

**RAINDANCE METROPOLITAN DISTRICT NO. 1
Weld County, Colorado**

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEAR ENDED DECEMBER 31, 2023

**RAINDANCE METROPOLITAN DISTRICT NO. 1
TABLE OF CONTENTS
YEAR ENDED DECEMBER 31, 2023**

INDEPENDENT AUDITOR'S REPORT	1
BASIC FINANCIAL STATEMENTS	
GOVERNMENT-WIDE FINANCIAL STATEMENTS	
STATEMENT OF NET POSITION	1
STATEMENT OF ACTIVITIES	2
FUND FINANCIAL STATEMENTS	
BALANCE SHEET – GOVERNMENTAL FUNDS	3
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS	4
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF THE GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES	6
GENERAL FUND – STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL	7
STATEMENT OF NET POSITION – PROPRIETARY FUNDS	9
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION – PROPRIETARY FUNDS	10
STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS	11
NOTES TO BASIC FINANCIAL STATEMENTS	12
SUPPLEMENTARY INFORMATION	
CAPITAL PROJECTS FUND – SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL	33
ENTERPRISE FUND – SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUNDS AVAILABLE – BUDGET AND ACTUAL (BUDGETARY BASIS)	34
OTHER INFORMATION	
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY	37
SCHEDULE OF ASSESSED VALUATION, MILL LEVY, AND PROPERTY TAXES COLLECTED	38



1221 W. Mineral Avenue, Suite 202
Littleton, CO 80120

 303-734-4800

 303-795-3356

 www.HaynieCPAs.com

Independent Auditor's Report

Members of the Board of Directors
Raindance Metropolitan District No. 1.

Opinions

We have audited the accompanying financial statements of the governmental activities, business-type activities and each major fund of Raindance Metropolitan District No. 1. (the District) as of and for the year ended December 31, 2023, 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 Raindance Metropolitan District No. 1., as of December 31, 2023, and the respective changes in financial position, the respective budgetary comparison for the General Fund 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 audits 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 Raindance Metropolitan District No. 1. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. 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 these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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 Raindance Metropolitan District No. 1.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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 opinion. 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, including omissions, 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 Raindance Metropolitan District No. 1.'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 Raindance Metropolitan District No. 1.'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.

Other Matters

Required Supplementary Information

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 opinion on the basic financial statements is not affected by this missing information.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise Raindance Metropolitan District No. 1's financial statements as a whole. The supplementary information section is presented for purposes of additional analysis and is not a required part of the financial statements.

The supplementary information as listed in the table of contents 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. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Haynie & Company

Littleton, Colorado
October 4, 2024

BASIC FINANCIAL STATEMENTS

RAINDANCE METROPOLITAN DISTRICT NO. 1
STATEMENT OF NET POSITION
DECEMBER 31, 2023

	Primary Government		
	Governmental Activities	Business- Type Activities	Total
ASSETS			
Cash and Investments	\$ 2,925,418	\$ -	\$ 2,925,418
Cash and Investments - Restricted	117,500	4,799,453	4,916,953
Receivable - County Treasurer	6,253	-	6,253
Accounts Receivable	176,228	616,844	793,072
Prepaid Expenses	84,380	-	84,380
Due from District No. 2	28,622	-	28,622
Due from District No. 3	22,599	-	22,599
Due from District No. 4	571,687	-	571,687
Interfund Balances	1,751,059	-	1,751,059
Property Taxes Receivable	9,122,639	-	9,122,639
Capital Assets, Not Being Depreciated	41,610,404	23,804,294	65,414,698
Capital Assets, Being Depreciated, Net	5,800,828	3,645,625	9,446,453
Total Assets	<u>62,217,617</u>	<u>32,866,216</u>	<u>95,083,833</u>
LIABILITIES			
Accounts Payable	706,446	1,497,951	2,204,397
Other Liability	1,148,081	-	1,148,081
Prepaid Assessments	-	34,319	34,319
Due to District No. 3	28,400	-	28,400
Due to Poudre Tech Metropolitan District	429,733	724,010	1,153,743
Interfund Balances	-	1,751,060	1,751,060
Accrued Interest Payable	936	105,248	106,184
Noncurrent Liabilities:			
Due Within One Year	3,390	25,000	28,390
Due in More Than One Year	13,872,752	24,290,000	38,162,752
Total Liabilities	<u>16,189,738</u>	<u>28,427,588</u>	<u>44,617,326</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Property Tax Revenue	9,122,639	-	9,122,639
Total Deferred Inflows of Resources	<u>9,122,639</u>	<u>-</u>	<u>9,122,639</u>
NET POSITION			
Net Investment in Capital Asset	36,620,028	5,424,711	42,044,739
Restricted:			
Emergency Reserves	117,500	-	117,500
Debt Service	-	3,379,214	3,379,214
Unrestricted	167,712	(4,365,297)	(4,197,585)
Total Net Position	<u>\$ 36,905,240</u>	<u>\$ 4,438,628</u>	<u>\$ 41,343,868</u>

See accompanying Notes to Basic Financial Statements.

