

**RAINDANCE METROPOLITAN DISTRICT NO. 2**

**ANNUAL BUDGET**

**FOR THE YEAR ENDING DECEMBER 31, 2023**

**RAINDANCE METROPOLITAN DISTRICT NO. 2  
SUMMARY  
2023 BUDGET  
WITH 2021 ACTUAL AND 2022 ESTIMATED  
For the Years Ended and Ending December 31,**

1/26/23

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCES	\$ 3,551,115	\$ 2,585,303	\$ 1,907,867
REVENUES			
Property taxes	74,458	334,993	784,121
Specific ownership taxes	3,539	19,669	47,047
Net investment income/ Net change in FV of investments	(13,326)	126	-
Other revenue	-	-	1,000
Total revenues	<u>64,671</u>	<u>354,788</u>	<u>832,168</u>
 Total funds available	<u>3,615,786</u>	<u>2,940,091</u>	<u>2,740,035</u>
EXPENDITURES			
General Fund	58,295	54,945	56,406
Debt Service Fund	972,188	977,279	1,000,000
Total expenditures	<u>1,030,483</u>	<u>1,032,224</u>	<u>1,056,406</u>
 Total expenditures and transfers out requiring appropriation	<u>1,030,483</u>	<u>1,032,224</u>	<u>1,056,406</u>
ENDING FUND BALANCES	<u>\$ 2,585,303</u>	<u>\$ 1,907,867</u>	<u>\$ 1,683,629</u>
2019A SENIOR RESERVE FUND	\$ 1,549,250	\$ 1,549,250	\$ 1,549,250
2019A SENIOR SURPLUS FUND	70,548	358,612	134,374
2019A CAP I/BOND FUND	965,500	-	-
TOTAL RESERVE	<u>\$ 2,585,298</u>	<u>\$ 1,907,862</u>	<u>\$ 1,683,624</u>

No assurance is provided. See summary of significant assumptions.

**RAINDANCE METROPOLITAN DISTRICT NO. 2**  
**PROPERTY TAX SUMMARY INFORMATION**  
**2023 BUDGET**  
**WITH 2021 ACTUAL AND 2022 ESTIMATED**  
**For the Years Ended and Ending December 31,**

1/26/23

ACTUAL	ESTIMATED	BUDGET
2021	2022	2023

**ASSESSED VALUATION**

Agricultural	\$ 5,080	\$ -	\$ -
Commercial	-	-	52,200
Single-Family Residential	-	2,975,520	12,629,280
Multi-Family Residential	-	-	2,310,760
Oil and Gas Pipelines	1,438,450	1,532,260	1,483,570
Personal Property	-	19,640	149,300
State Assessed	-	120	1,430
Vacant land	327,920	3,656,310	1,261,880
Certified Assessed Value	\$ 1,771,450	\$ 8,183,850	\$ 17,888,420

**MILL LEVY**

General	29.191	6.327	2.922
Debt Service	10.604	34.279	40.912
Total mill levy	39.795	40.606	43.834

**PROPERTY TAXES**

General	\$ 51,710	\$ 51,779	\$ 52,270
Debt Service	18,784	280,534	731,851
Levied property taxes	70,494	332,313	784,121
Adjustments to actual/rounding	3,964	2,680	-
Budgeted property taxes	\$ 74,458	\$ 334,993	\$ 784,121

**ASSESSED VALUATION - DEBT ONLY**

Oil and Gas Pipelines	\$ -	\$ 3,060	\$ 2,990
Vacant land	3,230	-	-
Certified Assessed Value	\$ 3,230	\$ 3,060	\$ 2,990

**MILL LEVY - DEBT ONLY**

Debt Service	0.000	0.000	0.000
Total mill levy	0.000	0.000	0.000

**PROPERTY TAXES - DEBT ONLY**

Debt Service	\$ -	\$ -	\$ -
Budgeted property taxes	\$ -	\$ -	\$ -

**BUDGETED PROPERTY TAXES**

General	\$ 55,679	\$ 51,754	\$ 52,270
Debt Service	18,779	283,239	731,851
Budgeted property taxes	\$ 74,458	\$ 334,993	\$ 784,121

No assurance is provided. See summary of significant assumptions.

**RAINDANCE METROPOLITAN DISTRICT NO. 2  
GENERAL FUND  
2023 BUDGET  
WITH 2021 ACTUAL AND 2022 ESTIMATED  
For the Years Ended and Ending December 31,**

1/26/23

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCE	\$ 5	\$ 5	\$ 5
<b>REVENUES</b>			
Property taxes	55,679	51,754	52,270
Specific ownership taxes	2,595	3,065	3,136
Other revenue	-	-	1,000
Net investment income/ Net change in FV of investments	21	126	-
Total revenues	58,295	54,945	56,406
Total funds available	58,300	54,950	56,411
<b>EXPENDITURES</b>			
General and administrative			
County Treasurer's fees	836	786	784
Banking fees	20	40	40
Contingency	-	-	1,000
Transfer to District No. 1	57,439	54,119	54,582
Total expenditures	58,295	54,945	56,406
Total expenditures and transfers out requiring appropriation	58,295	54,945	56,406
ENDING FUND BALANCE	\$ 5	\$ 5	\$ 5

No assurance is provided. See summary of significant assumptions.

