

RAINDANCE METROPOLITAN DISTRICT NO. 3

ANNUAL BUDGET

FOR THE YEAR ENDING DECEMBER 31, 2023

**RAINDANCE METROPOLITAN DISTRICT NO. 3
SUMMARY
2023 BUDGET
WITH 2021 ACTUAL AND 2022 ESTIMATED
For the Years Ended and Ending December 31,**

1/29/23

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCES	\$ 2,524,892	\$ 2,522,804	\$ 2,845,708
REVENUES			
Property taxes	576,277	1,032,670	1,171,495
Specific ownership taxes	28,944	60,469	70,290
Net investment income/ Net change of FV of investments	(7,109)	21	-
Capital facilities fees	417,500	257,500	115,000
Other revenue	-	-	1,000
Total revenues	<u>1,015,612</u>	<u>1,350,660</u>	<u>1,357,785</u>
Total funds available	<u>3,540,504</u>	<u>3,873,464</u>	<u>4,203,493</u>
EXPENDITURES			
General Fund	54,039	55,147	56,138
Debt Service Fund	963,624	972,609	1,070,000
Capital Projects Fund	37	-	-
Total expenditures	<u>1,017,700</u>	<u>1,027,756</u>	<u>1,126,138</u>
Total expenditures and transfers out requiring appropriation	<u>1,017,700</u>	<u>1,027,756</u>	<u>1,126,138</u>
ENDING FUND BALANCES	<u>\$ 2,522,804</u>	<u>\$ 2,845,708</u>	<u>\$ 3,077,355</u>
2018A SENIOR RESERVE FUND	\$ 1,423,675	\$ 1,423,675	\$ 1,423,675
2018A SENIOR SURPLUS FUND	1,099,124	1,422,028	1,645,000
RESERVE FOR FUTURE DEBT SERVICE	-	-	8,675
TOTAL RESERVE	<u>\$ 2,522,799</u>	<u>\$ 2,845,703</u>	<u>\$ 3,077,350</u>

No assurance provided. See summary of significant assumptions.

RAINDANCE METROPOLITAN DISTRICT NO. 3
PROPERTY TAX SUMMARY INFORMATION
2023 BUDGET
WITH 2021 ACTUAL AND 2022 ESTIMATED
For the Years Ended and Ending December 31,

1/29/23

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
ASSESSED VALUATION			
Agricultural	\$ -	\$ 4,530	\$ 4,120
Commercial	820,660	337,640	365,920
Minerals	2,880	3,030	-
Single-Family residential	9,868,430	18,622,820	24,764,800
Personal property	116,500	142,530	272,100
State assessed	220	780	2,280
Vacant land	2,552,330	5,228,920	1,035,360
Certified Assessed Value	\$ 13,361,020	\$ 24,340,250	\$ 26,444,580
MILL LEVY			
General	3.841	2.116	1.967
Debt Service	39.290	40.264	42.333
Total mill levy	43.131	42.380	44.300
PROPERTY TAXES			
General	\$ 51,320	\$ 51,504	\$ 52,017
Debt Service	524,954	980,036	1,119,478
Levied property taxes	576,274	1,031,540	1,171,495
Adjustments to actual/rounding	3	1,130	-
Budgeted property taxes	\$ 576,277	\$ 1,032,670	\$ 1,171,495
BUDGETED PROPERTY TAXES			
General	\$ 51,320	\$ 52,107	\$ 52,017
Debt Service	524,957	980,563	1,119,478
	\$ 576,277	\$ 1,032,670	\$ 1,171,495

No assurance provided. See summary of significant assumptions.

**RAINDANCE METROPOLITAN DISTRICT NO. 3
GENERAL FUND
2023 BUDGET
WITH 2021 ACTUAL AND 2022 ESTIMATED
For the Years Ended and Ending December 31,**

1/29/23

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCE	\$ 5	\$ 5	\$ 5
REVENUES			
Property taxes	51,320	52,107	52,017
Specific ownership taxes	2,575	3,019	3,121
Net investment income/ Net change of FV of investments	144	21	-
Other revenue	-	-	1,000
Total revenues	<u>54,039</u>	<u>55,147</u>	<u>56,138</u>
Total funds available	<u>54,044</u>	<u>55,152</u>	<u>56,143</u>
EXPENDITURES			
General and administrative			
County Treasurer's fees	772	773	780
Transfer to District No. 1	53,267	54,374	54,358
Contingency	-	-	1,000
Total expenditures	<u>54,039</u>	<u>55,147</u>	<u>56,138</u>
Total expenditures and transfers out requiring appropriation	<u>54,039</u>	<u>55,147</u>	<u>56,138</u>
ENDING FUND BALANCE	<u>\$ 5</u>	<u>\$ 5</u>	<u>\$ 5</u>

No assurance provided. See summary of significant assumptions.