RAINDANCE METROPOLITAN DISTRICT NO. 1
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2023

FUNCTIONS/PROGRAMS	Expenses	Program Revenues			Net Revenues (Expenses) and Changes Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Primary Government:							
Governmental Activities:							
General Government	\$ 3,943,164	\$ 812,347	\$ 625,267	\$ -	\$ (2,505,550)	\$ -	\$ (2,505,550)
Interest and Related Costs on Long-Term Debt	714,254	-	-	-	(714,254)	-	(714,254)
Total Governmental Activities	<u>4,657,418</u>	<u>812,347</u>	<u>625,267</u>	<u>-</u>	<u>(3,219,804)</u>	<u>-</u>	<u>(3,219,804)</u>
Business-Type Activities:							
Non-Potable Water	882,775	1,676,958	-	1,891,745	-	2,685,928	2,685,928
Interest and Related Costs on Long-Term Debt	1,381,110	-	-	-	-	(1,381,110)	(1,381,110)
Total Business-Type Activities	<u>2,263,885</u>	<u>1,676,958</u>	<u>-</u>	<u>1,891,745</u>	<u>-</u>	<u>1,304,818</u>	<u>1,304,818</u>
Total Primary Government	<u>\$ 6,921,303</u>	<u>\$ 2,489,305</u>	<u>\$ 625,267</u>	<u>\$ 1,891,745</u>	<u>(3,219,804)</u>	<u>1,304,818</u>	<u>(1,914,986)</u>
GENERAL REVENUES							
Property Taxes					2,050,899	-	2,050,899
Specific Ownership Taxes					87,224	-	87,224
Other Revenue					216,728	100	216,828
Interest Income					123,963	104,613	228,576
Total General Revenues					<u>2,478,814</u>	<u>104,713</u>	<u>2,583,527</u>
SPECIAL ITEMS							
Developer Advances Payable Transferred to National Resort Metropolitan District					5,455,693	-	5,455,693
Capital Assets Conveyed to National Resort Metropolitan District					<u>(22,735,372)</u>	<u>-</u>	<u>(22,735,372)</u>
Total General Revenues and Special Items					<u>(14,800,865)</u>	<u>104,713</u>	<u>(14,696,152)</u>
CHANGES IN NET POSITION					(18,020,669)	1,409,531	(16,611,138)
Net Position - Beginning of Year					<u>54,925,909</u>	<u>3,029,097</u>	<u>57,955,006</u>
NET POSITION - END OF YEAR					<u>\$ 36,905,240</u>	<u>\$ 4,438,628</u>	<u>\$ 41,343,868</u>

See accompanying Notes to Basic Financial Statements.

**RAINDANCE METROPOLITAN DISTRICT NO. 1
BALANCE SHEET –
GOVERNMENTAL FUNDS
DECEMBER 31, 2023**

	Primary Government		
	Governmental Activities	Business- Type Activities	Total
ASSETS			
Cash and Investments	\$ 2,925,418	\$ -	\$ 2,925,418
Cash and Investments - Restricted	117,500	4,799,453	4,916,953
Receivable - County Treasurer	6,253	-	6,253
Accounts Receivable	176,228	616,844	793,072
Prepaid Expenses	84,380	-	84,380
Due from District No. 2	28,622	-	28,622
Due from District No. 3	22,599	-	22,599
Due from District No. 4	571,687	-	571,687
Interfund Balances	1,751,059	-	1,751,059
Property Taxes Receivable	9,122,639	-	9,122,639
Capital Assets, Not Being Depreciated	41,610,404	23,804,294	65,414,698
Capital Assets, Being Depreciated, Net	5,800,828	3,645,625	9,446,453
Total Assets	<u>62,217,617</u>	<u>32,866,216</u>	<u>95,083,833</u>
LIABILITIES			
Accounts Payable	706,446	1,497,951	2,204,397
Other Liability	1,148,081	-	1,148,081
Prepaid Assessments	-	34,319	34,319
Due to District No. 3	28,400	-	28,400
Due to Poudre Tech Metropolitan District	429,733	724,010	1,153,743
Interfund Balances	-	1,751,060	1,751,060
Accrued Interest Payable	936	105,248	106,184
Noncurrent Liabilities:			
Due Within One Year	3,390	25,000	28,390
Due in More Than One Year	13,872,752	24,290,000	38,162,752
Total Liabilities	<u>16,189,738</u>	<u>28,427,588</u>	<u>44,617,326</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Property Tax Revenue	9,122,639	-	9,122,639
Total Deferred Inflows of Resources	<u>9,122,639</u>	<u>-</u>	<u>9,122,639</u>
NET POSITION			
Net Investment in Capital Asset	36,620,028	5,424,711	42,044,739
Restricted:			
Emergency Reserves	117,500	-	117,500
Debt Service	-	3,379,214	3,379,214
Unrestricted	167,712	(4,365,297)	(4,197,585)
Total Net Position	<u>\$ 36,905,240</u>	<u>\$ 4,438,628</u>	<u>\$ 41,343,868</u>

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, 2023**

	General	Capital Projects	Total Governmental Funds
	<u> </u>	<u> </u>	<u> </u>
REVENUES			
Property Taxes	\$ 2,050,899	\$ -	\$ 2,050,899
Specific Ownership Taxes	87,224	-	87,224
Developer Contributions - Pool	500,000	-	500,000
Other Revenue	216,728	-	216,728
Interest Income	123,963	-	123,963
Recreation Fees (Pool & W- Club)	812,347	-	812,347
Transfers from District No. 2	53,741	-	53,741
Transfers from District No. 3	54,056	-	54,056
Transfers from District No. 4	17,470	-	17,470
Total Revenues	<u>3,916,428</u>	<u>-</u>	<u>3,916,428</u>
EXPENDITURES			
General and Administrative:			
Accounting	211,474	-	211,474
Accounting - Cost Certification	3,830	-	3,830
Administration and Operations:			
Staffing	364,470	-	364,470
Management Fee	49,500	-	49,500
Audit	36,670	-	36,670
County Treasurer's Fees	30,776	-	30,776
Consulting and Studies	26,099	-	26,099
Dues	2,122	-	2,122
Election	6,044	-	6,044
Insurance	87,765	-	87,765
Legal	91,373	-	91,373
Office Supplies	6,159	-	6,159
Office Overhead	60,000	-	60,000
Miscellaneous	55,234	10	55,244

