	54,432
Miscellaneous	47,736
Equipment	29,167
Water System Manager and Field Staff	203,952
Scada	11,258
Repairs and Maintenance	148,818
Electricity and Gas	220,897
Utility Locates	99,069
Lease Interest Expense	77,029
Paying Agent Fees	2,975
Depreciation/Amoprtization Expense	465,341
Total Operating Expenses	1,497,177
Net Operating Income (Loss)	(495,890)
Nonoperating Revenues and Expenses	
Interest Income	127,036
Bank Fees	(6,847)
Transfer to PTMD - 2023 Loan IGA	(302,003)
Bond Interest - Series 2020	(1,261,600)
Total Nonoperating Revenues and Expenses	(1,443,414)
Capital Revenues	
Capital Fees	746,544
Water Meter Fees	138,000
Transfer from PTMD - Reservoir	63,468
Total Capital Revenues	948,012
Change in Net Position	(991,292)
Net Position - Beginning of Year, as Orginally Stated	8,591,328
Net Position - Restatement	1,214,066
Net Position - Beginning of Year, as Restated	9,805,394
Net Position - End of Year	$ 8,814,102

See accompanying Notes to Basic Financial Statements

RAINDANCE METROPOLITAN DISTRICT NO. 1
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
YEAR ENDED DECEMBER 31, 2025

	Enterprise Fund - Non-Potable Water
Cash Flows from Operating Activities	
Cash Received from User Charges	$ 682,676
Cash Payments to Suppliers	(901,483)
Net Cash Provided (Used) by Operating Activities	(218,807)
Cash Flows from Noncapital Financing Activities	
Paying Agent Fees	-
Transfer to PTMD - 2023 Loan	(302,003)
Due to Other Funds	(421,016)
Due to Poudre Tech Metro District	144,313
Due from Other Funds	(212,209)
Accrued Interest Payable	(125)
Net Cash Used by Noncapital Financing Activities	(791,040)
Cash Flows from Capital and Related Financing Activities	
Capital Fees	746,544
Water Meter Fees	138,000
Transfer from PTMD - Reservoir	63,468
Bond Principal - Series 2020	(30,000)
Bond Interest - Series 2020	(1,261,600)
Increase in Property Lease Payable	45,829
Capital Outlay, net of AP	(185,606)
Net Cash Provided by Capital and Related Financing Activities	(483,365)
Cash Flows from Investing Activities	
Investment Income	120,189
Net Decrease in Cash and Investments	(1,373,023)
Cash and Cash Equivalents - Beginning of Year	4,757,498
Cash and Cash Equivalents - End of Year	$ 3,384,475
Reconciliation of Operating Loss to Net Cash Used by Operating Activities	
Net Operating Loss	(495,890)
Depreciation/amortization	465,341
Adjustments to Reconcile Operating Loss to Net Cash Used by Operating Activities	
(Increase) Decrease in Accounts Receivable	(318,611)
Increase (Decrease) in Prepaid Assessments	11,074
Increase (Decrease) in Accounts Payable	119,279
Net Cash Used by Operating Activities	$ (218,807)

NOTE 1 DEFINITION OF REPORTING ENTITY

Raindance Metropolitan District No. 1 (the District), a quasi-municipal corporation and a political subdivision of the state of Colorado, was organized by order and decree of the District Court in and for Weld County, Colorado, on June 12, 2014, and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes).

The District was organized to provide 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 was organized in conjunction with three other related special districts – RainDance Metropolitan District No. 2 and District No. 3 (District No. 2 and District No. 3), and National Resort Metropolitan District (NRMD) (formally known as RainDance Metropolitan District No. 4). The District serves as the Operating District which is responsible for coordinating the financing, construction, and maintenance of certain public improvements and other services needed for District No. 2, District No. 3 and NRMD (collectively, the Districts) (Financing Districts), which are responsible for providing the tax base needed to support financing of public improvements.

The District follows the Governmental Accounting Standards Board (GASB) accounting pronouncements which provide guidance for determining which governmental activities, organizations and functions should be included within the financial reporting entity. GASB pronouncements set forth the financial accountability of a governmental organization's elected governing body as the basic criterion for including a possible component governmental organization in a primary government's legal entity. Financial accountability includes, but is not limited to, appointment of a voting majority of the organization's governing body, ability to impose its will on the organization, a potential for the organization to provide specific financial benefits or burdens, and fiscal dependency.

The District is not financially accountable for any other organization, nor is the District a component unit of any other primary governmental entity.

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

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The more significant accounting policies of the District are described as follows:

Government-Wide and Fund Financial Statements

The government-wide financial statements include the statement of net position and the statement of activities. These financial statements include all of the activities of the District. The effect of interfund activity has been removed from these statements. Both statements distinguish between governmental activities, which are normally supported by property taxes and intergovernmental revenues, and business-type activities, which rely to a significant extent on fees and charges for support.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-Wide and Fund Financial Statements (Continued)

The statement of net position reports all financial and capital resources of the District. The difference between the sum of assets and deferred outflows and the sum of liabilities and deferred inflows is reported as net position.

The statement of activities demonstrates the degree to which the direct and indirect expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported as general revenues.

Separate financial statements are provided for governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. The major sources of revenue susceptible to accrual are property taxes. All other revenue items are considered to be measurable and available only when cash is received by the District. Expenditures, other than interest on long-term obligations, are recorded when the liability is incurred or the long-term obligation is due.

The District reports the following major governmental funds:

> The General Fund is the District’s primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.
>
> The Capital Projects Fund is used to account for the financial resources to be used for the acquisition and construction of capital equipment and facilities.

The District reports the following major proprietary fund:

> The Enterprise Fund accounts for construction, operation, and maintenance of facilities and water rights associated with providing non-potable water services that are operated in a manner where the intent of the District is that the costs of providing such services to the general public on a continuing basis be financed or recovered primarily through user charges.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with proprietary fund's principal ongoing operations. Operating revenues consist of charges to customers for services, provided. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation of capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses or capital contributions.

Budgets

In accordance with the State Budget Law of Colorado, the District's Board of Directors holds public hearings in the fall of each year to approve the budget and appropriate the funds for the ensuing year. The appropriation is at the total fund expenditures and financing uses level and lapses at year-end. The District's Board of Directors can modify the budget by line item within the total appropriation without notification. The appropriation can only be modified upon completion of notification and publication requirements. The budget includes each fund on its basis of accounting unless otherwise indicated.

The District has amended its Enterprise Fund's annual budget for the year ended December 31, 2025.

Pooled Cash and Investments

The District follows the practice of pooling cash and investments of all funds to maximize investment earnings. Except when required by trust or other agreements, all cash is deposited to and disbursed from a single bank account. Cash in excess of immediate operating requirements is pooled for deposit and investment flexibility. Investment earnings are allocated periodically to the participating funds based upon each fund's average equity balance in the total cash.

The District considers cash on hand and deposits held in financial institutions to be cash and cash equivalents.

Receivables

Receivables are reported net of allowance for uncollectible accounts, where applicable.

Interfund Balances

The District reports interfund balances that are representative of lending/borrowing arrangements between funds in the fund financial statements as due to/from other funds.

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 always 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.

Property taxes, net of estimated uncollectible taxes, are recorded initially as deferred inflow of resources in the year they are levied and measurable. The unearned property tax revenue is recorded as revenue in the year they are available or collected.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets

Capital assets, which include construction in progress, land improvements, infrastructure, furniture and equipment, water meters, and water rights, are reported in the government-wide and business-type financial statements. Capital assets are defined by the District as assets with an initial, individual costs of more than $5,000. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value on the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend the life of the asset are not capitalized.

Depreciation expense has been computed using the straight-line method over the following estimated economic useful lives:

Buildings and Infrastructure	30 Years
Land Improvements	15 Years
Furniture and Equipment	5 to 20 Years
Water Meters	15 Years

Water Rights

The cost of water rights includes acquisition cost and may also include legal and engineering costs related to the development and augmentation of those rights. Since the rights have perpetual lives, they are not amortized. All other costs, including costs incurred for the protection of those rights, are expensed.

Deferred Inflows of Resources

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources,* represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The District has one item that qualifies for reporting in this category. Accordingly, *deferred property tax revenue is* deferred and recognized as an inflow of resources in the period that the amount becomes available.

Equity

Net Position

For government-wide presentation purposes, when both restricted and unrestricted resources are available for use, it is the District's practice to use restricted resources first, then unrestricted resources as they are needed.

In the government-wide financial statements, fund equity is classified as net position. Net position may be classified into three components: net investment in capital assets, restricted and unrestricted.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Equity (Continued)

Fund Balance

Fund balance for governmental funds should be reported in classifications that comprise a hierarchy based on the extent to which the government is bound to honor constraints on the specific purposes for which spending can occur. Governmental funds report up to five classifications of fund balance: nonspendable, restricted, committed, assigned, and unassigned. Because circumstances differ among governments, not every government or every governmental fund will present all of these components. The following classifications describe the relative strength of the spending constraints:

Nonspendable Fund Balance – The portion of fund balance that cannot be spent because it is either not in spendable form (such as prepaid amounts or inventory) or legally or contractually required to be maintained intact.

Restricted Fund Balance – The portion of fund balance that is constrained to being used for a specific purpose by external parties (such as bondholders), constitutional provisions, or enabling legislation.

Committed Fund Balance – The portion of fund balance that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority, the Board of Directors. The constraint may be removed or changed only through formal action of the Board of Directors.

Assigned Fund Balance – The portion of fund balance that is constrained by the government's intent to be used for specific purposes but is neither restricted nor committed. Intent is expressed by the Board of Directors to be used for a specific purpose. Constraints imposed on the use of assigned amounts are more easily removed or modified than those imposed on amounts that are classified as committed.

Unassigned Fund Balance – The residual portion of fund balance that does not meet any of the criteria described above.

If more than one classification of fund balances is available for use when an expenditure is incurred, it is the District's practice to use the most restrictive classification first.

NOTE 3 CORRECTION OF ERROR (RESTATEMENT)

During fiscal year 2025, error corrections resulted in adjustment to and restatements of beginning net position and fund balance as follows:

	Reporting Units Affected by Adjustments to a Restatement of Beginning Balances			
	Funds		Government-Wide	
	General Fund	Enterprise Fund	Governmental Activities	Business-Type Activities
December 31, 2024, as previously reported	$ 8,142,372	$ 8,591,328	$ 43,197,929	$ 8,591,328
Error Correction, CIP Reclass	-	2,023,443	(2,023,443)	2,023,443
Error Correction, Capital Assets, not being depreciated	-	(809,377)	(201,444)	(809,377)
Error Correction, Conveyance of Assets	-	-	(34,283,328)	-
December 31, 2024, as restated	$ 8,142,372	$ 9,805,394	$ 6,689,714	$ 9,805,394

The following items required a restatement of beginning balances:

- $2,023,443 of capital expenditure related to business-type activities were incorrectly reported in governmental activities in prior years
- $201,444 in depreciation expense related to governmental-activities was not recorded in prior years.
- $809,377 in depreciation expense related to business-type activities was not recorded in prior years.
- $34,283,328 in assets were conveyed to other entities in prior years.

NOTE 4 CASH AND INVESTMENTS

Cash and investments as of December 31, 2025, are classified in the accompanying financial statements as follows:

Statement of Net Position:	
Cash and Investments	$ 13,358,955
Cash and Investments - Restricted	293,519
Total Cash and Investments	$ 13,652,474

Cash and investments as of December 31, 2025, consist of the following:

Deposits with Financial Institutions	$ 13,652,474

Deposits with Financial Institutions

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulators. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The pool for all the uninsured public deposits as a group is to be maintained by another institution or held in trust. The market value of the collateral must be at least 102% of the aggregate uninsured deposits.

The State Commissioners for banks and financial services are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools.

At December 31, 2025, the District's cash deposits had a bank balance of $13,883,565 and a carrying balance of $13,652,474.

NOTE 4 CASH AND INVESTMENTS

Investments

The District has not adopted a formal investment policy; however, the District follows state statutes regarding investments.

The District generally limits its concentration of investments to those which are believed to have minimal credit risk, minimal interest rate risk and no foreign currency risk. Additionally, the District is not subject to concentration risk or investment custodial risk disclosure requirements for investments that are in the possession of another party.

Colorado revised statutes limit investment maturities to five years or less unless formally approved by the Board of Directors. Such actions are generally associated with a debt service reserve or sinking fund requirements.

Restricted Cash and Investments

Cash and investments of the District include amounts that are restricted. At December 31, 2025, the governmental Activities had cash deposits in the amount of $188,500 which is restricted for Emergency reserves. The Business-Type Activities had cash deposits in the amount of $105,019, which is restricted for the payment of debt service and other purposes as provided in the related loan documents of the 2020 Enterprise Bond Loan agreement. Restricted Cash and Investments are not available for general operations of the District.

Colorado statutes specify investment instruments meeting defined rating and risk criteria in which local governments may invest which include:

- Obligations of the United States, certain U.S. government agency securities and securities of the World Bank
- General obligation and revenue bonds of U.S. local government entities
- Certain certificates of participation
- Certain securities lending agreements
- Bankers' acceptances of certain banks
- Commercial paper
- Written repurchase agreements and certain reverse repurchase agreements collateralized by certain authorized securities
- Certain money market funds
- Guaranteed investment contracts
- Local government investment pools

At December 31, 2025, the District had no investments:

NOTE 5 ACCOUNTS RECEIVABLE

The District has the following accounts receivable for Governmental Activities and Business-Type Activities as of December 31, 2025:

	Governmental Activities	Business-Type Activities
Accounts Receivable::		
Non-Potable Water Usage	$ -	$ 1,043,139

NOTE 6 INTERFUND BALANACES AND TRANSFERS

At December 31, 2025, the General Fund temporarily subsidized $1,287,772 on behalf of the Enterprise Fund to open a Certificate of Deposit which the District anticipates repaying upon closure of the account. The Enterprise Fund temporarily subsidized the General Fund in the amount of $212,245. The Capital Projects Fund temporarily subsidized the Enterprise Fund in the amount of $42,203, both of which were repaid shortly after year end.

The General Fund transferred $2,400,000 to the Capital Projects for construction of capital equipment and facilities.

