



CliftonLarsonAllen

Accountant's Compilation Report

CliftonLarsonAllen LLP
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Board of Directors
RainDance Metropolitan District No. 3

Management is responsible for the accompanying budget of revenues, expenditures, and fund balances of RainDance Metropolitan District No. 3 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. 3

CliftonLarsonAllen LLP

Greenwood Village, Colorado
January 9, 2020



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**RAINDANCE METROPOLITAN DISTRICT NO. 3
SUMMARY
2020 BUDGET
WITH 2018 ACTUAL AND 2019 ESTIMATED
For the Years Ended and Ending December 31,**

1/17/20

	ACTUAL 2018	ESTIMATED 2019	BUDGET 2020
BEGINNING FUND BALANCES	\$ -	\$ 3,698,490	\$ 2,604,350
REVENUES			
Property taxes	504	8,939	176,969
Specific ownership taxes	39	610	12,388
Interest income	115,342	109,548	48,251
Transfer from District No. 1	10,500	-	-
Capital Facilities Fees	282,500	777,500	500,000
Series 2018A Bond Issuance	16,450,000	-	-
Series 2018B Bond Issuance	2,840,000	-	-
Total revenues	<u>19,698,885</u>	<u>896,597</u>	<u>737,608</u>
TRANSFERS IN	<u>2,880,317</u>	-	-
Total funds available	<u>22,579,202</u>	<u>4,595,087</u>	<u>3,341,958</u>
EXPENDITURES			
General and administrative	538	9,549	54,032
Debt service	514,861	957,075	960,000
Capital projects	15,484,996	1,024,113	-
Total expenditures	<u>16,000,395</u>	<u>1,990,737</u>	<u>1,014,032</u>
TRANSFERS OUT	<u>2,880,317</u>	-	-
Total expenditures and transfers out requiring appropriation	<u>18,880,712</u>	<u>1,990,737</u>	<u>1,014,032</u>
ENDING FUND BALANCES	<u>\$ 3,698,490</u>	<u>\$ 2,604,350</u>	<u>\$ 2,327,926</u>
2018A SENIOR RESERVE FUND	\$ 1,423,675	\$ 1,423,675	\$ 1,423,675
2018A SENIOR SURPLUS FUND	323,810	1,180,670	904,246
2018A SENIOR CAPITALIZED INTEREST	945,875	-	-
TOTAL RESERVE	<u>\$ 2,693,365</u>	<u>\$ 2,604,350</u>	<u>\$ 2,327,926</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. 3
PROPERTY TAX SUMMARY INFORMATION
2020 BUDGET
WITH 2018 ACTUAL AND 2019 ESTIMATED
For the Years Ended and Ending December 31,**

1/17/20

	ACTUAL 2018	ESTIMATED 2019	BUDGET 2020
ASSESSED VALUATION			
Agricultural	\$ 12,930	\$ 8,510	\$ -
Vacant land	-	198,790	2,574,120
Residential	-	-	1,498,960
Minerals	-	-	2,850
	<u>12,930</u>	<u>207,300</u>	<u>4,075,930</u>
Adjustments	-	-	-
Certified Assessed Value	<u>\$ 12,930</u>	<u>\$ 207,300</u>	<u>\$ 4,075,930</u>
MILL LEVY			
General	39.000	43.116	12.389
Debt Service	0.000	0.000	31.029
Total mill levy	<u>39.000</u>	<u>43.116</u>	<u>43.418</u>
PROPERTY TAXES			
General and Debt Service	\$ 504	\$ 8,938	\$ 50,497
Debt Service	-	-	126,472
	<u>504</u>	<u>8,938</u>	<u>176,969</u>
Levied property taxes	504	8,938	176,969
Adjustments to actual/rounding	-	1	-
Budgeted property taxes	<u>\$ 504</u>	<u>\$ 8,939</u>	<u>\$ 176,969</u>
BUDGETED PROPERTY TAXES			
General	\$ 504	\$ 8,939	\$ 50,497
Debt Service	-	-	126,472
	<u>\$ 504</u>	<u>\$ 8,939</u>	<u>\$ 176,969</u>