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, 2023

	<u>General</u>	<u>Capital Projects</u>	<u>Total Governmental Funds</u>
EXPENDITURES (CONTINUED)			
Operations and Maintenance:			
District Events	\$ 77,180	\$ -	\$ 77,180
Cost Share W-Club	429,733	-	429,733
Equipment Acquisition	128,357	-	128,357
Landscaping	511,254	-	511,254
Maint Building/Facilities- Operating Costs	19,977	-	19,977
Raindance Farms	28,662	-	28,662
Repairs and Maintenance	269,921	-	269,921
Security	16,059	-	16,059
Snow Removal	42,542	-	42,542
Small Tools and Supplies	17,968	-	17,968
Stop Curb Repair	2,500	-	2,500
Utilities	160,016	-	160,016
Water Usage	216,486	-	216,486
Pool and Clubhouse:			
Pool Cleaning Services	6,400	-	6,400
Pool Gas and Electricity	41,117	-	41,117
Pool Insurance	38,207	-	38,207
Pool Internet	2,941	-	2,941
Pool Management Fee	350,486	-	350,486
Pool Miscellaneous	8,045	-	8,045
Pool Repair and Maintenance	49,719	-	49,719
Pool Security	2,821	-	2,821
Pool Supplies	48,096	-	48,096
Pool Telephone Services	429	-	429
Pool Trash and Recycle	4,582	-	4,582
Pool Water Usage	14,048	-	14,048
Landscaping - River Resort	5,947	-	5,947
7th Street Bridge	5,540	-	5,540
Lease - Principal Payment	3,263	-	3,263
Lease - Interest	1,633	-	1,633
Golf Course/Hoedown Hill/Country Store/Maintenance Bldg	-	11,286,007	11,286,007
Total Expenditures	<u>3,535,445</u>	<u>11,286,017</u>	<u>14,821,462</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	380,983	(11,286,017)	(10,905,034)
OTHER FINANCING SOURCES (USES)			
Developer Advances	60,000	11,588,982	11,648,982
Repayment of Developer Advances	(60,000)	(3,926,084)	(3,986,084)
Total Other Financing Sources (Uses)	<u>-</u>	<u>7,662,898</u>	<u>7,662,898</u>
NET CHANGE IN FUND BALANCES	380,983	(3,623,119)	(3,242,136)
Fund Balances - Beginning of Year	<u>3,075,562</u>	<u>3,537,660</u>	<u>6,613,222</u>
FUND BALANCES - END OF YEAR	<u>\$ 3,456,545</u>	<u>\$ (85,459)</u>	<u>\$ 3,371,086</u>

See accompanying Notes to Basic Financial Statements.

**RAINDANCE METROPOLITAN DISTRICT NO. 1
RECONCILIATION OF THE STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES OF THE GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2023**

Net Change in Fund Balances - Governmental Funds \$ (3,242,136)

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

Governmental funds report capital outlays as expenditures. In the statement of activities, capital outlay is not reported as an expenditure. However, the statement of activities will report as depreciation/amortization expense the allocation of the cost of any depreciable asset over the estimated useful life of the asset.

Capital Outlay - Current Year	11,414,364
Depreciation - Current Year	(540,962)
Capital Assets Conveyed to National Resort Metropolitan District	(22,735,372)

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.

Developer Advances	(11,648,982)
Repayment of Developer Advances	3,986,084
Developer Advances Payable Transferred to National Resort Metropolitan District	5,455,693
Lease Principal Payment	3,263

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	(712,637)
Accrued Interest on Lease - Change in Liability	16

Change in Net Position of Governmental Activities \$ (18,020,669)

**RAINDANCE METROPOLITAN DISTRICT NO. 1
GENERAL FUND –
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2023**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Property Taxes	\$ 2,051,047	\$ 2,050,899	\$ (148)
Specific Ownership Taxes	123,063	87,224	(35,839)
IGA - PTMD - River Resort Cost Share	298,500	-	(298,500)
IGA - PTMD - Maintenance Building Cost Share	50,000	-	(50,000)
Developer Contributions - Pool	500,000	500,000	-
Other Revenue	12,000	216,728	204,728
Interest Income	-	123,963	123,963
Recreation Fees (Pool & W- Club)	400,000	812,347	412,347
Stop Curb Repair Revenue	70,000	-	(70,000)
Transfers from District No. 2	54,582	53,741	(841)
Transfers from District No. 3	54,358	54,056	(302)
Transfers from District No. 4	17,727	17,470	(257)
Total Revenues	3,631,277	3,916,428	285,151
EXPENDITURES			
General and Administrative:			
Accounting	150,000	211,474	(61,474)
Accounting - Cost Certification	15,000	3,830	11,170
Administration and Operations:			
Staffing	400,000	364,470	35,530
Management Fee	27,000	49,500	(22,500)
Audit	20,000	36,670	(16,670)
County Treasurer's Fees	30,766	30,776	(10)
Consulting and Studies	30,000	26,099	3,901
Dues	2,500	2,122	378
Engineering - Cost Certification	15,000	-	15,000
Election	5,000	6,044	(1,044)
Insurance	125,000	87,765	37,235
Legal	100,000	91,373	8,627
Office Supplies	7,000	6,159	841
Office Overhead	60,000	60,000	-
Miscellaneous	10,000	55,234	(45,234)
Contingency	21,234	-	21,234
Capital Outlay	100,000	-	100,000

See accompanying Notes to Basic Financial Statements.