NOTE 7 CAPITAL ASSETS

The following is an analysis of the changes in the District's capital assets for the year ended December 31, 2025:

	Balance at December 31, 2024, *As Restated*	Additions	Reductions/ Reclassificiations	Balance at December 31, 2025
Governmental Activities:				
Capital Assets, Not Being Depreciated:				
Construction in Progress	$ 2,720,725	$ -	$ 2,720,725	$ -
Total Capital Assets, Not Being Depreciated	2,720,725	-	2,720,725	-
Capital Assets, Being Depreciated:				
Building and Infrastructure	8,440,810	2,281,335	-	10,722,145
Furniture and Equipment	374,643	60,584	-	435,227
Land Improvements	-	500,808	-	500,808
Right to Use Lease Asset - Parking Lot	176,049	-	-	176,049
Right to Use Lease Asset - Property (Maint. Bldg)	1,090,621	-	-	1,090,621
Right to Use Lease Asset - Office Space	77,238	-	-	77,238
Financed Purchase - Vehicle	50,048			50,048
Total Capital Assets, Being Depreciated/Amortized	10,209,409	2,842,727	-	13,052,136
Less Accumulated Depreciation for:				
Building and Infrastructure	(900,380)	(356,780)	-	(1,257,160)
Furniture and Equipment	(93,571)	(45,980)	-	(139,551)
Land Improvements	-	(32,202)		(32,202)
ROU Lease Asset - Parking Lot	(17,605)	(5,868)	-	(23,473)
ROU Lease Asset - Property (Maint. Bldg)	(33,133)	(11,044)	-	(44,177)
ROU Lease Asset - Office Space	(19,310)	(19,310)	-	(38,620)
Financed Purchase - Vehicle	(12,512)	(12,512)		(25,024)
Total Accumulated Depreciation/Amortization	(1,076,511)	(483,696)	-	(1,560,207)
Total Capital Assets, Being Depreciated/Amortized, Net	9,132,898	2,359,031	-	11,491,929
Governmental Capital Assets, Net	$ 11,853,623	$ 2,359,031	$ 2,720,725	$ 11,491,929

NOTE 7 CAPITAL ASSETS (CONTINUED)

	Balance at December 31, 2024	Additions	Reductions/ Reclassificiations	Balance at December 31, 2025
Business-Type Activities:				
Capital Assets, Not Being Depreciated:				
Construction in Progress	$ 10,956,365	$ 33,696	$ -	$ 10,990,061
Water Rights	15,883,060	-	-	15,883,060
Total Capital Assets, Not Being Depreciated	26,839,425	33,696	-	26,873,121
Capital Assets, Being Depreciated:				
Non-Potable Infrastructure	2,023,443	-	-	2,023,443
Land improvements	40,589	-	-	40,589
Equipment	525,428	27,197	-	552,625
Water Meters	4,211,040	124,713	-	4,335,753
Right to use Lease Asset - Property (Pump Station)	1,081,230	-	-	1,081,230
Total Capital Assets, Being Depreciated	7,881,730	151,910	-	8,033,640
				-
Less Accumulated Depreciation for:				-
Non-Potable Infrastructure	(809,377)	(134,896)	-	(944,273)
Land improvements	(9,471)	(2,706)	-	(12,177)
Equipment	(117,905)	(36,089)	-	(153,994)
Water Meters	(999,726)	(280,407)	-	(1,280,133)
ROU Lease Asset - Property (Pump Station)	(33,730)	(11,243)	-	(44,973)
Total Accumulated Depreciation	(1,970,209)	(465,341)	-	(2,435,550)
Total Capital Assets, Being Depreciated, Net	5,911,521	(313,431)	-	5,598,090
Business-Type Capital Assets, Net	32,750,946	(279,735)	-	32,471,211
Total Capital Assets, Net	$ 44,604,569	$ 2,079,296	$ 2,720,725	$ 43,963,140

Depreciation expense recorded under governmental activities was charged to the general government function, and depreciation expense recorded under business-type activities was charged to non-potable water enterprise function in the statement of activities.

NOTE 8 LONG-TERM OBLIGATIONS

The following is an analysis of the changes in the District's long-term obligations for the year ended December 31, 2025:

	Balance at Decmeber 31, 2024	Additions	Reductions	Balance at December 31, 2025	Due Within One Year
Governmental Activities					
Developer Advance	$ 8,425,613	$ -	$ -	$ 8,425,613	$ -
Accrued Interest on Developer Advance	4,016,327	842,561	-	4,858,888	-
Lease Payable - Parking Lot	154,996	-	(3,528)	151,468	3,665
Lease Payable - Office Space	60,561	-	(18,349)	42,212	20,143
Lease Payable - Property	1,274,286	46,522	-	1,320,808	-
Financed Purchase - Vehicle	35,895	-	(10,962)	24,933	11,936
Total Governmental Activities	13,967,678	889,083	(32,839)	14,823,922	35,744
Business-Type Activities					
Bonds Payable:					
Non-potable Water Enterprise Revenue Bonds Series 2020A	24,290,000	-	(30,000)	24,260,000	35,000
Subtotal bonds Payable	24,290,000	-	(30,000)	24,260,000	35,000
Other Debts:					
Developer Advance	-	-	-	-	-
Lease Payable - Property	1,263,048	45,829	-	1,308,877	-
Total Business-Type Activities	25,553,048	45,829	(30,000)	25,568,877	-
Total Long-Term Obligations	$ 39,520,726	$ 934,912	$ (62,839)	$ 40,392,799	$ 70,744

Nonpotable Water Enterprise Revenue Bonds, Series 2020 (the Bonds)

The District, acting by and through its Water Activity Enterprise, issued the Bonds on August 6, 2020, in the par amount of $24,315,000.

Proceeds from the Bonds were used to acquire certain water rights and fund and reimburse a portion of the costs of acquiring, constructing, and installing certain non-potable water infrastructure to serve the RainDance Development. A portion of the proceeds of the Bonds were also used to fund: (a) the Reserve Account, (b) a portion of the interest to accrue on the Bonds, and (c) the costs of issuing the Bonds.

NOTE 8 LONG-TERM OBLIGATIONS (CONTINUED)

Nonpotable Water Enterprise Revenue Bonds, Series 2020 (the Bonds) (Continued)

Bond Details

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. To the extent principal of any Bond is not paid when due, such principal will remain outstanding until paid. To the extent interest on any Bond is not paid when due, such interest will compound semiannually on each June 1 and December 1, at the rate then borne by the Bond.

Bond Optional Redemption

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 so redeemed as follows:

Date of Redemption	Redemption Premium
December 1, 2025 to November 30, 2026	3.00%
December 1, 2026 to November 30, 2027	2.00
December 1, 2027 to November 30, 2028	1.00
December 1, 2028 to November 30, 2028	0.00

Sources of Repayment for the Bonds

The District's primary revenue sources for repayment of the Bonds are (i) rates assessed on residential and nonresidential customers of the District, District No. 2, District No. 3, and NRMD based on non-potable water usage within the Districts' Service Area, and (ii) Capital Facilities Fees collected within the boundaries of District No. 2.

The Bonds constitute special limited obligations of the District. The principal and interest on the Bonds is payable solely from "Net Revenue," meaning Gross Revenue after deducting Operations and Maintenance Expenses.

"Gross Revenue" means all income and revenue directly or indirectly derived by the District from the Non-Potable System, or any part thereof, including without limitation, any rates, fees, tap fees, standby charges, availability fees, tolls, and charges for the services furnished by, for the use of, or for the availability of, the Non-Potable System, plus Capital Facilities Fees, but excluding: (a) income from the sale of property, or rights or related contracts, settlements, or judgments held or obtained in connection with the Non-Potable System or its operations; (b) Tap Fees; (c) Transfer Fees; (d) moneys borrowed and used for providing capital improvements; (e) any money and securities, and investment income therefrom, in any refunding fund, escrow account, or similar account pledged to the payment of any bonds or other obligations for the purpose of defeasing the same; and (f) any moneys received as grants or appropriations from the United States, the state, or other sources, the use of which is limited or restricted by the grantor or donor to the provision of capital improvements or for other purposes resulting in the general unavailability thereof, except to the extent any such moneys are to be received as payments for the use of the Non-Potable System, services rendered thereby, or the availability of any such service.

NOTE 8 LONG-TERM OBLIGATIONS (CONTINUED)

Nonpotable Water Enterprise Revenue Bonds, Series 2020 (the Bonds) (Continued)

Sources of Repayment for the Bonds

"Operation and Maintenance Expenses" means all reasonable and necessary costs and expenses of the District for the operation, maintenance and repair of the Non-Potable System, including without limitation legal and overhead expenses of the District directly related to the administration of the Non-Potable System, insurance premiums, audits, charges of depository banks and paying agents, professional services, salaries and administrative expenses, labor, the cost of materials and supplies for operations, and the cost of leasing, renting or otherwise procuring water or water resources on a temporary or annual basis, but excluding depreciation and any portion of such costs, legal liabilities not based on contract, expenses incurred in connection with capital improvements, payments due in connection with any bonds or other obligations issued to provide capital improvements, charges for the accumulation of reserves and expenses funded or provided for from Tap Fees.

The Districts impose a one-time fee of $2,500 per single-family detached residential unit and $2,500 per single family attached and multi-family residential unit within their respective boundaries to provide a source of funding to pay for the initial capital direct and indirect costs associated with the construction, installation and acquisition of Public Improvements to serve the Districts. Only the fees imposed within the boundaries of District No. 2 (the Capital Facilities Fee) are pledged to the payment of the Bonds. The Capital Facilities Fees are due and owing upon the issuance of a building permit for any residential or commercial unit on a lot within District No. 2.

Nonpotable Water Rates

The District covenants and agrees in the Bond Resolution to establish, maintain, and enforce a schedule of rates, fees, tolls, and charges for the availability of, services furnished by, or use of the Non-Potable System sufficient to satisfy one of the following two requirements each Fiscal Year:

(i) generate Net Operating Revenue and Capital Facilities Fees in the Fiscal Year Collectively equal to not less than:
   a. an amount equal to 100% of the Annual Debt Service for the Outstanding Bonds and any Parity Lien Bonds in such Fiscal Year, plus
   b. the amount necessary to replenish the Reserve Account to the Reserve Requirement and to replenish any reserve fund for Parity Lien Bonds to the Parity Lien Bonds Reserve Requirement (or to repay any Bond Insurer for draws on a Reserve Policy, as applicable); OR

(ii) generate Net Operating Revenue and Capital Facilities Fees in the Fiscal Year which, together with the portion of Unrestricted Fund Balance as of December 31 of the immediately preceding Fiscal Year representing Capital FAcilites Fees, will equal not less than:
   a. an amount equal to 110% of the Annual Debt Service for the Outstanding Bonds and any Parity Lien Bonds in such Fiscal Year, plus
   b. the amount necessary to replenish the Reserve Account to the Reserve Requirement and to replenish any reserve fund for Parity Lien Bonds to the Parity Lien Bonds Reserve Requirement (or to repay any Bond Insurer for draws on a Reserve Policy, as applicable).

In the event that revenues at any time are not sufficient to result in Net Operating Revenues in the amounts required as described above, the District is to promptly increase such rates, fees, tolls, and charges to the extent required to ensure compliance with the foregoing covenants.

NOTE 8 LONG-TERM OBLIGATIONS (CONTINUED)

Nonpotable Water Enterprise Revenue Bonds, Series 2020 (the Bonds) (Continued)

Nonpotable Water Rates

The District further covenants and agrees to establish, maintain, and enforce a schedule of rates, fees, tolls, and charges for the availability of, services furnished by, or use of the Non- Potable System sufficient to maintain a minimum Unrestricted Fund Balance, calculated as of each December 31, commencing December 31, 2022, equal to not less than $1,000,000. In the event that revenues are not sufficient to satisfy such minimum Unrestricted Fund Balance as of any December 31 occurring on or after December 31, 2022, the District is to promptly increase rates, fees, tolls, and charges to the extent required to ensure compliance with the foregoing covenants.

Additional Security for Bonds

The Bonds are also secured by amounts on deposit in the Reserve Account which was funded from proceeds of the Bonds in the amount of the Reserve Requirement of $2,289,792 and by capitalized interest which was funded from proceeds of the Bonds in the amount of $3,079,400. The balances in the Reserve Fund and the Capitalized Interest accounts as of December 31, 2025, are $2,289,792 and $-0-, respectively.

Events on Default

Events of default occur if the District fails to pay principal and interest on the Bonds when due; delays or fails to reconstruct of any part of the System that is destroyed or damaged and is not promptly repaired or replaced when the reconstruction is essential to the efficient operation of the System or the collection of Gross Revenue; and the District doesn’t comply with other customary terms and conditions as described in the Bond Resolution.

Bonds Debt Service

The outstanding principal and interest of the Bonds are due as follows:

Year ending December 31,	Principal	Interest	Total
2026	$ 35,000	$ 1,260,225	$ 1,295,225
2027	45,000	1,258,475	1,303,475
2028	55,000	1,256,225	1,311,225
2029	60,000	1,253,475	1,313,475
2030	75,000	1,250,475	1,325,475
2031-2035	1,315,00	6,147,125	7,462,125
2036-2040	3,785,000	5,577,625	9,362,625
2041-2045	6,850,000	4,315,500	11,165,500
2046-2050	12,040,000	2,188,987	14,228,987
Total	$24,260,000	$24,508,112	$48,768,112

NOTE 8 LONG-TERM OBLIGATIONS (CONTINUED)

Lease Payable and Financed Purchase

Parking Lot

The District entered into the Ground Lease Agreement with VB-SI Assets, LLC on July 13, 2022, to lease 10 acres of vacant land for aboveground storage and parking for vehicles during District events. A related right-to-use lease asset and liability, valued at $176,049, have been recorded. The commencement date of the lease is June 1, 2022, and the expiration date is May 31, 2052 unless extended. The lease provides annual payments of $4,800, at an interest rate of 1.01%. The agreement has an escalation rate of two percent (2%) per year for the duration of the term, commencing on the commencement date and continuing on January 31 of each year thereafter during the term. In 2025, the District paid $5,093, comprised of principal and interest of $3,528 and $1,565, respectively. At December 31, 2025, the right-to-use asset cost and accumulated amortization were $176,049 and $23,473, respectively, with an annual amortization expense of $5,868.