**RAINDANCE METROPOLITAN DISTRICT NO. 2  
DEBT SERVICE FUND  
2023 BUDGET  
WITH 2021 ACTUAL AND 2022 ESTIMATED  
For the Years Ended and Ending December 31,**

1/26/23

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCE	\$ 3,551,110	\$ 2,585,298	\$ 1,907,862
<b>REVENUES</b>			
Property taxes	18,779	283,239	731,851
Specific ownership taxes	944	16,604	43,911
Net investment income/ Net change in FV of investments	(13,347)	-	-
Total revenues	<u>6,376</u>	<u>299,843</u>	<u>775,762</u>
Total funds available	<u>3,557,486</u>	<u>2,885,141</u>	<u>2,683,624</u>
<b>EXPENDITURES</b>			
General and administrative			
Banking fees	-	20	20
County Treasurer's fees	282	4,259	10,978
Paying agent fees	2,500	3,000	3,000
Investment advisory fee	3,906	4,500	4,500
Contingency	-	-	16,002
Debt Service			
Bond interest Senior Bonds	965,500	965,500	965,500
Total expenditures	<u>972,188</u>	<u>977,279</u>	<u>1,000,000</u>
Total expenditures and transfers out requiring appropriation	<u>972,188</u>	<u>977,279</u>	<u>1,000,000</u>
ENDING FUND BALANCE	<u>\$ 2,585,298</u>	<u>\$ 1,907,862</u>	<u>\$ 1,683,624</u>
2019A SENIOR RESERVE FUND	\$ 1,549,250	\$ 1,549,250	\$ 1,549,250
2019A SENIOR SURPLUS FUND	70,548	358,612	134,374
2019A CAP I/BOND FUND	965,500	-	-
TOTAL RESERVE	<u>\$ 2,585,298</u>	<u>\$ 1,907,862</u>	<u>\$ 1,683,624</u>

No assurance is provided. See summary of significant assumptions.

**RAINDANCE METROPOLITAN DISTRICT NO. 2  
2023 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.

Senate Bill 21-293 among other things, designates multi-family residential real property (defined generally, as property that is a multi-structure of four or more units) as a new subclass of residential real property. For tax collection year 2023, the assessment rate for single family residential property decreases to 6.95% from 7.15%. The rate for multifamily residential property, the newly created subclass, decreases to 6.80% from 7.15%. Agricultural and renewable energy production property decreases to 26.4% from 29.0%. Producing oil and gas remains at 87.5%. All other nonresidential property stays at 29%.

**RAINDANCE METROPOLITAN DISTRICT NO. 2  
2023 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Revenues** (continued)

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

**Specific Ownership Taxes**

Specific ownership taxes are set by the State and collected by the County Treasurer, primarily on vehicle licensing within the County as a whole. The specific ownership taxes are allocated by the County Treasurer to all taxing entities within the County. The budget assumes that the District's share will be equal to approximately 6% of the property taxes collected.

**Expenditures**

**County Treasurer's Fees**

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

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

Pursuant to the District Coordinating Services Agreement, RainDance Metropolitan District No. 1 will provide certain operation, maintenance and administrative services benefitting the District, 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 2023 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  
2023 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, 2021	Additions	Reductions	Balance at December 31, 2022
Developer Advances - Operations	\$ 5	\$ -	\$ -	\$ 5
Limited Tax General Obligation Bonds:				
Series 2019A	19,310,000	-	-	19,310,000
Series 2019A - Premium	430,687	-	21,226	409,461
Series 2019B	4,575,000	-	-	4,575,000
Total	<u>\$ 24,315,692</u>	<u>\$ -</u>	<u>\$ 21,226</u>	<u>\$ 24,294,466</u>

	Balance at December 31, 2022	Additions	Reductions	Balance at December 31, 2023
Developer Advances - Operations	\$ 5	\$ -	\$ -	\$ 5
Limited Tax General Obligation Bonds:				
Series 2019A	19,310,000	-	-	19,310,000
Series 2019A - Premium	409,461	-	21,226	388,235
Series 2019B	4,575,000	-	-	4,575,000
Total	<u>\$ 24,294,466</u>	<u>\$ -</u>	<u>\$ 21,226</u>	<u>\$ 24,273,240</u>

**RAINDANCE METROPOLITAN DISTRICT NO. 2  
2023 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 of \$1,549,250 as required with the issuance of the Series 2019A Limited Tax General Obligation Bonds. Additionally, the District maintains a Debt Service Surplus Reserve up to the maximum Surplus amount of \$780,000.

**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>
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>\$ 18,624,750</u>	<u>\$ 37,934,750</u>