

**RAINDANCE METROPOLITAN DISTRICT NO. 2**

**ANNUAL BUDGET**

**FOR THE YEAR ENDING DECEMBER 31, 2021**

**RAINDANCE METROPOLITAN DISTRICT NO. 2  
SUMMARY  
2021 BUDGET  
WITH 2019 ACTUAL AND 2020 ESTIMATED  
For the Years Ended and Ending December 31,**

1/21/21

	ACTUAL 2019	ESTIMATED 2020	BUDGET 2021
BEGINNING FUND BALANCES	\$ 5	\$ 23,505,253	\$ 3,547,437
REVENUES			
Property taxes	70,468	46,380	70,494
Specific ownership taxes	4,603	2,201	3,525
Interest income	-	125,932	15,000
Bond issuance - Series 2019A	19,310,000	-	-
Bond premium - Series 2019A	472,020	-	-
Bond issuance - Series 2019B	4,575,000	-	-
Total revenues	<u>24,432,091</u>	<u>174,513</u>	<u>89,019</u>
TRANSFERS IN	<u>4,430,185</u>	<u>2,473</u>	<u>-</u>
Total funds available	<u>28,862,281</u>	<u>23,682,239</u>	<u>3,636,456</u>
EXPENDITURES			
General Fund	75,071	48,581	54,296
Debt Service Fund	-	933,043	1,000,000
Capital Projects Fund	851,772	19,150,705	-
Total expenditures	<u>926,843</u>	<u>20,132,329</u>	<u>1,054,296</u>
TRANSFERS OUT	<u>4,430,185</u>	<u>2,473</u>	<u>-</u>
Total expenditures and transfers out requiring appropriation	<u>5,357,028</u>	<u>20,134,802</u>	<u>1,054,296</u>
ENDING FUND BALANCES	<u>\$ 23,505,253</u>	<u>\$ 3,547,437</u>	<u>\$ 2,582,160</u>
2019A SENIOR RESERVE FUND	\$ 1,549,250	\$ 1,549,250	\$ 1,549,250
2019A CAP I/BOND FUND	2,880,935	1,998,182	1,032,905
TOTAL RESERVE	<u>\$ 4,430,185</u>	<u>\$ 3,547,432</u>	<u>\$ 2,582,155</u>

No assurance provided. See summary of significant assumptions.

**Raindance Metropolitan District No. 2**  
**PROPERTY TAX SUMMARY INFORMATION**  
**2021 BUDGET**  
**WITH 2019 ACTUAL AND 2020 ESTIMATED**  
**For the Years Ended and Ending December 31,**

1/21/21

	ACTUAL 2019	ESTIMATED 2020	BUDGET 2021
<b>ASSESSED VALUATION</b>			
Industrial	\$ 1,020	\$ 1,170	\$ -
Agricultural	7,020	6,020	5,080
Vacant land	-	-	327,920
Oil and Gas	1,798,820	1,061,020	1,438,450
	<u>1,806,860</u>	<u>1,068,210</u>	<u>1,771,450</u>
Adjustments	-	-	-
Certified Assessed Value	<u>\$ 1,806,860</u>	<u>\$ 1,068,210</u>	<u>\$ 1,771,450</u>
<b>MILL LEVY</b>			
General	39.000	43.418	29.191
Debt Service	0.000	0.000	10.604
Total mill levy	<u>39.000</u>	<u>43.418</u>	<u>39.795</u>
<b>PROPERTY TAXES</b>			
General	\$ 70,468	\$ 46,380	\$ 51,710
Debt Service	-	-	18,784
Budgeted property taxes	<u>\$ 70,468</u>	<u>\$ 46,380</u>	<u>\$ 70,494</u>
<b>BUDGETED PROPERTY TAXES</b>			
General	<b>\$ 70,468</b>	<b>\$ 46,380</b>	<b>\$ 51,710</b>
Debt Service	<b>-</b>	<b>-</b>	<b>18,784</b>
	<u><b>\$ 70,468</b></u>	<u><b>\$ 46,380</b></u>	<u><b>\$ 70,494</b></u>

No assurance provided. See summary of significant assumptions.

**RAINDANCE METROPOLITAN DISTRICT NO. 2  
GENERAL FUND  
2021 BUDGET  
WITH 2019 ACTUAL AND 2020 ESTIMATED  
For the Years Ended and Ending December 31,**

1/21/21

	ACTUAL 2019	ESTIMATED 2020	BUDGET 2021
BEGINNING FUND BALANCE	\$ 5	\$ 5	\$ 5
REVENUES			
Property taxes	70,468	46,380	51,710
Specific ownership taxes	4,603	2,201	2,586
Total revenues	<u>75,071</u>	<u>48,581</u>	<u>54,296</u>
Total funds available	<u>75,076</u>	<u>48,586</u>	<u>54,301</u>
EXPENDITURES			
General and administrative			
County Treasurer's fees	1,057	696	776
Transfer to District No. 1	74,014	47,885	53,520
Total expenditures	<u>75,071</u>	<u>48,581</u>	<u>54,296</u>
Total expenditures and transfers out requiring appropriation	<u>75,071</u>	<u>48,581</u>	<u>54,296</u>
ENDING FUND BALANCE	<u>\$ 5</u>	<u>\$ 5</u>	<u>\$ 5</u>