Year ending December 31,	Principal	Interest	Total
2026	$ 3,665	$ 1,531	$ 5,196
2027	3,806	1,494	5,300
2028	3,950	1,455	5,405
2029	4,098	1,415	5,513
2030	4,250	1,374	5,624
2031-2035	23,659	6,194	29,853
2036-2040	28,048	4,912	32,960
2041-2045	32,994	3,397	36,391
2046-2050	38,558	1,619	40,177
2051	8,440	85	8,525
Total	$ 151,468	$ 23,476	$ 174,944

Office Sublease

On November 1, 2024, the District entered into a cost share agreement with Poudre Tech Metropolitan District and Water Valley Master Association to lease a portion of Building #3 in the Pelican Point Business Park. For the District's share, the agreement is valued at $77,238, requires monthly payments over four years ranging from $1,730 to $1,890, at an estimated interest rate of 6%. In 2024, the District paid $20,754, comprised of principal and interest of $18,349 and $4,077, respectively. At December 31, 2025, the right-to-use asset cost and accumulated amortization were $77,238 and $38,620, respectively, with an annual amortization expense of $19,310.

Total future minimum lease payments under the lease agreements are as follows:

Year ending December 31,	Principal	Interest	Total
2026	$ 20,143	$ 1,530	$ 22,018
2027	22,069	1,493	22,678
Total	$ 42,212	$ 3,023	$ 44,696

NOTE 8 LONG-TERM OBLIGATIONS (CONTINUED)

Lease Payable and Financed Purchase (Continued)

Vehicle

On April 30, 2024, the District entered into a lease agreement for a 2023 Ford F-150 valued at $50,048. The agreement requires four annual payments of $14,153, at an interest rate of 8.89%. In 2024, the District paid $14,153, comprised of principal only. At December 31, 2025, the right-to-use asset cost and accumulated depreciation were $50,048 and $25,024, respectively, with an annual depreciation expense of $12,512.

Total future minimum payments under the financed purchase agreement are as follows:

Year ending December 31,	Principal	Interest	Total
2026	$ 11,936	$ 2,217	$ 14,153
2027	12,997	1,155	14,153
Total	$ 24,933	$3,372	$ 28,306

Property Lease – Municipal Maintenance Facility

On September 27, 2021, the District entered into a property lease agreement with VIMA Partners, LLC, for the use of property on which the District plans to construct and operate a maintenance building. The agreement is valued at approximately $1,090,621 (present value using an estimated rate of 6%), requires monthly payments over 99 years ranging from $2,500 to $107,930 per month, and has an escalation rate of 4% per year. A right-to-use lease asset and liability, in the amount of the agreement's valuation of approximately $1,090,621, have been recorded. At December 31, 2025, the right-to-use asset cost and accumulated amortization were $1,090,621 and $44,177, respectively, with an annual amortization expense of $11,044.

This is a market-value lease with lease payments that do not cover the full amount of the interest until January 1, 2100. Interest is accrued annually until January 1, 2100, when the payments begin to exceed the interest amount. Principal payments begin on January 1, 2100, through September 1, 2120. Interest and accrued interest is paid annually starting on January 1, 2024. Interest started accruing on January 1, 2022. During 2025, the interest component of the amount due totaled $77,723, but the District was billed and paid only $31,200.

NOTE 8 LONG-TERM OBLIGATIONS (CONTINUED)

Lease Payable and Financed Purchase (Continued)

Property Lease – Municipal Maintenance Facility (Continued)

Total future minimum lease payments under the lease agreements are as follows:

Year ending December 31,	Principal	Interest	Total
2026	$ (48,109)	$ 80,557	$ 32,448
2027	(49,742)	83,488	33,746
2028	(51,423)	86,518	35,095
2029	(53,151)	89,651	36,500
2030	(54,929)	92,888	37,959
2031-2035	(303,063)	516,888	213,825
2036-2040	(355,169)	615,320	260,151
2041-2045	(413,836)	730,350	316,514
2046-2050	(478,837)	863,924	385,087
2051-2055	(549,317)	1,017,835	468,518
2056-2060	(623,465)	1,193,488	570,023
2061-2065	(698,026)	1,391,545	693,521
2066-2070	(767,631)	1,611,405	843,774
2071-2075	(823,841)	1,850,421	1,026,580
2076-2080	(853,821)	2,102,812	1,248,991
2081-2085	(838,489)	2,358,078	1,519,589
2086-2090	(749,956)	2,598,768	1,848,812
2091-2095	(547,985)	2,797,347	2,249,362
2096-2100	(175,117)	2,911,810	2,736,693
2101-2105	450,026	2,879,581	3,329,607
2106-2110	1,441,924	2,609,052	4,050,976
2111-2115	2,960,730	1,967,901	4,928,631
2116-2020	4,904,035	768,610	5,672,645
Total	$ 1,320,808	$ 31,218,239	$ 32,539,047

Property Lease – Municipal Maintenance Facility (Continued)

On January 28, 2019, the District entered into a property lease agreement with Raindance Aquatic Investments, LLC for the use of property on which the District plans to construct and operate a pump station related to nearby Raindance River Reservoir. The agreement is valued at approximately $1,081,230 (present value using an estimated rate of 6%), requires monthly payments over 99 years ranging from $2,500 to $99,787 per month, and has an escalation rate of 4% per year. A right-to-use lease asset and liability, in the amount of the agreement's valuation of approximately $1,081,230, have been recorded. At December 31, 2025, the right-to-use asset cost and accumulated amortization were $1,081,230 and $44,973, respectively, with an annual amortization expense of $11,243.

This is a market-value lease with lease payments that do not cover the full amount of the interest until January 1, 2098. Interest is accrued annually until January 1, 2098, when the payments begin to exceed the interest amount. Principal payments begin on January 1, 2098, through February 1, 2118. Interest and accrued interest is paid annually starting on January 1, 2024. Interest started accruing on January 1, 2022. During 2024, the interest component of the amount due totaled $77,030, but the District was billed and paid only $31,200.

NOTE 8 LONG-TERM OBLIGATIONS (CONTINUED)

Lease Payable and Financed Purchase (Continued)

Property Lease – Municipal Maintenance Facility (Continued)

Total future minimum lease payments under the lease agreements are as follows:

Year ending December 31,	Principal	Interest	Total
2026	$ (47,373)	$ 79,821	$ 32,448
2027	(48,961)	82,707	33,746
2028	(50,271)	85,689	35,096
2029	(52,271)	88,770	36,499
2030	(53,994)	91,953	37,959
2031-2035	(297,449)	511,274	213,825
2036-2040	(347,596)	607,748	260,152
2041-2045	(403,622)	720,136	315,514
2046-2050	(465,059)	850,146	385,087
2051-2055	(530,734)	999,251	468,517
2056-2060	(598,398)	1,168,422	570,024
2061-2065	(664,215)	1,357,736	693,521
2066-2070	(722,025)	1,565,798	843,773
2071-2075	(762,325)	1,788,905	1,026,580
2076-2080	(770,845)	2,019,836	1,248,991
2081-2085	(726,567)	2,246,156	1,519,589
2086-2090	(598,990)	2,447,802	1,848,812
2091-2095	(344,354)	2,593,717	2,249,36
2096-2100	99,550)	2,637,143	2,736,693
2101-2105	820,511	2,509,096	3,329,607
2106-2110	1,941,652	2,109,324	4,050,976
2111-2115	3,634,788	1,293,843	4,928,631
2116-2020	2,297,747	160,319	2,458,066
Total	$ 1,308,877	$ 28,015,592	$ 29,324,469

NOTE 8 LONG-TERM OBLIGATIONS (CONTINUED)

Authorized Debt

On November 4, 2003, the District's voters authorized the issuance of indebtedness in an amount not to exceed $156,000,000. At December 31, 2025, the District had authorized but unissued indebtedness in the following amounts allocated for the following purposes:

	Amount Authorized on May 6, , 2014	Authorization Used Series 2020 Bonds	Authorized But Unissued
Water	$ 93,000,000	$ 24,315,000	$ 24,315,000
Sanitation/Stormwater	93,000,000	-	93,000,000
Streets	93,000,000	-	93,000,000
Parks and Recreation	93,000,000	-	93,000,000
Public Transportation	93,000,000	-	93,000,000
Fire Protection	93,000,000	-	93,000,000
Mosquito Control	93,000,000	-	93,000,000
Safety Protection	93,000,000	-	93,000,000
Security	93,000,000	-	93,000,000
TV Relay and Translation	93,000,000	-	93,000,000
Operation and Maintenance	93,000,000	-	93,000,000
Debt Refunding	93,000,000	-	93,000,000
Intergovernmental Agreements	93,000,000	-	93,000,000
Private Agreements	93,000,000	-	93,000,000
Special Assessments	93,000,000	-	93,000,000

NOTE 9 NET POSITION

The District has net position consisting of three components – net investment in capital assets, restricted and unrestricted.

Net investment in capital assets consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. As of December 31, 2025, the District had net investments in capital assets calculated as follows:

	Governmental Activities	Business-Type Activities
Capital Assets, Net	$ 11,491,929	$ 32,471,211
Outstanding Long-Term Debts Attributable to Capital Assets	(14,823,922)	(25,568,877)
Net Investment in Capital Assets	$ (3,331,993)	$ 6,902,334

The restricted component of net position includes assets that are restricted for use as imposed by external parties such as creditors, grantors or contributors, or as imposed by laws and regulations of other governments, or as imposed by law through constitutional provisions or enables legislation. The District had restricted net position as of December 31, 2025 as follows:

	Governmental Activities	Business-Type Activities
Restricted Net Position		
Emergency Reserves	$ 188,400	$ -

NOTE 10 AGREEMENTS

District Coordinating Services Agreements (District Nos. 1-4)

Effective as of January 1, 2018, the Districts entered into a District Coordinating Services Agreement (the Coordinating Services Agreement) for the purpose of establishing the respective obligations of the Districts with respect to the coordination, oversight, and funding of certain administrative costs of the Districts, and costs related to the continued operation and maintenance of certain of the public improvements within such Districts. Pursuant to the Coordinating Services Agreement, the District was designated as the "coordinating district" (the Coordinating District) and Districts No. 2, No. 3, and No. 4 (now National Resort Metropolitan District) were each designated as "financing districts" (the Financing Districts).

District Coordinating Services Agreements (District Nos. 1-4)

On March 27, 2018, District No. 3 and the District adopted a Joint Resolution Regarding Intent to Implement Common Plan of Finance (the Common Finance Plan Resolution), pursuant to which: (i) the District and District No. 3 declared their mutual intent to implement the common plan of finance set forth and approved in the Service Plan to fund or reimburse all or a portion of the capital costs related to the public improvements to serve RainDance; and (ii) District No. 3 declared its intent, upon issuance of its bonds, to transfer all available revenues to the District for the payment of such costs, including amounts owed by the District pursuant to the Reimbursement Agreements (as defined below).

On December 5, 2019, District No. 2 and the District adopted a Joint Resolution Regarding Intent to Implement Common Plan of Finance (the Common Finance Plan Resolution), pursuant to which: (a) the District and District No. 2 declared their mutual intent to implement the common plan of finance set forth and approved in the Service Plan to fund or reimburse from District No. 2's bonds all or a portion of the capital costs related to the public improvements to serve RainDance; and (b) District No. 2 declared its intent, upon issuance of its bonds, to transfer all available proceeds to the District for the payment of such costs, including amounts owed by the District, pursuant to certain Reimbursement Agreement (as defined below).

Infrastructure Acquisition and Reimbursement Agreements

The District and the Developer have entered into two Infrastructure Acquisition and Reimbursement Agreements dated March 1, 2018 and January 1, 2020 (the Developer Reimbursement Agreements), and the District and a subsidiary of Journey Homes entered into a similar agreement, dated March 1, 2018 (the JH Reimbursement Agreement, and together with the Developer Reimbursement Agreements, the Reimbursement Agreements). Pursuant to the Reimbursement Agreements, it is be acknowledged that the Developer or Journey Homes, as applicable, has incurred certain costs related to the public infrastructure for the benefit of the District, and may incur additional costs related thereto, and that the District agrees to reimburse the Developer or Journey Homes, as applicable, for any and all costs of any kind related to the provision of the public improvements that may be lawfully funded by the District, after such costs are reviewed and certified by the District's Accountant and Engineer. As of December 31, 2025, outstanding advances under this agreement totaled $8,425,613 in principal and $4,858,888 in accrued interest.

NOTE 10 AGREEMENTS (CONTINUED)

Funding and reimbursement Agreements Golf Course

On October 28, 2021, the District has entered into the Funding and Reimbursement Agreement (Golf Course), effective as of January 1, 2021, with Raindance Holdings, LLC (the Developer) to finance construction of a public golf course that will be owned and maintained by the District. Per the agreement, the Developer agrees to loan to the District one or more sums of money as needed to construct the golf course. The District and the Developer agree and acknowledge that the Developer has incurred certain costs related to the project for the benefit of the District, and may incur additional costs related thereto, and that the District agrees to reimburse to the Developer for such costs in accordance with the provisions of the agreement and after such costs are reviewed and certified by the District's Accountant and Engineer. Unreimbursed advances bear simple interest of 6.5% per annum, from the date any such advance is made to the date of repayment of such amount. The District anticipates repaying moneys advanced by the Developer with the proceeds of the PIF. (See Assignment and Assumption Agreement).

Assignment and Assumption Agreement

On August 22, 2023, the District ("Assignor") entered into the Assignment and Assumption Agreement with National Resort Metropolitan District (formerly Raindance Metropolitan District No. 4) ("Assignee") to transfer golf course and golf and recreation improvements and amenities. The Assignor conveys, transfers, and assigns to the Assignee all of Assignor's rights, title, and interest in (i) a Real Property Lease (Golf Course/Hoe Down Hill), dated July 11, 2022, between the Assignor and Raindance Aquatic Investments, and (ii) an Independent Contractor Agreement (Golf Course Management and Operator Services), dated July 11, 2022, between the Assignor and Pelican Lakes, LLC. The Assignee accepts the assignment and assumes and covenants to perform and fulfill all of the obligations, terms and conditions of the Assignor occurring on and after the date of the assignment.