**RAINDANCE METROPOLITAN DISTRICT NO. 1
GENERAL FUND –
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL (CONTINUED)
YEAR ENDED DECEMBER 31, 2023**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
EXPENDITURES (CONTINUED)			
Operations and Maintenance:			
District Events	\$ 60,000	\$ 77,180	\$ (17,180)
Cost Share W-Club	460,500	429,733	30,767
Equipment Acquisition	125,000	128,357	(3,357)
Landscaping	690,000	511,254	178,746
Maint Building/Facilities- Operating Costs	100,000	19,977	80,023
Raindance Farms	60,000	28,662	31,338
Repairs and Maintenance	50,000	269,921	(219,921)
Security	-	16,059	(16,059)
Snow Removal	60,000	42,542	17,458
Small Tools and Supplies	15,000	17,968	(2,968)
Stop Curb Repair	40,000	2,500	37,500
Utilities	50,000	160,016	(110,016)
Water Usage	300,000	216,486	83,514
Pool and Clubhouse:			
Pool Cleaning Services	5,000	6,400	(1,400)
Pool Gas and Electricity	60,000	41,117	18,883
Pool Insurance	20,000	38,207	(18,207)
Pool Internet	3,000	2,941	59
Pool Management Fee	330,000	350,486	(20,486)
Pool Miscellaneous	5,000	8,045	(3,045)
Pool Repair and Maintenance	50,000	49,719	281
Pool Security	50,000	2,821	47,179
Pool Supplies	25,000	48,096	(23,096)
Pool Telephone Services	1,000	429	571
Pool Trash and Recycle	3,000	4,582	(1,582)
Pool Water Usage	20,000	14,048	5,952
Landscaping - River Resort	25,000	5,947	19,053
7th Street Bridge	-	5,540	(5,540)
Lease - Principal Payment	20,000	3,263	16,737
Lease - Interest	-	1,633	(1,633)
Total Expenditures	<u>3,746,000</u>	<u>3,535,445</u>	<u>210,555</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(114,723)	380,983	495,706
OTHER FINANCING SOURCES (USES)			
Developer Advance - Overhead	60,000	60,000	-
Repayment of Developer Advances	(60,000)	(60,000)	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	(114,723)	380,983	495,706
Fund Balance - Beginning of Year	<u>3,134,527</u>	<u>3,075,562</u>	<u>(58,965)</u>
FUND BALANCE - END OF YEAR	<u><u>\$ 3,019,804</u></u>	<u><u>\$ 3,456,545</u></u>	<u><u>\$ 436,741</u></u>

See accompanying Notes to Basic Financial Statements.

**RAINDANCE METROPOLITAN DISTRICT NO. 1
STATEMENT OF NET POSITION –
PROPRIETARY FUNDS
DECEMBER 31, 2023**

	<u>Enterprise Fund Nonpotable Water</u>
ASSETS	
Cash and Investments - Restricted	\$ 4,799,453
Accounts Receivable	616,844
Capital Assets, Not Being Depreciated	23,804,294
Capital Assets, Being Depreciated, Net	<u>3,645,625</u>
Total Assets	<u>32,866,216</u>
LIABILITIES	
Accounts Payable	1,497,951
Due to Other Funds	1,751,060
Due to Poudre Tech Metropolitan District	724,010
Prepaid Assessments	34,319
Accrued Interest Payable	105,248
Noncurrent Liabilities:	
Due Within One Year	25,000
Due in More Than One Year	<u>24,290,000</u>
Total Liabilities	<u>28,427,588</u>
NET POSITION	
Net Investment in Capital Assets	5,424,711
Restricted	3,379,214
Unrestricted	<u>(4,365,297)</u>
Total Net Position	<u><u>\$ 4,438,628</u></u>

See accompanying Notes to Basic Financial Statements.

**RAINDANCE METROPOLITAN DISTRICT NO. 1
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION –
PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2023**

	<u>Enterprise Fund NonPotable Water</u>
OPERATING REVENUES	
Water Service Fees	\$ 1,462,958
Total Operating Revenues	<u>1,462,958</u>
OPERATING EXPENSES	
Administration - Billing	36,587
Consulting and Studies	88,194
Depreciation	281,682
District Manager and Staff	250,000
Legal	3,520
Miscellaneous	1,329
Repairs and Maintenance	105,447
Tools and Equipment	2,005
Utilities	7,588
Utility Locates	106,423
Total Operating Expenses	<u>882,775</u>
OPERATING INCOME	580,183
OTHER REVENUES AND EXPENDITURES	
Capital Fees	90,000
Interest Income	104,613
Other Revenue	100
Transfer - PTMD - Reservoir	1,801,745
Water Meter Fees	214,000
Bond Interest - Series 2020	(1,262,975)
Paying Agent Fees	(633)
Transfer to PTMD/Ent Fund 2023 Loan	(117,502)
Total Other Revenues and Expenditures	<u>829,348</u>
CHANGE IN NET POSITION	1,409,531
Net Position - Beginning of Year	<u>3,029,097</u>
NET POSITION - END OF YEAR	<u><u>\$ 4,438,628</u></u>

See accompanying Notes to Basic Financial Statements.

