



**CliftonLarsonAllen**

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## **Accountant's Compilation Report**

Board of Directors  
RainDance Metropolitan District No. 2

Management is responsible for the accompanying budget of revenues, expenditures, and fund balances of RainDance Metropolitan District No. 2 for the year ending December 31, 2020, including the estimate of comparative information for the year ended December 31, 2019, and the actual comparative information for the year ended December 31, 2018, in the format prescribed by Colorado Revised Statutes (C.R.S.) 29-1-105 and the related summary of significant assumptions in accordance with guidelines for the presentation of a budget established by the American Institute of Certified Public Accountants (AICPA). We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the budget nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on the accompanying budget.

The budgeted results may not be achieved as there will usually be differences between the budgeted and actual results, because events and circumstances frequently do not occur as expected, and these differences may be material. We assume no responsibility to update this report for events and circumstances occurring after the date of this report.

We draw attention to the summary of significant assumptions which describe that the budget is presented in accordance with the requirements of C.R.S. 29-1-105, and is not intended to be a presentation in accordance with accounting principles generally accepted in the United States of America.

We are not independent with respect to RainDance Metropolitan District No. 2.

*CliftonLarsonAllen LLP*

Greenwood Village, Colorado  
January 29, 2020



An independent member of Nexia International

**RAINDANCE METROPOLITAN DISTRICT NO. 2  
SUMMARY  
2020 BUDGET  
WITH 2018 ACTUAL AND 2019 ESTIMATED  
For the Years Ended and Ending December 31,**

1/29/20

	ACTUAL 2018	ESTIMATED 2019	BUDGET 2020
BEGINNING FUND BALANCES	\$ 41,636	\$ 5	\$ 23,503,750
REVENUES			
Property taxes	309,998	70,468	46,380
Specific ownership taxes	23,011	5,016	3,247
Interest income	-	-	255,000
Bond issuance - Series 2019A	-	19,310,000	-
Bond premium - Series 2019A	-	472,020	-
Bond issuance - Series 2019B	-	4,575,000	-
Total revenues	<u>333,009</u>	<u>24,432,504</u>	<u>304,627</u>
TRANSFERS IN	<u>-</u>	<u>4,430,185</u>	<u>-</u>
Total funds available	<u>374,645</u>	<u>28,862,694</u>	<u>23,808,377</u>
EXPENDITURES			
General Fund	374,640	75,484	49,627
Debt Service Fund	-	-	914,543
Capital Projects Fund	-	853,275	19,253,060
Total expenditures	<u>374,640</u>	<u>928,759</u>	<u>20,217,230</u>
TRANSFERS OUT	<u>-</u>	<u>4,430,185</u>	<u>-</u>
Total expenditures and transfers out requiring appropriation	<u>374,640</u>	<u>5,358,944</u>	<u>20,217,230</u>
ENDING FUND BALANCES	<u>\$ 5</u>	<u>\$ 23,503,750</u>	<u>\$ 3,591,147</u>
2019A SENIOR RESERVE FUND	\$ -	\$ 1,549,250	\$ 1,549,250
2019A CAP I/BOND FUND	-	2,880,935	1,966,392
TOTAL RESERVE	<u>\$ -</u>	<u>\$ 4,430,185</u>	<u>\$ 3,515,642</u>

This financial information should be read only in connection with the accompanying accountant's compilation report and summary of significant assumptions.

**RainDance Metropolitan District No. 2**  
**PROPERTY TAX SUMMARY INFORMATION**  
**2020 BUDGET**  
**WITH 2018 ACTUAL AND 2019 ESTIMATED**  
**For the Years Ended and Ending December 31,**

1/29/20

	ACTUAL 2018	ESTIMATED 2019	BUDGET 2020
<b>ASSESSED VALUATION</b>			
Industrial	\$ -	\$ 1,020	\$ 1,170
Agricultural	22,410	7,020	6,020
State assessed	9,260	-	-
Oil and Gas	7,917,000	1,798,820	1,061,020
	<u>7,948,670</u>	<u>1,806,860</u>	<u>1,068,210</u>
Adjustments	-	-	-
Certified Assessed Value	<u>\$ 7,948,670</u>	<u>\$ 1,806,860</u>	<u>\$ 1,068,210</u>
<b>MILL LEVY</b>			
General	39.000	39.000	43.418
Total mill levy	<u>39.000</u>	<u>39.000</u>	<u>43.418</u>
<b>PROPERTY TAXES</b>			
General	\$ 309,998	\$ 70,468	\$ 46,380
	<u>309,998</u>	<u>70,468</u>	<u>46,380</u>
Levied property taxes	309,998	70,468	46,380
Budgeted property taxes	<u>\$ 309,998</u>	<u>\$ 70,468</u>	<u>\$ 46,380</u>
<b>BUDGETED PROPERTY TAXES</b>			
General	<u>\$ 309,998</u>	<u>\$ 70,468</u>	<u>\$ 46,380</u>
	<u>\$ 309,998</u>	<u>\$ 70,468</u>	<u>\$ 46,380</u>

This financial information should be read only in connection with the accompanying accountant's compilation report and summary of significant assumptions.