Construction of Sanitary Sewer Facilities Intergovernmental Agreement

The District and the Town of Windsor (the Town) have entered into the Construction of Sanitary Sewer Facilities and Related Oversizing Credits and Reimbursements Agreement (the IGA) dated June 16, 2020. Pursuant to the IGA, the Town shall reimburse to the District for certain costs of constructing the sewer interceptor that relate to Poudre Heights Improvements. The reimbursement amount shall be limited to those actual costs certified by the District as District eligible costs, and shall be made upon submitting an "Acceptance Resolution" to the Town with certificates from the District's Engineer and CPA, relating to completion, costs, and eligibility. No reimbursements were made by the Town during 2025.

Intergovernmental Agreement Regarding New Liberty Road Modifications

The District and the Town of Windsor (the Town) have entered into the Intergovernmental Agreement Regarding New Liberty Road Modifications (the IGA) dated June 10, 2021. Per the IGA, the Town shall be responsible for the design of the New Liberty Road Expansion, and the District shall review the design of the New Liberty Road Expansion and provide input into design decisions. Also pursuant to the IGA, the District shall reimburse the Town for one-third (1/3) of design-related costs incurred by the Town with respect to the New Liberty Road Expansion. Upon completion of the modifications, the Town shall provide the District an "Acceptance Resolution" adopted by the Town's Board and supported by the Town's Engineer's Certificate. The District's share of design and construction costs shall be due within 30 days of the Town's presentation of the approved Acceptance Resolution. As of December 31, 2025, the District has not made any reimbursements to the Town per the IGA.

NOTE 10 AGREEMENTS (CONTINUED)

Intergovernmental Agreement Regarding 7th Street Pedestrian Bridge

On May 14, 2021, the Town of Windsor (the Town), the District, and Poudre Tech Metropolitan District (PTMD) entered into the Intergovernmental Agreement Regarding 7th Street Pedestrian Bridge Construction, Maintenance, and Right-Of-Way Encroachment (the Agreement). Pursuant to the Agreement, the District agrees to construct the Pedestrian Bridge as designed in the Improvement Plan and initially pay all related design and construction costs. The Town, the District and PTMD shall each be responsible for the one-third (1/3) of all costs incurred by the District and certified by the District's Engineer. Upon substantial completion of the Pedestrian Bridge and presentation of the Cost Certification, the Town and PTMD shall pay to the District their respective shares of the total amount certified in the Cost Certification withing 30 days of receipt thereof, or as otherwise agreed to in writing. Per the Agreement, PTMD is appointed and designated to be the owner of the Pedestrian Bridge. In 2022, the District had incurred and certified the project-related costs in the amount of $2,763,774. The corresponding assets were conveyed to PTMD in 2022.

Agreements for Utility Oversizing Reimbursement

On December 14, 2022, the Town of Windsor (the Town) and Raindance Development, LLC (the Developer) entered into the Agreement for Utility Oversizing Reimbursement for Raindance Major Infrastructure, Raindance 15th Filing and Raindance 8th Filing (the Agreement). Per the Agreement, the Town intends to reimburse that portion of the Developer's costs attributed to utility oversizing upon completion of the projects and verification of the related costs by the Town Engineering Department. As of December 31, 2022, the Town certified and reimbursed the utility oversizing costs in the amount of $1,148,081 to the District, which was recorded as other liability upon receipt. During 2024, the other liability was reclassified as other revenue after the Developer confirmed that such amount can be treated as such.

NOTE 11 RELATED PARTIES

The Developer of the property which constitutes the District is RainDance Land Company, LLC, a Delaware limited liability company (the Developer). Certain members of the Board of Directors of the District are officers or employees of or related to the Developer or an entity affiliated with the Developer or the majority owner of the Developer, and may have conflicts of interest in dealing with the District.

NOTE 12 RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; thefts of, damage to, or destruction of assets; errors or omissions; injuries to employees; or acts of God.

The District is a member of the Colorado Special Districts Property and Liability Pool (the Pool). The Pool is an organization created by intergovernmental agreement to provide property, liability, public officials' liability, boiler and machinery, and workers' compensation coverage to its members. Settled claims have not exceeded this coverage in any of the past three fiscal years.

The District pays annual premiums to the Pool for liability, property and public officials' liability coverage. In the event aggregated losses incurred by the Pool exceed amounts recoverable from reinsurance contracts and funds accumulated by the Pool, the Pool may require additional contributions from the Pool members. Any excess funds which the Pool determines are not needed for purposes of the Pool may be returned to the members pursuant to a distribution formula.

NOTE 13 TAX, SPENDING, AND DEBT LIMITATIONS

Article X, Section 20 of the Colorado Constitution, referred to as the Taxpayer’s Bill of Rights (TABOR), contains tax, spending, revenue, and debt limitations which apply to the state of Colorado and all local governments.

Spending and revenue limits are determined based on the prior year's Fiscal Year Spending adjusted for allowable increases based upon inflation and local growth. Fiscal Year Spending is generally defined as expenditures plus reserve increases with certain exceptions. Revenue in excess of the Fiscal Year Spending limit must be refunded unless the voters approve retention of such revenue.

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of Fiscal Year Spending (excluding bonded debt service). Local governments are not allowed to use the emergency reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases. At December 31, 2025, the District determined and calculated its required emergency reserve to be approximately $188,500. Funding of the Districts’ operations primarily come from transfers of tax revenues from the Financing Districts.

The District’s management has taken steps it believes are necessary to comply with the provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of the provisions, including the interpretation of how to calculate Fiscal Year Spending limits, will require judicial interpretation.

REQUIRED SUPPLEMENTARY INFORMATION

RAINDANCE METROPOLITAN DISTRICT NO. 1
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2025

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues			
Property Taxes	$ 3,181,099	$ 3,181,100	$ 1
Specific Ownership Taxes	127,244	128,871	1,627
Interest on Late Tax Payments	-	1,723	1,723
Net Investment Income	197,850	217,527	19,677
IGA - PTMD - River Resort Cost Share	360,000	256,926	(103,074)
IGA - PTMD - Maintenance Building Cost Share	20,000	-	(20,000)
Recreation Fees (Pool & W-Club)	435,000	1,247,437	812,437
Intergovernmental Revenue - RDMD2	600,164	601,318	1,154
Intergovernmental Revenue - RDMD3	636,529	637,684	1,155
Transfers From Other Government	-	5,094	5,094
Other Revenue	-	4,151	4,151
Total Revenues	5,557,886	6,281,831	723,945
Expenditures			
General & Administrative			
Accounting	125,000	124,406	594
Accounting - Cost Certification	15,000	-	15,000
Auditing	50,000	105,092	(55,092)
Bad Debt Expense	-	163,641	(163,641)
Consulting & Studies	10,000	-	10,000
County Treasurer's Fee	47,716	47,742	(26)
Contingency	30,000	-	30,000
Dues and Membership	2,044	5,188	(3,144)
Insurance	82,491	59,830	22,661
Legal	125,000	52,242	72,758
Management Fee	60,000	37,800	22,200
Operation Supplies	7,000	5,335	1,665
Organization Costs	11,600	-	11,600
Office Overhead	60,000	60,000	-
Staffing	102,000	445,579	(343,579)
Operations and Maintenance			
Cost Share - W-Club	450,000	1,195,239	(745,239)
District Events	15,000	-	15,000
Dog Waste Stations	-	5,438	(5,438)
Dues, Education, and Certifications	-	1,052	(1,052)
Equipment Acquisition	80,000	68,790	11,210
Landscaping - Softscape Contract	400,000	320,763	79,237
Landscaping - Special Projects and Mowing	30,000	51,217	(21,217)
Landscaping - Irrigation Repair and Maintenance	50,000	77,269	(27,269)
Landscaping - Orchard Trees and Operation	35,000	50,116	(15,116)
Raindance Farms	45,000	59,405	(14,405)
Miscellaneous	-	2,197	(2,197)
Parks & Playgrounds	-	20,764	(20,764)
Operation and Maintenance Staffing	371,000	-	371,000
Rent and Common Area Maintenance	-	30,453	(30,453)
Repairs and Maintenance	265,000	101,099	163,901
Safety Supplies and Equipment	6,000	-	6,000
Security	80,000	66,157	13,843
Small Tools and Supplies	16,000	4,638	11,362
Snow Removal	50,000	24,226	25,774
Utilities	125,000	29,486	95,514
Water Usage - District Irrigation	275,000	166,935	108,065

RAINDANCE METROPOLITAN DISTRICT NO. 1
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL (CONTINUED)
YEAR ENDED DECEMBER 31, 2025

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Expenditures (Continued)			
Pool and Clubhouse			
Pool Management Fees	$ 250,000	$ 319,300	$ (69,300)
Pool Cashier - Contract/Self Perform	45,000	-	45,000
Pool Supplies	80,000	27,646	52,354
Pool Water Usage	20,000	19,435	565
Pool Gas and Electricity	65,000	37,647	27,353
Pool Telephone Services	1,000	831	169
Pool Internet	3,500	3,870	(370)
Pool Insurance	42,000	29,156	12,844
Pool Trash and Recycle	3,600	4,449	(849)
Lanscaping River Resort	7,500	-	7,500
Pool Repair and Maintenance	40,000	53,987	(13,987)
Pool Cleaning Services	45,000	15,954	29,046
Pool House and Restroom Repair	25,000	-	25,000
Pool Miscellaneous	15,000	622	14,378
Capital Outlay	145,000	42,667	102,333
Capital Reserves	200,000	-	200,000
Contingency	50,000	-	50,000
Debt Service			
Repay Developer Advance	60,000	-	60,000
Lease Expense - Parking Lot	-	5,094	(5,094)
Lease Expense - Property (Maint. Bldg)	31,000	31,200	(200)
Lease Expense - Vehicle	14,300	14,153	147
Total Expenditures	4,163,751	3,988,110	175,641
Excess of Revenues Over (Under) Expenditures	1,394,135	2,293,721	899,586
Other Financing Sources (Uses)			
Developer Advance - Overhead	60,000	-	(60,000)
Transfers To Other Fund	(2,400,000)	(2,400,000)	-
Total Other Financing Sources (Uses)	(2,340,000)	(2,400,000)	(60,000)
Net Change in Fund Balance	(945,865)	(106,279)	839,586
Fund Balances, Beginning of Year	9,892,521	8,142,372	(1,750,149)
Fund Balances - End of Year	$ 8,946,656	$ 8,036,093	$ (910,563)

SUPPLEMENTARY INFORMATION

RAINDANCE METROPOLITAN DISTRICT NO. 1 CAPITAL PROJECTS FUN
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2025

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues			
Other Revenues	$ -	$ 42,168	$ 42,168
Expenditures			
Capital Projects	2,400,000	-	2,400,000
Excess of Revenues Over (Under) Expenditures	(2,400,000)	42,168	(2,357,832)
Other Financing Sources (Uses)			
Transfers From Other Fund	2,400,000	2,400,000	-
Net Change in Fund balance	-	2,442,168	2,442,168
Fund Balances - Beginning of Year	-	662,308	662,308
Fund Balances - End of Year	$ -	$ 3,104,476	$ 3,104,476

RAINDANCE METROPOLITAN DISTRICT NO. 1
ENTERPRISE FUND – NON-POTABLE WATER
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2025

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Operating Revenues				
Capital Fees	$ 125,000	$ 125,000	$ 746,544	$ 621,544
Water Service Fees - Residential/Commercial	1,500,000	1,500,000	1,000,273	(499,727)
Water Service Fees - District	275,000	275,000	-	(275,000)
Water Service Fees - Hoedown Hill	70,000	70,000	-	(70,000)
Water Service Fees - Golf Course	315,000	315,000	-	(315,000)
Water Meter Fees	140,000	140,000	138,000	(2,000)
Curb Stop	15,000	15,000	-	(15,000)
Transfer from PTMD - Reservoir	-	-	63,468	63,468
Other Operating Revenues	-	10,226	1,014	(9,212)
Interest Income	40,061	72,321	127,036	54,715
Total Revenues	2,480,061	2,522,547	2,076,335	(446,212)
Operating Expenses				
Administration and General Expenses:				
District Management Contract	50,000	12,000	16,200	(4,200)
Administration - Staffing	108,000	108,000	120,303	(12,303)
Consulting & Studies	10,000	20,000	23,316	(3,316)
Legal	4,000	25,000	31,116	(6,116)
Bank Fees	-	-	6,847	(6,847)
Operations and Maintenance				
Ditch Delivery Expenses	15,000	15,000	12,100	2,900
Scada	20,000	20,000	11,258	8,742
Equipment	4,000	24,747	29,167	(4,420)
Utility Locates	100,000	100,000	99,069	931
Water Meters and Installations	130,000	130,000	124,713	5,287
Water Quality Treatments	10,000	500	345	155
Water System Manager and Field Staff	300,000	300,000	203,952	96,048
Electricity and Gas	90,000	187,498	220,897	(33,399)
Lease - Property (Pump Station)	-	34,667	31,200	3,467
IGA - Maint. Building Utilities	-	31,200	-	31,200
Miscellaneous	-	21,139	35,636	(14,497)
Curb Stop Repairs	15,000	-	-	-
Repairs and Maintenance	75,000	75,000	148,473	(73,473)
Contingency	15,000	10,000	-	10,000
Capital Projects				
Water Infrastructure	50,000	50,000	60,893	(10,893)
Debt Service		-		
Paying Agent Fees	2,000	2,000	2,975	(975)
Repay Developer Advance	250,000	250,000	-	250,000
Bond Interest - Series 2020	1,261,725	1,261,725	1,261,600	125
Bond Principal - Series 2020	30,000	30,000	30,000	-
Transfer to PTMD - 2023 Loan IGA	302,003	302,003	302,003	-
Total Expenses	2,841,728	3,010,479	2,772,063	238,416

RAINDANCE METROPOLITAN DISTRICT NO. 1
ENTERPRISE FUND – NON-POTABLE WATER
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL (CONTINUED)
YEAR ENDED DECEMBER 31, 2025