**RAINDANCE METROPOLITAN DISTRICT NO. 3
DEBT SERVICE FUND
2023 BUDGET
WITH 2021 ACTUAL AND 2022 ESTIMATED
For the Years Ended and Ending December 31,**

1/29/23

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCE	\$ 2,524,850	\$ 2,522,799	\$ 2,845,703
REVENUES			
Property taxes	524,957	980,563	1,119,478
Specific ownership taxes	26,369	57,450	67,169
Net investment income/ Net change of FV of investments	(7,253)	-	-
Capital facilities fees	417,500	257,500	115,000
Total revenues	<u>961,573</u>	<u>1,295,513</u>	<u>1,301,647</u>
Total funds available	<u>3,486,423</u>	<u>3,818,312</u>	<u>4,147,350</u>
EXPENDITURES			
Debt Service			
Bond interest - Series 2018A	945,875	945,875	945,875
Bond principal - Series 2018A	-	-	80,000
County Treasurer's fees	7,896	14,714	16,792
Investment advisory fees	3,853	6,000	6,000
Miscellaneous	-	20	20
Paying agent fees	6,000	6,000	6,000
Contingency	-	-	15,313
Total expenditures	<u>963,624</u>	<u>972,609</u>	<u>1,070,000</u>
Total expenditures and transfers out requiring appropriation	<u>963,624</u>	<u>972,609</u>	<u>1,070,000</u>
ENDING FUND BALANCE	<u>\$ 2,522,799</u>	<u>\$ 2,845,703</u>	<u>\$ 3,077,350</u>
2018A SENIOR RESERVE FUND	\$ 1,423,675	\$ 1,423,675	\$ 1,423,675
2018A SENIOR SURPLUS FUND	1,099,124	1,422,028	1,645,000
RESERVE FOR FUTURE DEBT SERVICE	-	-	8,675
TOTAL RESERVE	<u>\$ 2,522,799</u>	<u>\$ 2,845,703</u>	<u>\$ 3,077,350</u>

No assurance provided. See summary of significant assumptions.

**RAINDANCE METROPOLITAN DISTRICT NO. 3
CAPITAL PROJECTS FUND
2023 BUDGET
WITH 2021 ACTUAL AND 2022 ESTIMATED
For the Years Ended and Ending December 31,**

1/29/23

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCE	\$ 37	\$ -	\$ -
REVENUES			
Total revenues	-	-	-
Total funds available	37	-	-
EXPENDITURES			
Transfer to District No. 1	37	-	-
Total expenditures	37	-	-
Total expenditures and transfers out requiring appropriation	37	-	-
ENDING FUND BALANCE	\$ -	\$ -	\$ -

No assurance provided. See summary of significant assumptions.

**RAINDANCE METROPOLITAN DISTRICT NO. 3
2023 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.

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. 3
2023 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Revenues (Continued)

Property Taxes (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.

Capital Facilities Fees

The District imposes a Capital Facilities Fee in the amount of \$2,500 per single family detached unit, 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 2023, the District anticipates to collect fees on 46 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 Service

Principal and interest payments are provided based on the debt amortization schedule from the Series 2018A Bonds and the Series 2018B Bonds (discussed under Debt and Leases).

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

**RAINDANCE METROPOLITAN DISTRICT NO. 3
2023 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Debt and Leases (Continued)

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.

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.

	Balance at December 31, 2021	Additions	Reductions	Balance at December 31, 2022
Developer Advances - Operations	\$ 5	\$ -	\$ -	\$ 5
Limited Tax General Obligation Bonds:				
Series 2018A	16,450,000	-	-	16,450,000
Series 2018B	2,840,000	-	-	2,840,000
Total	<u>\$ 19,290,005</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 19,290,005</u>

	Balance at December 31, 2022	Additions	Reductions	Balance at December 31, 2023
Developer Advances - Operations	\$ 5	\$ -	\$ -	\$ 5
Limited Tax General Obligation Bonds:				
Series 2018A	16,450,000	-	80,000	16,370,000
Series 2018B	2,840,000	-	-	2,840,000
Total	<u>\$ 19,290,005</u>	<u>\$ -</u>	<u>\$ 80,000</u>	<u>\$ 19,210,005</u>

**RAINDANCE METROPOLITAN DISTRICT NO. 3
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 the following reserves as required with the issuance of the Bonds: (i) Senior Reserve Fund, funded from bond proceeds, in the amount of \$1,423,675, and (ii) Senior Surplus Fund, to be funded from pledged revenues, up to a maximum amount of \$1,645,000.

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
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
	\$ 16,450,000	\$ 16,672,125	\$ 33,122,125