**RAINDANCE METROPOLITAN DISTRICT NO. 2  
GENERAL FUND  
2020 BUDGET  
WITH 2018 ACTUAL AND 2019 ESTIMATED  
For the Years Ended and Ending December 31,**

1/29/20

	ACTUAL 2018	ESTIMATED 2019	BUDGET 2020
BEGINNING FUND BALANCE	\$ 41,636	\$ 5	\$ 5
REVENUES			
Property taxes	309,998	70,468	46,380
Specific ownership taxes	23,011	5,016	3,247
Total revenues	<u>333,009</u>	<u>75,484</u>	<u>49,627</u>
Total funds available	<u>374,645</u>	<u>75,489</u>	<u>49,632</u>
EXPENDITURES			
General and administrative			
County Treasurer's fees	4,650	1,057	696
Transfer to District No. 1	369,990	74,427	48,931
Total expenditures	<u>374,640</u>	<u>75,484</u>	<u>49,627</u>
Total expenditures and transfers out requiring appropriation	<u>374,640</u>	<u>75,484</u>	<u>49,627</u>
ENDING FUND BALANCE	<u>\$ 5</u>	<u>\$ 5</u>	<u>\$ 5</u>

This financial information should be read only in connection with the accompanying accountant's compilation report and summary of significant assumptions.

**RAINDANCE METROPOLITAN DISTRICT NO. 2  
DEBT SERVICE FUND  
2020 BUDGET  
WITH 2018 ACTUAL AND 2019 ESTIMATED  
For the Years Ended and Ending December 31,**

1/29/20

	ACTUAL 2018	ESTIMATED 2019	BUDGET 2020
BEGINNING FUND BALANCE	\$ -	\$ -	\$ 4,430,185
REVENUES			
Interest income	-	-	75,500
Total revenues	-	-	75,500
TRANSFERS IN			
Transfers from other funds	-	4,430,185	-
Total funds available	-	4,430,185	4,505,685
EXPENDITURES			
Debt Service			
Bond interest Senior Bonds	-	-	914,543
Total expenditures	-	-	914,543
Total expenditures and transfers out requiring appropriation	-	-	914,543
ENDING FUND BALANCE	\$ -	\$ 4,430,185	\$ 3,591,142
2019A SENIOR RESERVE FUND	\$ -	\$ 1,549,250	\$ 1,549,250
2019A CAP I/BOND FUND	-	2,880,935	1,966,392
TOTAL RESERVE	\$ -	\$ 4,430,185	\$ 3,515,642

This financial information should be read only in connection with the accompanying accountant's compilation report and summary of significant assumptions.

**RAINDANCE METROPOLITAN DISTRICT NO. 2  
CAPITAL PROJECTS FUND  
2020 BUDGET  
WITH 2018 ACTUAL AND 2019 ESTIMATED  
For the Years Ended and Ending December 31,**

1/29/20

	ACTUAL 2018	ESTIMATED 2019	BUDGET 2020
BEGINNING FUND BALANCE	\$ -	\$ -	\$ 19,073,560
REVENUES			
Interest income	-	-	179,500
Bond issuance - Series 2019A	-	19,310,000	-
Bond premium - Series 2019A	-	472,020	-
Bond issuance - Series 2019B	-	4,575,000	-
Total revenues	-	24,357,020	179,500
Total funds available	-	24,357,020	19,253,060
EXPENDITURES			
Capital Projects			
Bond Issue Costs	-	853,275	-
Transfers to District No. 1	-	-	19,253,060
Total expenditures	-	853,275	19,253,060
TRANSFERS OUT			
Transfers to other fund	-	4,430,185	-
Total expenditures and transfers out requiring appropriation	-	5,283,460	19,253,060
ENDING FUND BALANCE	\$ -	\$ 19,073,560	\$ -

This financial information should be read only in connection with the accompanying accountant's compilation report and summary of significant assumptions.

**RAINDANCE METROPOLITAN DISTRICT NO. 2  
2020 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Services Provided**

RainDance Metropolitan District No. 2's (the District) organization was approved by eligible electors of the District at an election held on May 6, 2014. The District was organized by order of the District Court in and for Weld County on June 6, 2014. The formation of the District was approved by the Town of Windsor, Colorado in conjunction with the approval by the Town Board of a Consolidated Service Plan for the District, RainDance Metropolitan District No. 1, RainDance Metropolitan District No. 3, and RainDance Metropolitan District No. 4 on March 24, 2014. The District exists as a quasi-municipal corporation and political subdivision of the State of Colorado under Title 32, Article 1 of the Colorado Revised Statutes, as amended (C.R.S.).