**RAINDANCE METROPOLITAN DISTRICT NO. 1
STATEMENT OF CASH FLOWS –
PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2023**

CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from Customers	\$ 1,014,660
Payments to Suppliers	<u>(622,437)</u>
Net Cash Provided by Operating Activities	392,223
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Bond Interest - Series 2020	(1,262,975)
Paying Agent Fees	(633)
Transfer to PTMD - 2023 Loan	<u>(117,502)</u>
Net Cash Used by Noncapital Financing Activities	(1,381,110)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Water Meter Fees	214,000
Capital Fees	90,000
Transfer from PTMD - Reservoir	1,801,745
Transfer from PTMD (Due To)	724,010
Interfund Borrowings (2022 Due From & 2023 Due To)	2,094,714
Other Revenue	100
Capital Outlay, net of A/P	<u>(7,161,132)</u>
Net Cash Used by Capital and Related Financing Activities	(2,236,563)
CASH FLOWS FROM INVESTING ACTIVITIES	
Net Cash Provided by Investing Activities	<u>104,613</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	
	(3,120,837)
Cash and Cash Equivalents - Beginning of Year	<u>7,920,290</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u><u>\$ 4,799,453</u></u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES	
Operating Income	\$ 580,183
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:	
Depreciation Expense	281,682
Increase/(Decrease) in Accounts Payable - Operations	(21,344)
(Increase)/Decrease in Accounts Receivable	(444,154)
Increase/(Decrease) in Prepaid Assessments	(4,344)
Other	200
Net Cash Provided by Operating Activities	<u><u>\$ 392,223</u></u>

See accompanying Notes to Basic Financial Statements.

RAINDANCE METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

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 Districts No. 2, No. 3, and National Resort Metropolitan District (formally known as No. 4). The District serves as the Operating District which is responsible for coordinating the financing, construction, and maintenance of all public improvements and other services needed for RainDance Metropolitan Districts Nos. 2-4 (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. Governmental activities are normally supported by property taxes and intergovernmental revenues.

RAINDANCE METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

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 the governmental funds and the proprietary fund. 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 District 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 and intergovernmental revenues. All other revenue items are considered to be measurable and available only when cash is received by the District. The District has determined that Developer advances are not considered as revenue susceptible to accrual. Expenditures, other than interest on long-term obligations, are recorded when the liability is incurred or the long-term obligation 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 financial resources to be used for the acquisition and construction of capital equipment and facilities.

**RAINDANCE METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

The District reports the following major proprietary fund:

The Enterprise Fund accounts for the 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.

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 a proprietary fund's principal ongoing operations. Operating revenues consist of charges to customers for service 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, 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.

The District amended its annual budget for the year ended December 31, 2023.

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 and investments.

Receivables

Receivables are reported net of an 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.

RAINDANCE METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

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 property tax revenues are recorded as revenue in the year they are available or collected.

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 at 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 estimated economic useful lives:

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

RAINDANCE METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

**RAINDANCE METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Equity (Continued)

Fund Balance (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.

Deficit

The Capital Project Fund reported a deficit as of December 31, 2023. The deficit will be eliminated with the receipt of funds advanced by the Developer in 2024.

NOTE 3 CASH AND INVESTMENTS

Cash and investments as of December 31, 2023, are classified in the accompanying financial statements as follows:

Statement of Net Position:

Cash and Investments	\$ 2,925,418
Cash and Investments - Restricted	4,916,953
Total Cash and Investments	<u><u>\$ 7,842,371</u></u>

Cash and investments as of December 31, 2023, consist of the following:

Deposits with Financial Institutions	\$ 7,842,371
Total Deposits	<u><u>\$ 7,842,371</u></u>

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, 2023, the District’s cash deposits had a bank balance and carrying balance of \$7,842,371. \$250,000 per financial institution is insured through FDIC, and the balance is collateralized in single institution pools.

**RAINDANCE METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

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 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, 2023, the District had no investments.

NOTE 4 ACCOUNTS RECEIVABLE

The District has the following accounts receivable for Governmental Activities and Business-Type activities as of December 31, 2023:

	Governmental Activities	Business- Type Activities
Accounts Receivable:		
Stop Curb Repair	\$ 170,000	\$ -
Other Receivable	6,228	-
Other Services	-	393,520
Non-Potable Water Usage	-	223,324
Total Receivables	\$ 176,228	\$ 616,844

RAINDANCE METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 5 CAPITAL ASSETS

An analysis of the changes in capital assets for the year ended December 31, 2023 follows:

	Balance - December 31, 2022	Additions	Reductions	Balance - December 31, 2023
Governmental Activities:				
Capital Assets, Not Being Depreciated:				
Construction in Progress	\$ 39,435,626	\$ 11,286,007	\$ 9,287,278	\$ 41,434,355
Right-to-Use Lease - Land	176,049	-	-	176,049
Total Capital Assets, Not Being Depreciated	39,611,675	11,286,007	9,287,278	41,610,404
Capital Assets, Being Depreciated:				
Buildings and Infrastructure	20,026,188	-	13,448,094	6,578,094
Furniture and Equipment	187,781	128,357	-	316,138
Total Capital Assets, Being Depreciated	20,213,969	128,357	13,448,094	6,894,232
Less Accumulated Depreciation for:				
Buildings and Infrastructure	529,876	512,070	-	1,041,946
Furniture and Equipment	22,566	28,892	-	51,458
Total Accumulated Depreciation	552,442	540,962	-	1,093,404
Total Capital Assets, Being Depreciated, Net	19,661,527	(412,605)	13,448,094	5,800,828
Governmental Activities Capital Assets, Net	59,273,202	10,873,402	22,735,372	47,411,232
Business-Type Activities:				
Capital Assets, Not Being Depreciated:				
Construction in Progress	94,320	7,826,914	-	7,921,234
Water Rights	15,883,060	-	-	15,883,060
Total Capital Assets, Not Being Depreciated	15,977,380	7,826,914	-	23,804,294
Capital Assets, Being Depreciated:				
Land Improvements	40,589	-	-	40,589
Equipment	525,428	-	-	525,428
Water Meters	3,644,069	251,546	-	3,895,615
Total Capital Assets, Being Depreciated	4,210,086	251,546	-	4,461,632
Less Accumulated Depreciation for:				
Land Improvements	4,059	2,706	-	6,765
Equipment	45,311	36,297	-	81,608
Water Meters	484,955	242,679	-	727,634
Total Accumulated Depreciation	534,325	281,682	-	816,007
Total Capital Assets, Being Depreciated, Net	3,675,761	(30,136)	-	3,645,625
Business-Type Activities Capital Assets, Net	19,653,141	7,796,778	-	27,449,919
Total Capital Assets, Net	<u>\$ 78,926,343</u>	<u>\$ 18,670,180</u>	<u>\$ 22,735,372</u>	<u>\$ 74,861,151</u>

RAINDANCE METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 5 CAPITAL ASSETS (CONTINUED)

A significant portion of capital assets (public improvements) will be conveyed by the District to other local governments, and once conveyed, the District will not be responsible for the maintenance of those public improvements. Upon acceptance of the public improvements by other local governments, the District will remove the cost of construction from its books.

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 6 LONG-TERM OBLIGATIONS

The following is an analysis of changes in the District's long-term obligations for the year ended December 31, 2023:

	Balance - December 31, 2022	Additions	Reduction	Balance - December 31, 2023	Due Within One Year
Governmental Activities:					
Other Debts:					
Developer Advances	\$ 8,425,613	\$ 11,648,982	\$ 9,441,777	\$ 10,632,818	\$ -
Accrued Interest on Developer Advances	2,372,301	943,746	231,109	3,084,938	-
Lease Payable	161,649	-	3,263	158,386	3,390
Total Governmental Activities	10,959,563	12,592,728	9,676,149	13,876,142	3,390
Business-Type Activities:					
Bonds Payable:					
Nonpotable Water Enterprise Revenue Bonds Series 2020A	24,315,000	-	-	24,315,000	25,000
Total Bonds Payable	24,315,000	-	-	24,315,000	25,000
Other Debts:					
Developer Advances	-	250,000	250,000	-	-
Total Business-Type Activities	24,315,000	250,000	250,000	24,315,000	25,000
Total Long-Term Obligations	<u>\$ 35,274,563</u>	<u>\$ 12,842,728</u>	<u>\$ 9,926,149</u>	<u>\$ 38,191,142</u>	<u>\$ 28,390</u>

RAINDANCE METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 6 LONG-TERM OBLIGATIONS (CONTINUED)

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 sale of 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-related 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.

Bonds 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.

Bonds 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:

<u>Date of Redemption</u>	<u>Redemption Premium</u>
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 and thereafter	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 and RainDance Metropolitan District Nos. 2, 3, and 4 based on non-potable water usage within the District's Service Area, and (ii) Capital Facilities Fees collected within the boundaries of RainDance Metropolitan District No. 2 (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.

RAINDANCE METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 6 LONG-TERM OBLIGATIONS (CONTINUED)

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

Sources of Repayment for the Bonds (Continued)

“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.

“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.

**RAINDANCE METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 6 LONG-TERM OBLIGATIONS (CONTINUED)

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

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 Facilities 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.

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.

**RAINDANCE METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 6 LONG-TERM OBLIGATIONS (CONTINUED)

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

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, 2023, are \$3,253,682 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:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 25,000	\$ 1,262,975	\$ 1,287,975
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
2029-2033	650,000	6,226,625	6,876,625
2034-2038	2,760,000	5,878,875	8,638,875
2039-2043	5,495,000	4,919,875	10,414,875
2044-2048	8,730,000	3,133,725	11,863,725
2049-2050	6,490,000	574,088	7,064,088
Total	<u>\$ 24,315,000</u>	<u>\$ 27,032,813</u>	<u>\$ 51,347,813</u>

**RAINDANCE METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 6 LONG-TERM OBLIGATIONS (CONTINUED)

Lease Payable

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 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, increasing 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.