Operating Income (Loss)	(361,667)	(487,932)	(695,728)	(207,796)
Other Financing Sources (Uses)				
Developer Advance	250,000	250,000	-	(250,000)
Total Other Financing Sources	250,000	250,000	-	(250,000)
Net Income Budgetary Basis	$ (111,667)	$ (237,932)	(695,728)	$ (457,796)
Reconciliation to GAAP Basis				
Bond Principal Payment			30,000	
Capital Outlay			185,606	
Lease Principal Payment			(45,829)	
Depreciation			(465,341)	
Change in Net Position, *GAAP Basis*			$ (991,292)	

OTHER INFORMATION

RAINDANCE METROPOLITAN DISTRICT NO. 1
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY
YEAR ENDED DECEMBER 31, 2025

Bonds/Loans and Interest Maturing in the Year Ending December 31,	$24,315,000 Nonpotable Water Enterprise Revenue bonds, Series 2020 Dated August 6, 2020 Principal Due December 1 Interest Rate 5.00% - 5.25% Payable June 1 and December 1		
	Principal	Interest	Total
2025	$ 30,000	$ 1,261,725	$ 1,291,725
2026	35,000	1,260,225	1,295,225
2027	45,000	1,258,475	1,303,475
2028	55,000	1,256,225	1,311,225
2029	60,000	1,253,475	1,313,475
2030	75,000	1,250,475	1,325,475
2031	90,000	1,246,725	1,336,725
2032	170,000	1,242,225	1,412,225
2033	255,000	1,233,725	1,488,725
2034	350,000	1,220,975	1,570,975
2035	450,000	1,203,475	1,653,475
2036	560,000	1,180,975	1,740,975
2037	650,000	1,152,975	1,802,975
2038	750,000	1,120,475	1,870,475
2039	855,000	1,082,975	1,937,975
2040	970,000	1,040,225	2,010,225
2041	1,090,000	991,725	2,081,725
2042	1,220,000	934,500	2,154,500
2043	1,360,000	870,450	2,230,450
2044	1,510,000	799,050	2,309,050
2045	1,670,000	719,775	2,389,775
2046	1,755,000	632,100	2,387,100
2047	1,850,000	539,963	2,389,963
2048	1,945,000	442,837	2,387,837
2049	2,045,000	340,725	2,385,725
2050	4,445,000	233,362	4,678,362
Total	$ 24,260,000	$ 24,508,112	$ 48,768,112

RAINDANCE METROPOLITAN DISTRICT NO. 1
SCHEDULE OF ASSESSED VALUATION, MILL LEVY, AND PROPERTY TAXES COLLECTED
YEAR ENDED DECEMBER 31, 2025

		Mill Levy		Total Property Taxes		Percent
Year Ended December 31,	Assessed Valuation	General Operations	Debt Service	Levied	Collected	Collected to Levied
2019/2020	$ 88,047,060	39.000	0.000	$ 3,433,835	$ 3,293,757	95.92 %
2020/2021	88,297,570	39.000	0.000	4,482,605	3,552,079	79.24 %
2021/2022	34,853,120	39.000	0.000	1,359,272	1,359,272	100.00 %
2022/2023	52,590,940	39.000	0.000	2,051,047	2,050,899	99.99 %
2023/2024	233,913,830	39.000	0.000	9,122,639	9,120,684	99.98 %
2024/2025	81,566,650	39.000	0.000	3,181,099	3,181,100	100.00 %
Estimated for Year Ending December 31, 2026	$ 49,368,620	39.000	0.000	$ 1,925,376		

Note: Property taxes collected in any one year include collection of delinquent property taxes levied in prior years. Information received from the Treasurer does not permit identification of specific year of levy.

Source: State of Colorado, Colorado Department of Local Affairs, Division of Property Taxation, and County Assessor.

RAINDANCE METROPOLITAN DISTRICT NO. 2
Weld County, Colorado

FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION

YEAR ENDED DECEMBER 31, 2025

RAINDANCE METROPOLITAN DISTRICT NO. 2
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YEAR ENDED DECEMBER 31, 2025

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Raindance Metropolitan District No. 2
Weld County, Colorado

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of the Raindance Metropolitan District No. 2 (the District) as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the District, as of December 31, 2025, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

We have applied certain limited procedures to the budgetary comparison schedules in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the budgetary comparison schedules because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinions on the basic financial statements are not affected by this missing information.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The supplementary information listed in the table of contents is presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information listed in the table of contents is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the continuing disclosure annual financial information included in the report. The other information comprises the continuing disclosure annual financial information but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

DMC Auditing and Consulting, LLC

Bailey, Colorado
July 31, 2026

BASIC FINANCIAL STATEMENTS

RAINDANCE METROPOLITAN DISTRICT NO. 2
STATEMENT OF NET POSITION
DECEMBER 31, 2025

	Governmental Activities
Assets	
Cash and Investments	$ 24,344
Cash and Investments - Restricted	156,837
Due from District No. 3	17,478
Property Taxes Receivable	2,018,467
Total Assets	2,217,126
Deferred Outflows of Resources	
Cost of Bond Refunding, Net	1,147,788
Total Deferred Inflows of Resources	1,147,788
Liabilities	
Due to Other Governments	19,531
Accrued Bond Interest Payable	146,292
Current Portion Bonds Payable	695,000
Noncurrent Liabilities:	
Due in More Than One Year	41,268,181
Total Liabilities	42,129,004
Deferred Inflows of Resources	
Property Tax Revenue	2,018,467
Total Deferred Inflows of Resources	2,018,467
Net Position	
Restricted for:	
Debt Service	174,305
Unrestricted	(40,956,862)
Total Net Position	$ (40,782,557)

The accompanying notes are an integral part of these financial statements.

RAINDANCE METROPOLITAN DISTRICT NO. 2
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2025

		Program Revenue			Net Revenues (Expenses) and Change in Net Position
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Functions/Programs					
Primary Government					
Government Activities					
General Government	$ 8,796	$ -	$ -	$ -	$ (8,796)
Intergovernmental - Operations Transfers to PTMD	601,318	-	-	-	(601,318)
Interest and Related Costs on Long-Term Debt	1,843,670	-	-	1,183,640	(660,030)
Total Governmental Activities	$ 2,453,784	$ -	$ -	$ 1,183,640	(1,270,144)
General Revenues					
Property Taxes					1,673,472
Specific Ownership Taxes					67,795
Interest on Late Tax Payments					2,532
Net Investment Income					10,672
Total General Revenues					1,754,471
Change in Net Position					484,327
Net Position - Beginning of Year					(41,266,884)
Net Position - End of Year					$ (40,782,557)

The accompanying notes are an integral part of these financial statements.

RAINDANCE METROPOLITAN DISTRICT NO. 2
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2025

	General	Debt Service	Total Governmental Funds
Assets			
Cash and Investments	$ 24,344	$ -	$ 24,344
Cash and Investments - Restricted	-	156,837	156,837
Due from Other Funds	10	-	10
Due from District No. 3	-	17,478	17,478
Property Taxes Receivable	709,882	1,308,585	2,018,467
Total Assets	$ 734,236	$ 1,482,900	$ 2,217,136
Liabilities, Deferred Inflows of Resources, and Fund Balances			
Liabilities			
Due to Other Funds	$ -	$ 10	$ 10
Due to Other Governments	19,531	-	19,531
Total Liabilities	19,531	10	19,541
Deferred Inflows of Resources			
Unavailable Property Taxes	709,882	1,308,585	2,018,467
Fund Balances			
Restricted for:			
Debt Service	-	174,305	174,305
Unassigned	4,823	-	4,823
Total Fund Balances	4,823	174,305	179,128
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 734,236	$ 1,482,900	

Amounts reported for governmental activities in the statement of net position are different because:

Other long-term assets are not available to pay for current period expenditures and, therefore, are not reported in the funds.	
Cost of Bond Refunding, Net	1,147,788
Long-term liabilities, including bonds payables, are not due and payables in the current periods and; therefore, are not recorded as liabilities in the funds.	
Bonds Payable	(41,340,000)
Unamortized Bond Premium	(623,176)
Accrued Bond Interest	(146,292)
Developer Advance Payable	(5)
Net Position of Governmental Activities	$ (40,782,557)

The accompanying notes are an integral part of these financial statements.

RAINDANCE METROPOLITAN DISTRICT NO. 2
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2025

	General	Debt Service	Total Governmental Funds
Revenues			
Property Taxes	$ 585,508	$ 1,087,964	$ 1,673,472
Specific Ownership Taxes	23,720	44,075	67,795
Interest on Late Tax Payments	886	1,646	2,532
Raindance No. 3 Service Fees	-	1,183,640	1,183,640
Net Investment Income	4,818	5,854	10,672
Total Revenues	614,932	2,323,179	2,938,111
Expenditures			
Current:			
County Treasurer's Fees	8,796	16,344	25,140
Bank Fees	-	150	150
Intergovernmental Expenditures	601,318	-	601,318
Debt Service:			
Bond Principal - Series 2016	-	200,000	200,000
Bond Interest - Series 2016	-	1,800,250	1,800,250
Total Expenditures	610,114	2,016,744	2,626,858
Net Change in Fund Balances	4,818	306,435	311,253
Fund Balances - Beginning of Year	5	(132,130)	(132,125)
Fund Balances - End of Year	$ 4,823	$ 174,305	$ 179,128

The accompanying notes are an integral part of these financial statements.

RAINDANCE METROPOLITAN DISTRICT NO. 2
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2025

Net Change in Fund Balances - Total Governmental Funds	$ 311,253
Amounts reported for governmental activities in the statement of activities are different because:	
The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. The net effect of these differences in the treatment of long-term debt and related items is as follows:	
Bond Series 2024 - Principal Payment	200,000
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	
Amortization of Bond Premium	36,413
Accrued Bond Interest - Change in Liability	3,729
Amortization of Cost of Bond Refunding	(67,068)
Changes in Net Position of Governmental Activities	$ 484,327

The accompanying notes are an integral part of these financial statements.

NOTE 1 DEFINITION OF REPORTING ENTITY

RainDance Metropolitan District No. 2 (the District), a quasi-municipal corporation and a political subdivision of the state of Colorado, was organized by order and decree issued by the District Court in and for Weld County, Colorado, on June 6, 2014, and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes).

The District was organized to provide 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 was organized in conjunction with three other related metropolitan districts – RainDance Metropolitan Districts No. 1 (District No. 1), RainDance Metropolitan District No. 3 (District No. 3), and RainDance Metropolitan District No. 4 (District No. 4). On November 20, 2023, District No. 4 changed its name to National Resort Metropolitan District (NRMD). District No. 1 serves as the Operating District and is responsible for coordinating financing, construction, and maintenance of all public improvements and other services needed for District Nos. 2 – 3 and NRMD (Financing Districts) and, together with District No. 1, the Districts, which are responsible for providing the tax base needed to support financing of capital improvements and operations and maintenance.

The District follows the Governmental Accounting Standards Board (GASB) accounting pronouncements which provide guidance for determining which governmental activities, organizations and functions should be included within the financial reporting entity. GASB pronouncements set forth the financial accountability of a governmental organization's elected governing body as the basic criterion for including a possible component governmental organization in a primary government's legal entity. Financial accountability includes, but is not limited to, appointment of a voting majority of the organization's governing body, ability to impose its will on the organization, potential for the organization to provide specific financial benefits or burdens, and fiscal dependency.

The District is not financially accountable for any other organization, nor is the District a component unit of any other primary governmental entity.

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

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The more significant accounting policies of the District are described as follows:

Government-Wide and Fund Financial Statements

The government-wide financial statements include the statement of net position and the statement of activities. These financial statements include all of the activities of the District. The effect of interfund activity has been removed from these statements. Governmental activities are normally supported by taxes and intergovernmental revenues.

The statement of net position reports all financial and capital resources of the District. The difference between the sum of assets and deferred outflows and the sum of liabilities and deferred inflows is reported as net position.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-Wide and Fund Financial Statements (Continued)

The statement of activities demonstrates the degree to which the direct and indirect expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported as general revenues.

Separate financial statements are provided for governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. The major sources of revenue susceptible to accrual are property taxes. All other revenue items are considered to be measurable and available only when cash is received by the District. Expenditures, other than interest on long-term obligations, are recorded when the liability is incurred or the long-term obligation is due.

The District reports the following major governmental funds:

> The General Fund is the District’s primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.
>
> The Debt Service Fund accounts for the resources accumulated and payments made for principal, interest, and other related costs related to the Series 2024 Bonds.

Budgets

In accordance with the State Budget Law, the District’s Board of Directors holds public hearings in the fall each year to approve the budget and appropriate the funds for the ensuing year. The appropriation is at the total fund expenditures and other financing uses level and lapses at year-end. The District’s Board of Directors can modify the budget by line item within the total appropriation without notification. The appropriation can only be modified upon completion of notification and publication requirements. The budget includes each fund on its basis of accounting unless otherwise indicated.

For the year ended December 31, 2025, the District’s Debt Service Fund expenditures exceeded expenditure appropriation which may be a violation of State Statutes.

The District amended its annual budget for the General Fund for the year ended December 31, 2025

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 always 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.

Property taxes, net of estimated uncollectible taxes, are recorded initially as deferred inflow of resources in the year they are levied and measurable. The unearned property tax revenue is recorded as revenue in the year they are available or collected.

Deferred Inflows of Resources

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources,* represents an acquisition of net assets that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The District has one item that qualifies for reporting in this category. Accordingly, the item, *deferred property tax revenue,* is deferred and recognized as an inflow of resources in the period that the amount becomes available.

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net assets that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until that time. The District has one item that qualifies for reporting in this category. Accordingly, the item, *cost of bond refunding,* is deferred and recognized as a outflows of resources in the period that the amount is incurred.

Equity

Net Position

For government-wide presentation purposes, when both restricted and unrestricted resources are available for use, it is the District's practice to use restricted resources first, then unrestricted resources as they are needed.

In the government-wide financial statements, fund equity is classified as net position. Net position may be classified into three components: net investment in capital assets, restricted and unrestricted.