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**RAINDANCE METROPOLITAN DISTRICT NO. 3
GENERAL FUND
2020 BUDGET
WITH 2018 ACTUAL AND 2019 ESTIMATED
For the Years Ended and Ending December 31,**

1/17/20

	ACTUAL 2018	ESTIMATED 2019	BUDGET 2020
BEGINNING FUND BALANCE	\$ -	\$ 5	\$ 5
REVENUES			
Property taxes	504	8,939	50,497
Specific ownership taxes	39	610	3,535
Total revenues	<u>543</u>	<u>9,549</u>	<u>54,032</u>
Total funds available	<u>543</u>	<u>9,554</u>	<u>54,037</u>
EXPENDITURES			
General and administrative			
County Treasurer's fees	8	134	757
Banking fees	60	-	-
Transfer to District No. 1	470	9,415	53,275
Total expenditures	<u>538</u>	<u>9,549</u>	<u>54,032</u>
Total expenditures and transfers out requiring appropriation	<u>538</u>	<u>9,549</u>	<u>54,032</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. 3
DEBT SERVICE FUND
2020 BUDGET
WITH 2018 ACTUAL AND 2019 ESTIMATED
For the Years Ended and Ending December 31,**

1/17/20

	ACTUAL 2018	ESTIMATED 2019	BUDGET 2020
BEGINNING FUND BALANCE	\$ -	\$ 2,693,360	\$ 2,604,345
REVENUES			
Property taxes	-	-	126,472
Specific ownership taxes	-	-	8,853
Interest income	45,404	90,560	48,251
Capital Facilities Fees	282,500	777,500	500,000
Total revenues	<u>327,904</u>	<u>868,060</u>	<u>683,576</u>
TRANSFERS IN			
Transfers from other funds	<u>2,880,317</u>	-	-
Total funds available	<u>3,208,221</u>	<u>3,561,420</u>	<u>3,287,921</u>
EXPENDITURES			
Debt Service			
Bond interest Senior Bonds	509,722	945,875	945,875
County Treasurer's fee	-	-	1,897
Paying agent fees	-	6,000	6,728
Investment advisory fees	5,139	5,200	5,500
Total expenditures	<u>514,861</u>	<u>957,075</u>	<u>960,000</u>
Total expenditures and transfers out requiring appropriation	<u>514,861</u>	<u>957,075</u>	<u>960,000</u>
ENDING FUND BALANCE	<u>\$ 2,693,360</u>	<u>\$ 2,604,345</u>	<u>\$ 2,327,921</u>
2018A SENIOR RESERVE FUND	\$ 1,423,675	\$ 1,423,675	\$ 1,423,675
2018A SENIOR SURPLUS FUND	323,810	1,180,670	904,246
2018A SENIOR CAPITALIZED INTEREST	945,875	-	-
TOTAL RESERVE	<u>\$ 1,747,485</u>	<u>\$ 2,604,345</u>	<u>\$ 2,327,921</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. 3
CAPITAL PROJECTS FUND
2020 BUDGET
WITH 2018 ACTUAL AND 2019 ESTIMATED
For the Years Ended and Ending December 31,**

1/17/20

	ACTUAL 2018	ESTIMATED 2019	BUDGET 2020
BEGINNING FUND BALANCE	\$ -	\$ 1,005,125	\$ -
REVENUES			
Interest income	69,938	18,988	-
Transfer from District No. 1	10,500	-	-
Series 2018A Bond Issuance	16,450,000	-	-
Series 2018B Bond Issuance	2,840,000	-	-
Total revenues	19,370,438	18,988	-
Total funds available	19,370,438	1,024,113	-
EXPENDITURES			
Transfer to District No. 1	14,568,088	1,024,113	-
Cost of Issuance	916,908	-	-
Total expenditures	15,484,996	1,024,113	-
TRANSFERS OUT			
Transfers to other fund	2,880,317	-	-
Total expenditures and transfers out requiring appropriation	18,365,313	1,024,113	-
ENDING FUND BALANCE	\$ 1,005,125	\$ -	\$ -

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. 3
2020 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Services Provided

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

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

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

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

Revenues

Property Taxes

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

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

**RAINDANCE METROPOLITAN DISTRICT NO. 3
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 average interest rate of approximately 2%.