At a special election of the eligible electors of the District on May 6, 2014, a majority of those qualified to vote voted in favor of certain ballot questions authorizing the issuance of indebtedness and imposition of taxes for the payment thereof, for the purpose of providing financing for the planning, design, acquisition, construction, installation, relocation, redevelopment, operations and maintenance of the public improvements within the District including streets, parks and recreation, water and wastewater facilities, transportation, mosquito control, safety protection, fire protection, television relay and translation, and security.

The District prepares its budget on the modified accrual basis of accounting in accordance with the requirements of Colorado Revised Statutes C.R.S. 29-1-105 using its best estimates as of the date of the budget hearing. These estimates are based on expected conditions and its expected course of actions. The assumptions disclosed herein are those that the District believes are significant to the budget. There will usually be differences between the budget and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material.

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

**Revenues**

**Property Taxes**

Property taxes are levied by the District's Board of Directors. The levy is based on assessed valuations determined by the County Assessor generally as of January 1 of each year. The levy is normally set by December 15 by certification to the County Commissioners to put the tax lien on the individual properties as of January 1 of the following year. The County Treasurer collects the determined taxes during the ensuing calendar year. The taxes are payable by April or, if in equal installments, at the taxpayer's election, in February and June. Delinquent taxpayers are notified in August, and generally, sale of the tax liens on delinquent properties are held in November or December. The County Treasurer remits the taxes collected monthly to the District.

The calculation of the taxes levied is displayed on the Property Tax Summary page of the budget using the adopted mill levy imposed by the District.

**RAINDANCE METROPOLITAN DISTRICT NO. 2  
2020 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Revenues** (continued)

**Specific Ownership Taxes**

Specific ownership taxes are set by the State and collected by the County Treasurer, primarily on vehicle licensing within the County as a whole. The specific ownership taxes are allocated by the County Treasurer to all taxing entities within the County. The budget assumes that the District's share will be equal to approximately 7% of the property taxes collected.

**Interest Income**

Interest earned on the District's available funds has been estimated based on an average interest rate of approximately 1.9%.

**Expenditures**

**County Treasurer's Fees**

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

**Transfer to RainDance Metropolitan District No. 1**

Pursuant to the District Coordinating Services Agreement, RainDance Metropolitan District No. 1 will provide certain operation, maintenance and administrative services benefitting the District, RainDance Metropolitan District No. 3 and RainDance Metropolitan District No. 4 (collectively, "Districts"). The Districts will pay all costs of such services through the imposition of ad valorem property taxes and transferring the net tax revenues to RainDance Metropolitan District No. 1.

Additionally, the District Coordinating Services Agreement stipulates that the RainDance Metropolitan District No. 1 will own, operate and maintain all public improvements within the Districts. The District will transfer project funds, as they are requisitioned from bond proceeds, to District No. 1 as District No. 1 will pay for the construction or acquisition of such public improvements.

**Debt Service**

Interest payments in 2020 are provided based on the attached debt amortization schedule for the Series 2019A Bonds (discussed under Debt and Leases). The Series 2019B Bonds are paid based on available funds, as such a debt amortization schedule has not been included.



**RAINDANCE METROPOLITAN DISTRICT NO. 2  
2020 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Debt and Leases**

**Series 2019 Limited Tax General Obligation Bonds**

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

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

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

The District has no capital nor operating lease.

**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 as required with the issuance of the Series 2019A Limited Tax General Obligation Bonds.

**This information is an integral part of the accompanying budget.**

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

**\$19,310,000 Limited Tax General Obligation Bonds**

**Series 2019A**

**Interest 5.00%**

**Dated December 20, 2019**

**Interest Payable June 1 and December 1**

**Principal Payable December 1**

<b>Bonds and Interest Maturing in the Year Ending December 31,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2020	-	914,543	914,543
2021	-	965,500	965,500
2022	-	965,500	965,500
2023	-	965,500	965,500
2024	-	965,500	965,500
2025	60,000	965,500	1,025,500
2026	220,000	962,500	1,182,500
2027	300,000	951,500	1,251,500
2028	340,000	936,500	1,276,500
2029	355,000	919,500	1,274,500
2030	400,000	901,750	1,301,750
2031	420,000	881,750	1,301,750
2032	465,000	860,750	1,325,750
2033	490,000	837,500	1,327,500
2034	540,000	813,000	1,353,000
2035	565,000	786,000	1,351,000
2036	620,000	757,750	1,377,750
2037	650,000	726,750	1,376,750
2038	710,000	694,250	1,404,250
2039	745,000	658,750	1,403,750
2040	815,000	621,500	1,436,500
2041	855,000	580,750	1,435,750
2042	925,000	538,000	1,463,000
2043	970,000	491,750	1,461,750
2044	1,050,000	443,250	1,493,250
2045	1,100,000	390,750	1,490,750
2046	1,185,000	335,750	1,520,750
2047	1,245,000	276,500	1,521,500
2048	1,335,000	214,250	1,549,250
2049	2,950,000	147,500	3,097,500
	<u>\$ 19,310,000</u>	<u>\$ 21,470,293</u>	<u>\$ 40,780,293</u>