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

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 3,390	\$ 1,604	\$ 4,994
2025	3,528	1,565	5,093
2026	3,666	1,530	5,196
2027	3,807	1,493	5,300
2028	3,947	1,458	5,405
2029-2033	22,047	6,646	28,693
2034-2038	26,230	5,450	31,680
2039-2043	30,945	4,032	34,977
2044-2048	36,253	2,366	38,619
2049-2051	24,573	501	25,074
Total	<u>\$ 158,386</u>	<u>\$ 26,645</u>	<u>\$ 185,031</u>

Right-to-use assets acquired through outstanding leases are shown below:

	Governmental Activities
Land (Used for Parking)	<u>\$ 176,049</u>

**RAINDANCE METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 6 LONG-TERM OBLIGATIONS (CONTINUED)

Authorized Debt

At December 31, 2023, the District had authorized but unissued indebtedness in the following amounts allocated for the following purposes:

	Amount Authorized on May 6, 2014	Authorization Used for 2020 Bonds	Authorized But Unissued
Water	\$ 93,000,000	\$ 24,315,000	\$ 68,685,000
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
Total	<u>\$ 1,395,000,000</u>	<u>\$ 24,315,000</u>	<u>\$ 1,370,685,000</u>

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

NOTE 7 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, 2023, the District had net investment in capital assets calculated as follows:

	Governmental Activities	Business- Type Activities
Net Investment in Capital Assets:		
Capital Assets, Net	\$ 47,411,232	\$ 27,449,919
Long-Term Debt Attributable to Capital Assets	(10,791,204)	(24,315,000)
Unspent Bond Proceeds	-	2,289,792
Net Investment in Capital Assets	<u>\$ 36,620,028</u>	<u>\$ 5,424,711</u>

**RAINDANCE METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 7 NET POSITION (CONTINUED)

Restricted net position includes assets that are restricted for use either externally imposed by creditors, grantors, contributors, or laws and regulations of other governments or imposed by law through constitutional provisions or enabling legislation. The District had restricted net position as of December 31, 2023 as follows:

	Governmental Activities	Business- Type Activities
Restricted Net Position:		
Emergency Reserve	\$ 117,500	\$ -
Debt Service	-	3,379,214
Total Restricted Net Position	\$ 117,500	\$ 3,379,214

As of December 31, 2023, the District has a deficit in unrestricted net position of business-type activities. This deficit is primarily due to interest paid on debts to date.

NOTE 8 AGREEMENTS

District Coordinating Services Agreement (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).

Common Finance Plan Resolution

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 from District No. 3’s bonds; 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 next).

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 next).

RAINDANCE METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 8 AGREEMENTS (CONTINUED)

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 31,2023, outstanding advances under this agreement totaled \$10,632,818 in principal and \$3,084,938 in accrued interest.

Agreement Regarding Lot PIF

The District has entered into the Agreement Regarding Lot PIF (the Agreement) with Raindance Development LLC (the Developer) and TH Raindance Windsor LLC (the Builder) on October 15, 2021. Pursuant to the Agreement, the Developer desires to provide to the District a source of funding to construct a public golf course by requiring the Builder to pay to the District a public improvement fee (the PIF) in the amount established in the Agreement. With respect to the PIF, the District is authorized and empowered to exercise all rights and remedies related to the PIF available under the Purchase Contract without the necessity of further action on the part of the Developer. (See Assignment and Assumption Agreement)

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)

**RAINDANCE METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 8 AGREEMENTS (CONTINUED)

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 2023.

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, 2023, the District has not made any reimbursements to the Town per the IGA.

RAINDANCE METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 8 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 within 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. The reimbursement was recorded under Other Liabilities in the District's books. It is anticipated that the District will repay the amount of reimbursement to the Developer.

NOTE 9 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 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.

RAINDANCE METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 10 RISK MANAGEMENT (CONTINUED)

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. At December 31, 2023, the District determined its required emergency reserve to be approximately \$117,500.

The District's management believes it is in compliance 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.

SUPPLEMENTARY INFORMATION

**RAINDANCE METROPOLITAN DISTRICT NO. 1
CAPITAL PROJECTS FUND –
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2023**

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
PIF - Golf Lots Premium	\$ 5,000,000	\$ 5,000,000	\$ -	\$ (5,000,000)
Total Revenues	<u>5,000,000</u>	<u>5,000,000</u>	<u>-</u>	<u>(5,000,000)</u>
EXPENDITURES				
Capital Projects:				
Golf Course	3,000,000	1,400,801	1,391,010	9,791
Hoedown Hill	3,000,000	1,778,355	1,778,355	-
Country Store	2,000,000	3,659,584	3,659,584	-
Comfort Station	-	-	6,882	(6,882)
Maintenance Building	2,000,000	4,450,176	4,450,176	-
Miscellaneous	-	-	10	(10)
Total Expenditures	<u>10,000,000</u>	<u>11,288,916</u>	<u>11,286,017</u>	<u>2,899</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(5,000,000)	(6,288,916)	(11,286,017)	(4,997,101)
OTHER FINANCING SOURCES (USES)				
Developer Advances - HDH	-	-	2,657,681	2,657,681
Developer Advances - Golf Course	9,500,000	9,500,000	6,724,096	(2,775,904)
Developer Advances - Dist Maint Bldg	-	-	2,207,205	2,207,205
Repayment of Developer Advances	(4,500,000)	(3,926,084)	(3,926,084)	-
Total Other Financing Sources (Uses)	<u>5,000,000</u>	<u>5,573,916</u>	<u>7,662,898</u>	<u>2,088,982</u>
NET CHANGE IN FUND BALANCE	-	(715,000)	(3,623,119)	(2,908,119)
Fund Balance - Beginning of Year	<u>1,908,471</u>	<u>3,537,659</u>	<u>3,537,660</u>	<u>1</u>
FUND BALANCE - END OF YEAR	<u>\$ 1,908,471</u>	<u>\$ 2,822,659</u>	<u>\$ (85,459)</u>	<u>\$ (2,908,118)</u>

**RAINDANCE METROPOLITAN DISTRICT NO. 1
ENTERPRISE FUND –
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUNDS AVAILABLE –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2023**