Fund Balance

Fund balance for governmental funds should be reported in classifications that comprise a hierarchy based on the extent to which the government is bound to honor constraints on the specific purposes for which spending can occur. Governmental funds report up to five classifications of fund balance: nonspendable, restricted, committed, assigned, and unassigned. Because circumstances differ among governments, not every government or every governmental fund will present all of these components. The following classifications describe the relative strength of the spending constraints:

Nonspendable Fund Balance – The portion of fund balance that cannot be spent because it is either not in spendable form (such as prepaid amounts or inventory) or legally or contractually required to be maintained intact.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Equity (Continued)

Restricted Fund Balance – The portion of fund balance that is constrained to being used for a specific purpose by external parties (such as bondholders), constitutional provisions, or enabling legislation.

Committed Fund Balance – The portion of fund balance that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority, the Board of Directors. The constraint may be removed or changed only through formal action of the Board of Directors.

Assigned Fund Balance – The portion of fund balance that is constrained by the government's intent to be used for specific purposes, but is neither restricted nor committed. Intent is expressed by the Board of Directors to be used for a specific purpose. Constraints imposed on the use of assigned amounts are more easily removed or modified than those imposed on amounts that are classified as committed.

Fund balance (continued)

Unassigned Fund Balance – The residual portion of fund balance that does not meet any of the criteria described above.

If more than one classification of fund balance is available for use when an expenditure is incurred, it is the District's practice to use the most restrictive classification first.

Deficit

The Debt Service Fund reported a deficit as of December 31, 2024. The deficit was eliminated with the receipt of pledged revenue and property taxes in 2025.

NOTE 3 CASH AND INVESTMENTS

Cash and investments as of December 31, 2025, are classified in the accompanying financial statements as follows:

Statement of Net Position:	
Cash and Investments	$24,344
Cash and Investments - Restricted	156,837
Total Cash and Investments	$181,181

Cash and investments as of December 31, 2025, consist of the following:

Deposits with Financial Institutions	$135,947
Investments	45,234
Total Cash and Investments	$181,181

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Deposits with Financial Institutions

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulators. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The pool for all the uninsured public deposits as a group is to be maintained by another institution or held in trust. The market value of the collateral must be at least 102% of the aggregate uninsured deposits.

The State Commissioners for banks and financials services are required by statue to monitor the naming of eligible depositories and reporting off the uninsured deposits and assets maintained in the collateral pools.

At December 31, 2025, the District's cash deposits had a bank and carrying balance of $135,947.

Investments

The District has not adopted a formal investment policy; however, the District follows state statutes regarding investments.

The District generally limits its concentration of investments to those noted with an asterisk (*) below, which are believed to have minimal credit risk, minimal interest rate risk, and no foreign currency risk. Additionally, the District is not subject to concentration risk or investment custodial risk disclosure requirements for investments that are in the possession of another party.

Colorado revised statutes limit investment maturities to five years or less unless formally approved by the Board of Directors. Such actions are generally associated with a debt service reserve or sinking fund requirements.

Colorado statutes specify investment instruments meeting defined rating and risk criteria in which local governments may invest which include:

- Obligations of the United States, certain U.S. government agency securities, and securities of the World Bank
- General obligation and revenue bonds of U.S. local government entities
- Certain certificates of participation
- Certain securities lending agreements
- Bankers' acceptances of certain banks
- Commercial paper
- Written repurchase agreements and certain reverse repurchase agreements collateralized by certain authorized securities
- Certain money market funds
- Guaranteed investment contracts
- Local government investment pools

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Investments (Continued)
As of December 31, 2025, the District had the following investments:

Investment	Maturity	Amount
U.S. Treasury Money Market Fund	Weighted-Average Under 60 Days	$ 45,234

U.S. Treasure Money Market Funds
The money at U.S Bank is invested in the First American Funds – Y Class Treasury Obligation Fund. The First American Fund is a money market fund that is managed by U.S. Bancorp Asset Management, Inc. and each share is equal in value to $1.00. The fund is AAAm rated and invests in high quality short-term U.S. Treasury obligations, including repurchase agreements secured by U.S. Treasury obligations. The average underlying securities is 60 days or less.

Restricted Cash and Investments
Cash and investments of the District include amounts restricted in accordance with the Series 2024 Loan Agreement. At December 31, 2025, cash deposits in the amount of $156,837 are restricted for the payment of debt service and other purposes as provided in the related loan documents and are therefore not available for general operations of the District.

NOTE 4 INTERFUND BALANCES AND TRANSFERS

At December 31, 2025, the General Fund subsidized $10 on behalf of the Debt Service Fund for a wire fee, which was repaid shortly after year end

NOTE 5 LONG-TERM OBLIGATIONS

The following is an analysis of changes in the District's long-term obligations for the year ended December 31, 2025:

	Balance at Decmeber 31, 2024	Additions	Reductions	Balance at December 31, 2025	Due Within One Year
Bonds Payable:					
General Obligation Bonds					
Series 2024	$ 41,540,000	$ -	$ (200,000)	$ 41,340,000	$ 695,000
Series 2024 - Premium	659,589	-	(36,413)	623,176	-
Subtotal Bonds Payable	42,199,589	-	(236,413)	41,963,176	695,000
Other Debts:					
Developer Advance - Operating	5	-	-	5	-
Subtotal Other Debts	5	-	-	5	
Total Long-Term Obligations	$ 42,199,594	$ -	$ (236,413)	$ 41,963,181	$ 695,000

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

The details of the District's long-term obligations are as follows:

On October 9, 2024, the District advance refunded and defeased $43,095,000 in General Obligation Bonds by the issuance of **Limited Tax General Obligation Bonds, Series 2024** (the Bonds), in the amount of $41,540,000. The refunding of the District No. 3's 2018 Bonds and District's 2019 Bonds were undertaken to reduce total debt service payments over the next 30 years by approximately $12,527,231 and to obtain an economic gain of approximately $5,772,028.

Use of Proceeds

Net proceeds of the Bonds were used to fully refund District No. 3's outstanding Series 2018A Senior and 2018B Subordinate Bonds and the District's Series 2019A Senior and 2019B Subordinate Bonds and pay the costs of issuing the Bonds.

Optional Redemption

The bonds maturing on or after December 1, 2029, are subject to redemption prior to maturity, at the option of the District, and on any date thereafter, upon payment of par, accrued interest, and a redemption premium of a percentage of the principal amount redeemed, as follows:

Date of Redemption	Redemption Premium
December 1, 2029, to November 30, 2030	3.00%
December 1, 2030, to November, 2031	2.00
December 1, 2031, to November 28, 2032	1.00
December 1, 2032, and thereafter	0.00

Bond Details

The Bonds bear interest between 4.00% to 5.00%, payable semi-annually to the extent oof Senior Pledged Revenue available on June 1 and December 1 (Interest Payment Dates), beginning on December 1, 2024. Annual mandatory sinking fund principal payments are due on December 1, beginning on December 1, 2025. The Bonds mature on October 1, 2054.

To the extent principal of the Bonds is not paid when due, such principal will remain outstanding until paid. To the extent interest on the Bonds is not paid when due, such unpaid interest will compound semi-annually on each Interest Payment Date, at the rate then borne by the Bonds.

The Bonds are not subject to acceleration and do not have any unused lines of credit. No assets have been pledged as collateral on the Bonds.

Pledged Revenue

Per the Capital Pledge Agreement, the Bonds are secured by and payable from District No. 2 and District No. 3 (the Taxing Districts_ pledged revenue, which consists of the following sources, net of any costs of collection: on the 2016 Bonds.

(a) all Property Tax Revenue;
(b) all Specific ownership Tax Revenues, and
(c) any other legally available moneys which the District determines, inn its absolute discretion, to credit to the Bond Fund.

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Property Tax Revenues
Property Tax Revenues means all moneys derived from imposition by the Taxing Districts of the Required Mill Levy. Property Tax Revenues are net of the costs of collection and any tax refunds or abatements authorized by or on behalf of the County.

Required Mill Levy
The Taxing Districts have covenanted to impose a Required Mill Levy each year in an amount sufficient to pay the principal of, premium if any, and interest on the Bonds as they become due and payable and to replenish the Reserve Fund to the Reserve Requirement, but not in excess of 39 mills (subject to adjustment for changes in the method of calculating assessed valuation occurring after January 1, 2014).

Reserve Fund
The Bonds are also secured by amounts on deposit in the Reserve Fund in the amount off Reserve Requirement ($2,492,800), which was funded at closing by a debt service reserve insurance policy issued by Build America Mutual Assurance Company (BAM).

Events of Default of the Bonds
Events of default occur if the Districts fails to impose the Required Mill Levy or apply thee Pledged Revenue as required by the Capital Pledge Agreement, and do not comply with other customary terms and conditions with normal financing as described in the Bonds indenture.

2024 Bonds Debt Service
The outstanding principal and interest of the Bonds are due as follows:

Year ending December 31,	Principal	Interest	Total
2026	695,000	1,790,250	2,485,250
2027	730,000	1,755,500	2,485,500
2028	770,000	1,719,000	2,489,000
2029	805,000	1,680,500	2,485,500
2030	850,000	1,640,250	2,490,250
2031-2035	4,920,000	7,520,500	12,440,500
2036-2040	6,275,000	6,161,500	12,436,500
2041-2045	7,785,000	4,660,400	12,445,400
2046-2050	9,465,000	2,974,000	12,439,000
2051-2024	9,045,000	907,333	9,952,333
Total	41,340,000	30,809,233	72,149,233

NOTE 6 AUTHORIZED DEBT

At December 31, 2025, the District had authorized but unissued indebtedness in the following amounts allocated for the following purposes:

	Amount Authorized on November 8, 1994	Authorization Used for 2019 Bonds	Authorization Used for 2024 Loan	Authorized but Unissued
Water	$ 93,000,000	$ (3,956,432)	$ -	$ 89,043,568
Streets	93,000,000	(6,261,698)	-	86,738,302
Sanitation/Stormwater	93,000,000	(4,138,890)	-	88,861,110
Parks and Recreation	93,000,000	-	-	93,000,000
Public Transporation	93,000,000	-	-	93,000,000
Fire Protection	93,000,000	-	-	93,000,000
Mosquito Control	93,000,000	-	-	93,000,000
Safety Protection	93,000,000	-	-	93,000,000
Security	93,000,000	-	-	93,000,000
TV Relay and Translation	93,000,000	-	-	93,000,000
Operation and Maintenance	93,000,000	-	-	93,000,000
Debt Refunding	93,000,000	-	41,540,000	134,540,000
Intergovernmental Agreement	93,000,000	-	-	93,000,000
Private Agreements	93,000,000	-	-	93,000,000
Special Assessments	93,000,000	-	-	93,000,000

Pursuant to the Service Plan, the maximum general obligation bonded indebtedness for all of the Financing Districts combined is to not exceed $93,000,000 exclusive of costs of issuance, organization costs, inflation, contingencies, and other similar costs.

NOTE 7 NET POSITION

The District has a deficit unrestricted net position. The District has a deficit in unrestricted net position because it carries a bond payable that was issued to refund prior bonds for the District and District No. 3, which bonds' net proceeds were used to finance public improvements that were either conveyed to other governments or transferred to District No. 1.

NOTE 8 RELATED PARTIES

The developer of the property which constitutes the District is RainDance Land Company LLC., a Delaware limited liability company (Developer). Certain members of the Board of Directors of the District are officers or employees of or related to the Developer or an entity affiliated with the Developer or the majority owner of the Developer and may have conflicts of interest in dealing with the District.

NOTE 9 AGREEMENTS

District Coordinating Services Agreement

Effective as of January 1, 2018, the Districts entered into a District Coordinating Services Agreement (the Coordinating Services Agreement) for the purpose of establishing the respective obligations of the Districts with respect to the coordination, oversight, and funding of certain administrative costs of the Districts, and costs related to the continued operation and maintenance of certain of the Public Improvements within such Districts. Pursuant to the Coordinating Services Agreement, District No. 1 was designated as the "coordinating district" (the Coordinating District). The District, District No. 3, and National Resort Metro District were each designated as "financing districts" (the Financing Districts).

Common Finance Plan Resolution and Infrastructure Acquisition and Reimbursement Agreement

On December 5, 2019, District No. 1 and the District adopted a Joint Resolution Regarding Intent to Implement Common Plan of Finance (the Common Finance Plan Resolution), pursuant to which: (a) the District and District No. 1 declared their mutual intent to implement the common plan of finance set forth and approved in the Service Plan to fund or reimburse from the Bonds all or a portion of the capital costs related to the Public Improvements to serve RainDance; and (b) the District declared its intent, upon issuance of the Bonds, to transfer all available proceeds to District No. 1 for the payment of such costs, including amounts owed by District No. 1, pursuant to certain Reimbursement Agreement.

District No. 1 and the Developer have entered into an Infrastructure Acquisition and Reimbursement Agreement dated March 1, 2018 (the Reimbursement Agreement). Pursuant to the Reimbursement Agreement, it is acknowledged that the Developer has incurred certain costs related to the public infrastructure for the benefit of RainDance community, and may incur additional costs related thereto during a period when District No. 1 is unable to fund such costs, and District No. 1 and the Developer desire to establish terms and conditions under which District No. 1 (a) shall reimburse the Developer for any and all costs of any kind related to the provision of the Public Improvements that may be lawfully funded by District No. 1 under the Special District Act and the Service Plan (collectively, District Eligible Costs) which are subject to an Accountant's Cost Certification and Engineer's Cost Certification (Certified District Eligible Costs) to the extent constituting repayment obligations under the Reimbursement Agreement; (b) may acquire any such Public Improvements constructed for the benefit of RainDance community that are to be owned by District No. 1 from the Developer and shall pay Certified District Eligible Costs; and (c) shall reimburse the Developer for Certified District Eligible Costs incurred by the Developer for Public Improvements that are being dedicated to the Town or other governmental entities.

NOTE 10 RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; thefts of, damage to, or destruction of assets; errors or omissions; injuries to employees; or acts of God.

The District is a member of the Colorado Special Districts Property and Liability Pool (the Pool). The Pool is an organization created by intergovernmental agreement to provide property, liability, public officials' liability, boiler and machinery, and workers' compensation coverage to its members. Settled claims have not exceeded this coverage in any of the past three fiscal years.