**RAINDANCE METROPOLITAN DISTRICT NO. 2  
DEBT SERVICE FUND  
2021 BUDGET  
WITH 2019 ACTUAL AND 2020 ESTIMATED  
For the Years Ended and Ending December 31,**

1/21/21

	ACTUAL 2019	ESTIMATED 2020	BUDGET 2021
BEGINNING FUND BALANCE	\$ -	\$ 4,430,185	\$ 3,547,432
REVENUES			
Property taxes	-	-	18,784
Specific ownership taxes	-	-	939
Interest income	-	47,817	15,000
Total revenues	<u>-</u>	<u>47,817</u>	<u>34,723</u>
TRANSFERS IN			
Transfers from other funds	<u>4,430,185</u>	<u>2,473</u>	<u>-</u>
Total funds available	<u>4,430,185</u>	<u>4,480,475</u>	<u>3,582,155</u>
EXPENDITURES			
General and administrative			
County Treasurer's fee	-	-	282
Investment advisory fee	-	18,500	8,500
Contingency	-	-	25,718
Debt Service			
Bond interest Senior Bonds	-	914,543	965,500
Total expenditures	<u>-</u>	<u>933,043</u>	<u>1,000,000</u>
Total expenditures and transfers out requiring appropriation	<u>-</u>	<u>933,043</u>	<u>1,000,000</u>
ENDING FUND BALANCE	<u>\$ 4,430,185</u>	<u>\$ 3,547,432</u>	<u>\$ 2,582,155</u>
2019A SENIOR RESERVE FUND	\$ 1,549,250	\$ 1,549,250	\$ 1,549,250
2019A CAP I/BOND FUND	2,880,935	1,998,182	1,032,905
TOTAL RESERVE	<u>\$ 4,430,185</u>	<u>\$ 3,547,432</u>	<u>\$ 2,582,155</u>

No assurance provided. See summary of significant assumptions.

**RAINDANCE METROPOLITAN DISTRICT NO. 2  
CAPITAL PROJECTS FUND  
2021 BUDGET  
WITH 2019 ACTUAL AND 2020 ESTIMATED  
For the Years Ended and Ending December 31,**

1/21/21

	ACTUAL 2019	ESTIMATED 2020	BUDGET 2021
BEGINNING FUND BALANCE	\$ -	\$ 19,075,063	\$ -
<b>REVENUES</b>			
Interest income	-	78,115	-
Bond Issuance - Series 2019A	19,310,000	-	-
Bond Issuance - Series 2019B	4,575,000	-	-
Bond Premium - Series 2019A	472,020	-	-
Total revenues	24,357,020	78,115	-
Total funds available	24,357,020	19,153,178	-
<b>EXPENDITURES</b>			
Capital Projects			
Bond Issue Cost	851,772	-	-
Transfers to District No.1	-	19,150,705	-
Total expenditures	851,772	19,150,705	-
<b>TRANSFERS OUT</b>			
Transfers to other fund	4,430,185	2,473	-
Total expenditures and transfers out requiring appropriation	5,281,957	19,153,178	-
ENDING FUND BALANCE	\$ 19,075,063	\$ -	\$ -

No assurance provided. See summary of significant assumptions.

**RAINDANCE METROPOLITAN DISTRICT NO. 2  
2021 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  
2021 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Revenues** (continued)

**Specific Ownership Taxes**

Specific ownership taxes are set by the State and collected by the County Treasurer, primarily on vehicle licensing within the County as a whole. The specific ownership taxes are allocated by the County Treasurer to all taxing entities within the County. The budget assumes that the District's share will be equal to approximately 5% of the property taxes collected.

**Interest Income**

Interest earned on the District's available funds has been estimated based on an average interest rate of approximately 0.5%.

**Expenditures**

**County Treasurer's Fees**

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

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

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

**Debt Service**

Interest payments in 2021 are provided based on the attached debt amortization schedule for the Series 2019A Bonds (discussed under Debt and Leases). The Series 2019B Bonds are paid based on available funds, as such a debt amortization schedule has not been included.

**Debt and Leases**

**Series 2019 Limited Tax General Obligation Bonds**

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



**RAINDANCE METROPOLITAN DISTRICT NO. 2  
2021 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Debt and Leases (continued)**

costs of public improvements or reimbursing the Developer for the advancement of those costs, to the extent of available proceeds; and (ii) paying costs of issuance of the Subordinate Bonds.

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

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

The District has no capital nor operating lease.

	Balance at December 31, 2019	Additions	Reductions	Balance at December 31, 2020
Developer Advances - Operations	\$ 5	\$ -	\$ -	\$ 5
Limited Tax General Obligation Bonds:				
Series 2019A	19,310,000	-	-	19,310,000
Series 2019A - Premium	472,020	-	20,106	451,914
Series 2019B	4,575,000	-	-	4,575,000
Total	<u>\$ 24,357,025</u>	<u>\$ -</u>	<u>\$ 20,106</u>	<u>\$ 24,336,919</u>

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

**RAINDANCE METROPOLITAN DISTRICT NO. 2  
2021 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Reserves**

**Emergency Reserve**

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of fiscal year spending. Since substantially all funds received by the District are transferred to RainDance Metropolitan District No. 1, which pays for all Districts' operations and maintenance costs, and which provides for the required reserve amount, an Emergency Reserve is not reflected in the District's Budget.

**Debt Service Reserves**

The District maintains a Debt Service Reserve as required with the issuance of the Series 2019A Limited Tax General Obligation Bonds.

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