Capital Facilities Fees

The District imposes a Capital Facilities Fee in the amount of \$2,500 per single family detached unit and \$1,100 for single family attached and apartment units, which is due and payable on or before a building permit is issued by the County. For the calendar year 2020, the District anticipates to collect fees on 200 single-family detached units.

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. 2 and RainDance Metropolitan District No. 4 (collectively, "Districts"). The Districts will pay all costs of such services through the imposition of ad valorem property taxes and transferring the net tax revenues to RainDance Metropolitan District No. 1.

Debt and Leases

On May 17, 2018, the District issued \$16,450,000 in Limited Tax General Obligation Bonds, Series 2018A. The Bonds are limited tax general obligations of the District payable solely from Pledged Revenues, which include Senior Property Tax Revenues, Senior Specific Ownership Tax Revenues, and Capital Facilities Fees. The Bonds are due December 1, 2047, with an interest rate of 5.75%, paid semiannually on June 1 and December 1. Beginning on December 1, 2023, the Bonds are subject to mandatory sinking fund redemption at a price equal to the principal amount plus accrued interest to the redemption date.

**RAINDANCE METROPOLITAN DISTRICT NO. 3
2020 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Debt and Leases (Continued)

Also on May 17, 2018, the District issued \$2,840,000 in Subordinate Limited Tax General Obligation Bonds, Series 2018B. The Bonds are subordinate limited tax general obligations of the District payable solely from Pledged Revenues, which include Subordinate Property Tax Revenues, Subordinate Specific Ownership Tax Revenues, and Subordinate Capital Facilities Fees. The Bonds are due December 1, 2047, with an interest rate of 8.125%, payable annually on December 15 from, and to the extent of, Subordinate Pledge Revenue available. The 2018B Subordinate Bonds are structured as cash flow bonds meaning that there are no scheduled payments of principal or interest prior to the final maturity date.

The Series 2018A and Series 2018B Bonds were issued to finance certain public improvements, fund the Reserve Fund, fund capitalized interest for payment of a portion of the bond interest, and pay the costs of issuing the Bonds.

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 2018A Limited Tax General Obligation Bonds.

This information is an integral part of the accompanying budget.

RAINDANCE METROPOLITAN DISTRICT NO. 3
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY

Bonds and Interest Maturing in the Year Ending December 31,	\$16,450,000 Limited Tax General Obligation Bonds		
	Series 2018A		
	Interest 5.75%		
	Dated May 17, 2018		
	Interest Payable June 1 and December 1		
	Principal Payable December 1		
Principal	Interest	Total	
2020	-	945,875	945,875
2021	-	945,875	945,875
2022	-	945,875	945,875
2023	80,000	945,875	1,025,875
2024	195,000	941,275	1,136,275
2025	215,000	930,063	1,145,063
2026	250,000	917,700	1,167,700
2027	265,000	903,325	1,168,325
2028	300,000	888,088	1,188,088
2029	320,000	870,838	1,190,838
2030	360,000	852,438	1,212,438
2031	380,000	831,738	1,211,738
2032	430,000	809,888	1,239,888
2033	455,000	785,163	1,240,163
2034	505,000	759,000	1,264,000
2035	535,000	729,963	1,264,963
2036	590,000	699,200	1,289,200
2037	620,000	665,275	1,285,275
2038	685,000	629,625	1,314,625
2039	725,000	590,238	1,315,238
2040	790,000	548,550	1,338,550
2041	835,000	503,125	1,338,125
2042	910,000	455,113	1,365,113
2043	965,000	402,788	1,367,788
2044	1,045,000	347,300	1,392,300
2045	1,105,000	287,213	1,392,213
2046	1,200,000	223,675	1,423,675
2047	2,690,000	154,675	2,844,675
	<u>\$ 16,450,000</u>	<u>\$ 19,509,750</u>	<u>\$ 35,959,750</u>

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