The District pays annual premiums to the Pool for liability, property and public officials' liability coverage. In the event aggregated losses incurred by the Pool exceed amounts recoverable from reinsurance contracts and funds accumulated by the Pool, the Pool may require additional contributions from the Pool members. Any excess funds which the Pool determines are not needed for purposes of the Pool may be returned to the members pursuant to a distribution formula.

NOTE 11 TAX, SPENDING, AND DEBT LIMITATIONS

Article X, Section 20 of the Colorado Constitution, commonly known as the Taxpayer's Bill of Rights (TABOR), contains tax, spending, revenue and debt limitations which apply to the state of Colorado and all local governments. Spending and revenue limits are determined based on the prior year's Fiscal Year Spending adjusted for allowable increases based upon inflation and local growth. Fiscal Year Spending is generally defined as expenditures plus reserve increases with certain exceptions. Revenue in excess of the Fiscal Year Spending limit must be refunded unless the voters approve retention of such revenue.

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of Fiscal Year Spending (excluding bonded debt service). Local governments are not allowed to use the emergency reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases. As of December 31, 2025, the District has not provided for an emergency reserve equal to at least 3% of Fiscal Year Spending, as defined under TABOR, because net tax revenue is transferred to Poudre Tech Metropolitan District, the Operating District. However, the District has committed to maintain a reasonable level of unrestricted fund balance in the General Fund to mitigate temporary revenue shortfalls or unplanned one-time expenditures that may occur in the future.

The District's management has taken steps it believes are necessary to comply with the provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of the provisions, including the interpretation of how to calculate Fiscal Year Spending limits, will require judicial interpretation.

REQUIRED SUPPLEMENTARY INFORMATION

RAINDANCE METROPOLITAN DISTRICT NO. 2
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2025

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues				
Property Tax	$ 585,507	$ 585,507	585,508	$ 1
Specific Ownership Tax	23,420	23,420	23,720	300
Interest on Late Tax Payments	-	-	886	886
Net Investment Income	20	20	4,818	4,798
Other Revenue	-	571	-	(571)
Total Revenues	608,947	609,518	614,932	5,414
Expenditures				
County Treasurer's Fee	8,783	8,783	8,796	(13)
Intergovernmental Expenditures	600,164	600,735	601,318	(583)
Total Expenditures	608,947	609,518	610,114	(596)
Net Change in Fund Balance	-	-	4,818	4,818
Fund Balances - Beginning of Year	518	518	5	(513)
Fund Balances - End of Year	$ 518	$ 518	$ 4,823	$ 4,305

SUPPLEMENTARY INFORMATION

RAINDANCE METROPOLITAN DISTRICT NO. 2 DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2025

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues			
Property Taxes	$ 1,087,963	$ 1,087,964	$ 1
Specific Ownership Taxes	43,519	44,075	556
Interest on Late Tax Payments	-	1,646	1,646
Raindance No. 3 Service Fees	1,186,369	1,183,640	(2,729)
Net Investment Income	-	5,854	5,854
Total Revenues	2,317,851	2,323,179	5,328
Expenditures			
Current:			
County Treasurer's Fees	16,319	16,344	(25)
Bank Fees	100	150	(50)
Intergovernmental Expenditures	260,036	-	260,036
Contingency	32,000	-	32,000
Debt Service:			
Bond Principal - Series 2016	200,000	200,000	
Bond Interest - Series 2016	1,800,250	1,800,250	-
Paying Agent Fees	9,000	-	9,000
Total Expenditures	2,317,705	2,016,744	300,961
Net Change in Fund Balance	146	306,435	306,289
Fund Balances - Beginning of Year	-	(132,130)	(132,130)
Fund Balances - End of Year	$ 146	$ 174,305	$ 174,159

RAINDANCE METROPOLITAN DISTRICT NO. 2
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY
DECEMBER 31, 2025

Bonds/Loans and Interest Maturing in the year Ending December 31,	$41,540,000 Limited Tax General Obligation Bonds Series 2024, Dated October 9, 2024 Interest Rate: 4.00% to 5.00% Interest Payable June 1 and December 1 Principal Payable December 1		
	Principal	Interest	Total
2026	$ 695,000	$ 1,790,250	$ 2,485,250
2027	730,000	1,755,500	2,485,500
2028	770,000	1,719,000	2,489,000
2029	805,000	1,680,500	2,485,500
2030	850,000	1,640,250	2,490,250
2031	890,000	1,597,750	2,487,750
2032	935,000	1,553,250	2,488,250
2033	985,000	1,506,500	2,491,500
2034	1,030,000	1,457,250	2,487,250
2035	1,080,000	1,405,750	2,485,750
2036	1,140,000	1,351,750	2,491,750
2037	1,190,000	1,294,750	2,484,750
2038	1,250,000	1,235,250	2,485,250
2039	1,315,000	1,172,750	2,487,750
2040	1,380,000	1,107,000	2,487,000
2041	1,440,000	1,051,800	2,491,800
2042	1,495,000	994,200	2,489,200
2043	1,550,000	934,400	2,484,400
2044	1,620,000	872,400	2,492,400
2045	1,680,000	807,600	2,487,600
2046	1,750,000	740,400	2,490,400
2047	1,815,000	670,400	2,485,400
2048	1,895,000	597,800	2,492,800
2049	1,965,000	522,000	2,487,000
2050	2,040,000	443,400	2,483,400
2051	2,125,000	361,800	2,486,800
2052	2,210,000	276,800	2,486,800
2053	2,300,000	188,400	2,488,400
2054	2,410,000	80,333	2,490,333
Total	$ 41,340,000	$ 30,809,233	$ 72,149,233

ANNUAL INNFORMATION REQUIRED BY THE CONTINUING DISCLOSURE AGREEMENT RELATED T THE LIMITED TAX GENNERAL OBLIGATION BONDS, SERIES 2024

SUMMARY OF ASSESSED VALUATION, MILL LEVY AND PROPERTY TAXES COLLECTED

RAINDANCE METROPOLITAN DISTRICT NO. 2

	Prior Year		Total Mill Levied		Total Property Taxes		
Year Ended December 31,	Assessed Valuation	Percent Change	General Fund	Debt Service Fund	Levied	Collected	Percent Collected to Levied
2021	$ 1,771,450	65.8 %	29.191	10.604	$ 70,494	$ 74,458	105.62
2022	8,183,850	362.0	6.327	34.279	332,312	332,151	99.95
2023	17,888,420	118.6	2.922	40.912	784,121	784,122	100.00
2024	32,417,930	81.2	1.628	47.037	1,577,618	1,577,620	100.00
2025	36,699,700	13.2	15.954	29.645	1,673,470	1,676,004	100.15
Estimated for Year Ending December 31, 2026	$ 46,635,260	27.1	15.222	28.060	2,018,467		

Note: Property taxes collected in any one year include collection of delinquent property taxes levied in prior years. Information received from the Treasurer does not permit identification of specific year of levy.

Source: Weld County Assessor's Office

SUMMARY OF ASSESSED VALUATION, MILL LEVY AND PROPERTY TAXES COLLECTED

RAINDANCE METROPOLITAN DISTRICT NO. 3

Year Ended December 31,	Prior Year Assessed Valuation	Percent Change	Total Mill Levied: General Fund	Total Mill Levied: Debt Service Fund	Total Property Taxes: Levied	Total Property Taxes: Collected	Percent Collected to Levied
2021	$ 13,361,020	227.8 %	3.841	39.290	$ 576,274	$ 576,277	100 %
2022	24,340,250	82.2	2.116	40.264	1,031,540	1,032,670	100
2023	26,444,580	8.6	1.967	42.333	1,171,495	1,171,995	100
2024	37,836,580	43.1	-	48.846	1,848,166	1,848,170	100
2025	38,924,650	2.9	15.954	29.645	1,774,925	1,776,049	100
Estimated for Year Ending December 31, 2026	$ 39,949,790	2.6	16.718	28.060	1,788,872		

Note: Property taxes collected in any one year include collection of delinquent property taxes levied in prior years
Information received from the Treasurer does not permit identification of specific year of levy.

Source: Weld County Assessor's Office and the District.

RAINDANCE METROPOLITAN DISTRICT NO. 3
Weld County, Colorado

FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION

YEAR ENDED DECEMBER 31, 2025

RAINDANCE METROPOLITAN DISTRICT NO. 3
TABLE OF CONTENTS
YEAR ENDED DECEMBER 31, 2025

DMC
AUDITING AND CONSULTING, LLC
(720) 422-1352
DCHERNYAK@DMCCPAS.NET

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Raindance Metropolitan District No. 3
Weld County, Colorado

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of the Raindance Metropolitan District No. 3 (the District) as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the District, as of December 31, 2025, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

We have applied certain limited procedures to the budgetary comparison schedules in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the budgetary comparison schedules because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinions on the basic financial statements are not affected by this missing information.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The supplementary information listed in the table of contents is presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information listed in the table of contents is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the continuing disclosure annual financial information included in the report. The other information comprises the continuing disclosure annual financial information but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

DMC Auditing and Consulting, LLC

Bailey, Colorado
July 31, 2026

BASIC FINANCIAL STATEMENTS

RAINDANCE METROPOLITAN DISTRICT NO. 3
STATEMENT OF NET POSITION
DECEMBER 31, 2025

	Governmental Activities
Assets	
Cash and Investments	$ 12,587
Cash and Investments - Restricted	24,836
Property Taxes Receivable	1,788,872
Total Assets	1,826,295
Liabilities	
Due to District No. 1	12,582
Due to District No. 2	17,478
Noncurrent Liabilities:	
Due in More Than One Year	5
Total Liabilities	30,065
Deferred Inflows of Resources	
Property Tax Revenue	1,788,872
Net Position	
Unrestricted	7,358
Total Net Position	$ 7,358

The accompanying notes are an integral part of these financial statements.

RAINDANCE METROPOLITAN DISTRICT NO. 3
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2025

		Program Revenue			Net Revenues (Expenses) and Change in Net Position
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Functions/Programs					
Primary Government					
Government Activities					
Interest and Related Costs on Long-Term Debt	$ 1,848,084	$ -	$ -	$ -	$ (1,848,084)
Total Governmental Activities	$ 1,848,084	$ -	$ -	$ -	(1,848,084)
	General Revenues				
	Property Taxes				1,776,049
	Specific Ownership Taxes				71,905
	Net Investment Income				7,488
	Total General Revenues				1,855,442
	Change in Net Position				7,358
	Net Position - Beginning of Year				-
	Net Position - End of Year				$ 7,358

The accompanying notes are an integral part of these financial statements.

RAINDANCE METROPOLITAN DISTRICT NO. 3
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2025

	General	Debt Service	Total Governmental Funds
Assets			
Cash and Investments	$ 12,587	$ -	$ 12,587
Cash and Investments - Restricted	-	24,836	24,836
Property Taxes Receivable	667,881	1,120,991	1,788,872
Total Assets	$ 680,468	$ 1,145,827	$ 1,826,295
Liabilities, Deferred Inflows of Resources, and Fund Balances			
Liabilities			
Due to District No. 1	$ 12,582	$ -	$ 12,582
Due to District No. 2	-	17,478	17,478
Total Liabilities	12,582	17,478	30,060
Deferred Inflows of Resources			
Deferred Property Tax	667,881	1,120,991	1,788,872
Fund Balances			
Unassigned	5	7,358	7,363
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 680,468	$ 1,145,827	
Amounts reported for governemental activities in the statement of net position are different because:			
Long-term liabilities, including bonds payables, are not due and payables in the current periods and; therefore, are not recorded as liabilities in the funds.			
Developer Advance Payable			(5)
Net Position of Governmental Activities			$ 7,358

The accompanying notes are an integral part of these financial statements.

RAINDANCE METROPOLITAN DISTRICT NO. 3
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2025

	General	Debt Service	Total Governmental Funds
Revenues			
Property Taxes	$ 621,672	$ 1,153,889	$ 1,775,561
Specific Ownership Taxes	25,158	46,747	71,905
Tax Related Interest	171	317	488
Net Investment Income	-	7,488	7,488
Total Revenues	647,001	1,208,441	1,855,442
Expenditures			
Current:			
County Treasurer's Fees	9,317	17,313	26,630
Bank Fees	-	130	130
Intergovernmental Service Fees to RDMD 1	637,684	-	637,684
Intergovernmental Service Fees to RDMD 2	-	1,183,640	1,183,640
Total Expenditures	647,001	1,201,083	1,848,084
Net Change in Fund Balance	-	7,358	7,358
Fund Balances - Beginning of Year	5	-	5
Fund Balances - End of Year	$ 5	$ 7,358	$ 7,363

The accompanying notes are an integral part of these financial statements.

RAINDANCE METROPOLITAN DISTRICT NO. 3
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2025

Net Change in Fund Balances - Total Governmental Funds	$	7,358
Amounts reported for governmental activities in the statement of activities are different because:		
The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.		
Principal Payments		-
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		
Accrued Bond Interest - Change in Liability		-
Changes in Net Position of Governmental Activities	$	7,358

The accompanying notes are an integral part of these financial statements.

NOTE 1 DEFINITION OF REPORTING ENTITY

RainDance Metropolitan District No. 3 (the District), a quasi-municipal corporation and a political subdivision of the state of Colorado, was organized by order and decree issued by the District Court in and for Weld County, Colorado, on June 6, 2014, and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes).

The District was organized to provide 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 was organized in conjunction with three other related metropolitan districts – RainDance Metropolitan Districts No. 1 (District No. 1), RainDance Metropolitan District No. 3 (District No. 3), and RainDance Metropolitan District No. 4 (District No. 4). On November 20, 2023, District No. 4 changed its name to National Resort Metropolitan District (NRMD). District No. 1 serves as the Operating District and is responsible for coordinating financing, construction, and maintenance of all public improvements and other services needed for District Nos. 2 – 3 and NRMD (Financing Districts) and, together with District No. 1, the Districts, which are responsible for providing the tax base needed to support financing of capital improvements and operations and maintenance.

The District follows the Governmental Accounting Standards Board (GASB) accounting pronouncements which provide guidance for determining which governmental activities, organizations and functions should be included within the financial reporting entity. GASB pronouncements set forth the financial accountability of a governmental organization's elected governing body as the basic criterion for including a possible component governmental organization in a primary government's legal entity. Financial accountability includes, but is not limited to, appointment of a voting majority of the organization's governing body, ability to impose its will on the organization, potential for the organization to provide specific financial benefits or burdens, and fiscal dependency.