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Capital Fees	\$ 250,000	\$ 90,000	\$ 90,000	\$ -
Interest Income	68,600	75,000	104,613	29,613
Other Revenue	-	606,608	100	(606,508)
Transfer - PTMD - Reservoir	-	5,200,000	1,801,745	(3,398,255)
Raw Water Dedication Fees		-	-	-
Water Service Fees	1,150,000	1,494,000	1,462,958	(31,042)
Water Meter Fees	250,000	215,000	214,000	(1,000)
Total Revenues	<u>1,718,600</u>	<u>7,680,608</u>	<u>3,673,416</u>	<u>(4,007,192)</u>
EXPENDITURES				
General and Administrative:				
Administration - Billing	150,000	37,000	36,587	413
Water Enterprise Study	-	48,000	40,333	7,667
Consulting and Studies	50,000	40,350	47,861	(7,511)
Legal	20,000	3,600	3,520	80
Operations and Maintenance:				
Delivery and Ditch Expenses	15,000	15,000	-	15,000
District Manager and Staff	250,000	250,000	250,000	-
Miscellaneous	-	1,300	1,329	(29)
Pumping Services		-	-	-
Repairs and Maintenance	50,000	106,000	105,447	553
Scada	35,000	-	-	-
Tools and Equipment	12,000	5,000	2,005	2,995
Utilities	140,000	7,500	7,588	(88)
Water Treatment Supplies	96,000	-	-	-
Water Meters and Installation	250,000	250,000	251,546	(1,546)
Utility Locates	92,000	100,000	106,423	(6,423)
Debt Service:				
Bond Interest - Series 2020	1,262,975	1,262,975	1,262,975	-
Paying Agent Fees	2,000	2,000	633	1,367
Transfer to PTMD/Ent Fund 2023 Loan	-	645,000	117,502	527,498
Capital Projects:				
Water Infrastructure	500,000	7,830,000	7,826,914	3,086
Contingency	40,025	41,275	-	41,275
Total Expenditures	<u>2,965,000</u>	<u>10,645,000</u>	<u>10,060,663</u>	<u>584,337</u>

**RAINDANCE METROPOLITAN DISTRICT NO. 1
ENTERPRISE FUND –
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUNDS AVAILABLE –
BUDGET AND ACTUAL (CONTINUED)
YEAR ENDED DECEMBER 31, 2023**

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
EXCESS OF REVENUES OVER (UNDER) EXPENDITURE	\$ (1,246,400)	\$ (2,964,392)	\$ (6,387,247)	\$ (3,422,855)
OTHER FINANCING SOURCES (USES)				
Developer Advances	250,000	250,000	250,000	-
Repayment of Developer Advances	<u>(250,000)</u>	<u>(250,000)</u>	<u>(250,000)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
CHANGE IN FUNDS AVAILABLE	(1,246,400)	(2,964,392)	(6,387,247)	(3,422,855)
Funds Available- Beginning of Year	<u>7,662,208</u>	<u>7,796,204</u>	<u>7,796,204</u>	<u>-</u>
FUNDS AVAILABLE - END OF YEAR	<u>\$ 6,415,808</u>	<u>\$ 4,831,812</u>	<u>\$ 1,408,957</u>	<u>\$ (3,422,855)</u>
ADJUSTMENTS TO RECONCILE BUDGET BASIS TO GAAP BASIS				
Change in Funds Available			\$ (6,387,247)	
Depreciation Expense			(281,682)	
Prior Year Accrued Bond Interest			105,248	
Current Year Accrued Bond Interest			(105,248)	
Capital Outlay			<u>8,078,460</u>	
CHANGE IN NET POSITION			1,409,531	
Net Position - Beginning of Year			<u>3,029,097</u>	
NET POSITION - END OF YEAR			<u>\$ 4,438,628</u>	

OTHER INFORMATION

**RAINDANCE METROPOLITAN DISTRICT NO. 1
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY
DECEMBER 31, 2023**

\$24,315,000 Nonpotable Water Enterprise
Revenue Bonds, Series 2020
Dated August 5, 2020
Principal Due December 1
Interest Rate 5.00% - 5.25%
Payable June 1 and December 1

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 25,000	\$ 1,262,975	\$ 1,287,975
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	233,363	4,678,363
Total	<u>\$ 24,315,000</u>	<u>\$ 27,032,813</u>	<u>\$ 51,347,813</u>

RAINDANCE METROPOLITAN DISTRICT NO. 1
SCHEDULE OF ASSESSED VALUATION, MILL LEVY, AND PROPERTY TAXES COLLECTED
DECEMBER 31, 2023

Year Ended <u>December 31,</u>	Assessed <u>Valuation</u>	<u>Mill Levy</u>		<u>Total Property Taxes</u>		Percent Collected to Levied
		<u>General</u>	<u>Debt Service</u>	<u>Levied</u>	<u>Collected</u>	
2018	\$ 14,460	39.000	0.000	\$ 564	\$ 564	100.00 %
2019	3,775,010	39.000	0.000	147,225	147,215	99.99
2020	88,047,060	39.000	0.000	3,433,835	3,293,757	95.92
2021	89,297,570	39.000	0.000	3,482,605	3,552,079	101.99
2022	34,853,120	39.000	0.000	1,359,272	1,359,272	100.00
2023	52,590,940	39.000	0.000	2,051,047	2,050,899	99.99
Estimated for Year Ending <u>December 31,</u>						
2024	\$ 233,913,830	39.000	0.000	\$ 9,122,639		

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