The District is not financially accountable for any other organization, nor is the District a component unit of any other primary governmental entity.

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

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The more significant accounting policies of the District are described as follows:

Government-Wide and Fund Financial Statements

The government-wide financial statements include the statement of net position and the statement of activities. These financial statements include all of the activities of the District. The effect of interfund activity has been removed from these statements. Governmental activities are normally supported by taxes and intergovernmental revenues.

The statement of net position reports all financial and capital resources of the District. The difference between the sum of assets and deferred outflows and the sum of liabilities and deferred inflows is reported as net position.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-Wide and Fund Financial Statements (Continued)

The statement of activities demonstrates the degree to which the direct and indirect expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported as general revenues.

Separate financial statements are provided for governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. The major sources of revenue susceptible to accrual are property taxes. All other revenue items are considered to be measurable and available only when cash is received by the District. Expenditures, other than interest on long-term obligations, are recorded when the liability is incurred or the long-term obligation is due.

The District reports the following major governmental funds:

> The General Fund is the District's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.
>
> The Debt Service Fund accounts for the resources accumulated and pledged for the payment of principal, interest, and other related costs associated with the Series 2024 Bonds in District No. 2.

Budgets

In accordance with the State Budget Law, the District's Board of Directors holds public hearings in the fall each year to approve the budget and appropriate the funds for the ensuing year. The appropriation is at the total fund expenditures and other financing uses level and lapses at year-end. The District's Board of Directors can modify the budget by line item within the total appropriation without notification. The appropriation can only be modified upon completion of notification and publication requirements. The budget includes each fund on its basis of accounting unless otherwise indicated.

General Fund actual expenditures exceeded budgeted expenditures by $1,007. This may be a violation of State Statute.

The District amended its annual budget for the General Fund for the year ended December 31, 2025.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 always 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.

Property taxes, net of estimated uncollectible taxes, are recorded initially as deferred inflow of resources in the year they are levied and measurable. The unearned property tax revenue is recorded as revenue in the year they are available or collected.

Deferred Inflows of Resources

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources,* represents an acquisition of net assets that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The District has one item that qualifies for reporting in this category. Accordingly, the item, *deferred property tax revenue,* is deferred and recognized as an inflow of resources in the period that the amount becomes available.

Equity

Net Position

For government-wide presentation purposes, when both restricted and unrestricted resources are available for use, it is the District's practice to use restricted resources first, then unrestricted resources as they are needed.

In the government-wide financial statements, fund equity is classified as net position. Net position may be classified into three components: net investment in capital assets, restricted and unrestricted.

Fund Balance

Fund balance for governmental funds should be reported in classifications that comprise a hierarchy based on the extent to which the government is bound to honor constraints on the specific purposes for which spending can occur. Governmental funds report up to five classifications of fund balance: nonspendable, restricted, committed, assigned, and unassigned. Because circumstances differ among governments, not every government or every governmental fund will present all of these components. The following classifications describe the relative strength of the spending constraints:

Nonspendable Fund Balance – The portion of fund balance that cannot be spent because it is either not in spendable form (such as prepaid amounts or inventory) or legally or contractually required to be maintained intact.

Restricted Fund Balance – The portion of fund balance that is constrained to being used for a specific purpose by external parties (such as bondholders), constitutional provisions, or enabling legislation.

Committed Fund Balance – The portion of fund balance that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority, the Board of Directors. The constraint may be removed or changed only through formal action of the Board of Directors.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Equity (Continued)

Assigned Fund Balance – The portion of fund balance that is constrained by the government's intent to be used for specific purposes, but is neither restricted nor committed. Intent is expressed by the Board of Directors to be used for a specific purpose. Constraints imposed on the use of assigned amounts are more easily removed or modified than those imposed on amounts that are classified as committed.

Unassigned Fund Balance – The residual portion of fund balance that does not meet any of the criteria described above.

If more than one classification of fund balance is available for use when an expenditure is incurred, it is the District's practice to use the most restrictive classification first.

NOTE 3 CASH AND INVESTMENTS

Cash and investments as of December 31, 2025, are classified in the accompanying financial statements as follows:

Statement of Net Position:	
Cash and Investments	$12,587
Cash and Investments - Restricted	24,836
Total Cash and Investments	$37,423

Deposits with Financial Institutions

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulators. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The pool for all the uninsured public deposits as a group is to be maintained by another institution or held in trust. The market value of the collateral must be at least 102% of the aggregate uninsured deposits.

The State Commissioners for banks and financials services are required by statue to monitor the naming of eligible depositories and reporting off the uninsured deposits and assets maintained in the collateral pools.

At December 31, 2025, the District's cash deposits had a bank and carrying balance of $37,423.

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Investments

The District has not adopted a formal investment policy; however, the District follows state statutes regarding investments.

The District generally limits its concentration of investments to those noted with an asterisk (*) below, which are believed to have minimal credit risk, minimal interest rate risk, and no foreign currency risk. Additionally, the District is not subject to concentration risk or investment custodial risk disclosure requirements for investments that are in the possession of another party.

Colorado revised statutes limit investment maturities to five years or less unless formally approved by the Board of Directors. Such actions are generally associated with a debt service reserve or sinking fund requirements.

Colorado statutes specify investment instruments meeting defined rating and risk criteria in which local governments may invest which include:

- Obligations of the United States, certain U.S. government agency securities, and securities of the World Bank
- General obligation and revenue bonds of U.S. local government entities
- Certain certificates of participation
- Certain securities lending agreements
- Bankers' acceptances of certain banks
- Commercial paper
- Written repurchase agreements and certain reverse repurchase agreements collateralized by certain authorized securities
- Certain money market funds
- Guaranteed investment contracts
- Local government investment pools

As of December 31, 2025, the District had no investments.

NOTE 4 LONG-TERM OBLIGATIONS

The following is an analysis of changes in the District's long-term obligations for the year ended December 31, 2025:

	Balance at December 31, 2024	Additions	Reductions	Balance at December 31, 2025
Other Debts				
Developer Advance - Operating	$ 5	$ -	$ -	$ 5
Total Long-Term Obligations	$ 5	$ -	$ -	$ 5

The details of the District's long-term obligations are as follows:

During the prior year, the District refunded all outstanding Limited Tax General Obligation Bonds. As of December 31, 2025, the District has no bonded debt outstanding.

NOTE 5 AUTHORIZED DEBT

At December 31, 2025, the District had authorized but unissued indebtedness in the following amounts allocated for the following purposes:

	Amount Authorized on May 6, 2014	Authorization Used Series 2018 Bonds	Authorized But Unused
Water	$ 93,000,000	$ 3,245,924	$ 89,754,076
Sanitation/Stormwater	93,000,000	3,929,452	89,070,548
Streets	93,000,000	12,038,407	80,961,593
Parks and Recreation	93,000,000	75,000	92,925,000
Fire Protection	93,000,000	-	93,000,000
Mosquito Control	93,000,000	-	93,000,000
Safety Protection	93,000,000	1,217	92,998,783
Security	93,000,000	-	93,000,000
TV Relay and Translation	93,000,000	-	93,000,000
Operation and Maintenance	93,000,000	-	93,000,000
Debt Refunding	93,000,000	-	93,000,000
Intergovernmental Agreemnts	93,000,000	-	93,000,000
Private Agreements	93,000,000	-	93,000,000
Special Assessments	93,000,000	-	93,000,000

Pursuant to the Service Plan, the maximum general obligation bonded indebtedness for all of the Financing Districts combined is to not exceed $93,000,000.

NOTE 6 RELATED PARTIES

The developer of the property which constitutes the District is RainDance Land Company LLC., a Delaware limited liability company (Developer). Certain members of the Board of Directors of the District are officers or employees of or related to the Developer or an entity affiliated with the Developer or the majority owner of the Developer and may have conflicts of interest in dealing with the District.

NOTE 7 AGREEMENTS

District Coordinating Services Agreement

Effective as of January 1, 2018, the Districts entered into a District Coordinating Services Agreement (the Coordinating Services Agreement) for the purpose of establishing the respective obligations of the Districts with respect to the coordination, oversight, and funding of certain administrative costs of the Districts, and costs related to the continued operation and maintenance of certain of the Public Improvements within such Districts. Pursuant to the Coordinating Services Agreement, District No. 1 was designated as the “coordinating district” (the Coordinating District). The District, District No. 2, and National Resort Metro District were each designated as “financing districts” (the Financing Districts).

NOTE 7 AGREEMENTS (Continued)

Common Finance Plan Resolution
On March 27, 2018, District No. 1 and the District adopted a Joint Resolution Regarding Intent to Implement Common Plan of Finance (the Common Finance Plan Resolution), pursuant to which: (i) the District and District No. 1 declared their mutual intent to implement the common plan of finance set forth and approved in the Service Plan to fund or reimburse all or a portion of the capital costs related to the Public Improvements to serve RainDance from thee District's Series 2018 bonds; and (ii) the District declared its intent, upon issuance of the District's Series 2018 bonds, to transfer all available proceeds to District No. 1 for the payment of such costs, including amounts owed by District No. 1, pursuant to certain Reimbursement Agreement.

NOTE 8 RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; thefts of, damage to, or destruction of assets; errors or omissions; injuries to employees; or acts of God.

The District is a member of the Colorado Special Districts Property and Liability Pool (the Pool). The Pool is an organization created by intergovernmental agreement to provide property, liability, public officials' liability, boiler and machinery, and workers' compensation coverage to its members. Settled claims have not exceeded this coverage in any of the past three fiscal years.

The District pays annual premiums to the Pool for liability, property and public officials' liability coverage. In the event aggregated losses incurred by the Pool exceed amounts recoverable from reinsurance contracts and funds accumulated by the Pool, the Pool may require additional contributions from the Pool members. Any excess funds which the Pool determines are not needed for purposes of the Pool may be returned to the members pursuant to a distribution formula.

NOTE 9 TAX, SPENDING, AND DEBT LIMITATIONS

Article X, Section 20 of the Colorado Constitution, commonly known as the Taxpayer's Bill of Rights (TABOR), contains tax, spending, revenue and debt limitations which apply to the state of Colorado and all local governments.

Spending and revenue limits are determined based on the prior year's Fiscal Year Spending adjusted for allowable increases based upon inflation and local growth. Fiscal Year Spending is generally defined as expenditures plus reserve increases with certain exceptions. Revenue in excess of the Fiscal Year Spending limit must be refunded unless the voters approve retention of such revenue.

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of Fiscal Year Spending (excluding bonded debt service). Local governments are not allowed to use the emergency reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases. As of December 31, 2025, the District has not provided for an emergency reserve equal to at least 3% of Fiscal Year Spending, as defined under TABOR, because net tax revenue is transferred to Poudre Tech Metropolitan District, the Operating District. However, the District has committed to maintain a reasonable level of unrestricted fund balance in the General Fund to mitigate temporary revenue shortfalls or unplanned one-time expenditures that may occur in the future.

The District's management has taken steps it believes are necessary to comply with the provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of the provisions, including the interpretation of how to calculate Fiscal Year Spending limits, will require judicial interpretation.

REQUIRED SUPPLEMENTARY INFORMATION

RAINDANCE METROPOLITAN DISTRICT NO. 3
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2025

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues				
Property Taxes	$ 621,004	$ 621,004	$ 621,672	$ 668
Specific Ownership Taxes	24,840	24,840	25,158	318
Tax Related Interest	-	150	171	21
Total Revenues	645,844	645,994	647,001	1,007
Expenditures				
County Treasurer Fees	9,315	9,315	9,317	(2)
Intergovernmental Service Fees - RDMD 1	636,529	636,639	637,684	(1,045)
Bank Fees	-	40	-	40
Total Expenditures	645,844	645,994	647,001	(1,007)
Net Change in Fund Balance	-	-	-	-
Fund Balances - Beginning of Year	5	5	5	-
Fund Balances - End of Year	$ 5	$ 5	$ 5	$ -

SUPPLEMENTARY INFORMATION

RAINDANCE METROPOLITAN DISTRICT NO. 3 DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2025

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues			
Property Taxes	$ 1,153,921	$ 1,153,889	$ (32)
Specific Ownership Taxes	46,157	46,747	590
Tax Related Interest	-	317	317
Net Investment Income	500	7,488	6,988
Facilities Fees	17,500	-	(17,500)
Total Revenues	1,218,078	1,208,441	(9,637)
Expenditures			
County Treasurer's Fees	17,309	17,313	(4)
Intergovernmental Service Fees	1,186,369	1,183,640	2,729
Bank Fees	-	130	(130)
Contingency	14,400	-	14,400
Total Expenditures	1,218,078	1,201,083	16,995
Net Change in Fund Balance	-	7,358	7,358
Fund Balances - Beginning of Year	-	-	-
Fund Balances - End of Year	-	7,358	7,358

RAINDANCE METROPOLITAN DISTRICT NO. 3 DEBT SERVICE FUND
SCHEDULE OF ASSESSEDVALUATION, MILL LEVY, AND PROPERTY TAXES COLLECTED
DECEMBER 31, 2025

		Total Mills Levied		Total Property Taxes		
Year Ended December 31,	Assessed Valuation	General Operations	Debt Service	Levied	Collected	Percent Collected to /Levied
2020/2021	$ 13,361,020	$ 3.841	$ 39.290	$ 576,274	$ 576,274	100.00%
2021/2022	24,340,250	2.116	40.264	1,031,540	1,032,670	100.11%
2022/2023	26,444,580	1.967	42.333	1,171,495	1,171,995	100.04%
2023/2024	37,836,580	-	48.846	1,848,166	1,848,171	100.00%
2024/2025	38,924,650	15.954	29.645	1,774,925	1,776,049	100.06%
Estimated for Year Ending December 31, 2026	39,949,790	16.718	28.060	1,788,872		

Note:
Property taxes collected in any one year include collection of delinquent property taxes levied in prior years. Information received from the Treasurer does not permit identification of specific year of levy.

Source: Weld County Assessor and Treasurer