

RAINDANCE METROPOLITAN DISTRICT NO.1

ANNUAL BUDGET

FOR THE YEAR ENDING DECEMBER 31, 2022

RAINDANCE METROPOLITAN DISTRICT NO. 1
SUMMARY
2022 BUDGET
WITH 2020 ACTUAL AND 2021 ESTIMATED
For the Years Ended and Ending December 31,

1/31/22

	ACTUAL 2020	ESTIMATED 2021	BUDGET 2022
BEGINNING FUND BALANCES	\$ 737,760	\$ 9,598,406	\$14,992,396
REVENUES			
Property taxes	3,293,757	3,551,953	1,359,272
Specific ownership taxes	162,989	174,126	67,964
Developer contribution - pool	-	251,865	273,400
Developer contribution- events	-	-	150,000
Pool admissions	-	85,000	85,000
Stop curb repair revenue	50,050	65,000	60,000
Other revenue	66,739	191,010	100,000
Interest income	118,256	27,695	11,000
Transfers from District No. 2	19,198,590	53,030	53,551
Transfers from District No. 3	52,170	52,827	53,306
Transfers from District No. 4	5,391	15,221	16,043
Capital fees	375,000	840,000	310,000
Water meter fees	1,022,500	3,047,500	805,000
Water service fees	200,073	524,000	530,000
Developer advance - overhead	250,000	233,400	260,000
Developer advance - golf course	-	7,516,243	6,500,000
Developer advance - capital	26,891,474	-	11,000,000
PIF - golf lot premiums	-	11,562,000	15,000,000
Reimbursements - 7th Street Bridge	-	1,600,000	-
Reimbursements - Town of Windsor	-	914,892	-
Bond issuance - Series 2020	24,315,000	-	-
Total revenues	<u>76,001,989</u>	<u>30,705,762</u>	<u>36,634,536</u>
TRANSFERS IN	<u>127,167</u>	<u>-</u>	<u>-</u>
Total funds available	<u>76,866,916</u>	<u>40,304,168</u>	<u>51,626,932</u>
EXPENDITURES			
General and administrative	512,354	772,597	991,450
Operations and maintenance	579,796	916,803	1,275,000
Pool and clubhouse	251,867	360,600	447,550
Enterprise fund	18,445,108	4,730,600	3,659,775
Capital projects	47,352,218	18,531,172	24,000,000
Total expenditures	<u>67,141,343</u>	<u>25,311,772</u>	<u>30,373,775</u>
TRANSFERS OUT	<u>127,167</u>	<u>-</u>	<u>-</u>
Total expenditures and transfers out requiring appropriation	<u>67,268,510</u>	<u>25,311,772</u>	<u>30,373,775</u>
ENDING FUND BALANCES	<u>\$ 9,598,406</u>	<u>\$ 14,992,396</u>	<u>\$21,253,157</u>
EMERGENCY RESERVE	\$ 113,600	\$ 181,400	\$ 67,000
DEBT RESERVE FUND	-	2,289,792	2,289,792
TOTAL RESERVE	<u>\$ 113,600</u>	<u>\$ 2,471,192</u>	<u>\$ 2,356,792</u>

No assurance provided. See summary of significant assumptions.

**RAINDANCE METROPOLITAN DISTRICT NO. 1
PROPERTY TAX SUMMARY INFORMATION
2022 BUDGET
WITH 2020 ACTUAL AND 2021 ESTIMATED
For the Years Ended and Ending December 31,**

1/31/22

ACTUAL 2020	ESTIMATED 2021	BUDGET 2022
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ASSESSED VALUATION

Agricultural	\$ 5,330	\$ 5,440	\$ -
State assessed	10,390	11,580	13,210
Vacant land	-	3,230	4,460
Commercial	-	75,400	475,850
Oil and gas	88,031,340	89,201,920	34,359,600
	88,047,060	89,297,570	34,853,120
Adjustments	-	-	-
Certified Assessed Value	\$ 88,047,060	\$ 89,297,570	\$ 34,853,120

MILL LEVY

General	39.000	39.000	39.000
Total mill levy	39.000	39.000	39.000

PROPERTY TAXES

General	\$ 3,433,835	\$ 3,482,605	\$ 1,359,272
Levied property taxes	3,433,835	3,482,605	1,359,272
Adjustments to actual/rounding	(140,078)	69,474	-
Refunds and abatements	-	(126)	-
Budgeted property taxes	\$ 3,293,757	\$ 3,551,953	\$ 1,359,272

BUDGETED PROPERTY TAXES

General	\$ 3,293,757	\$ 3,551,953	\$ 1,359,272
	\$ 3,293,757	\$ 3,551,953	\$ 1,359,272

**RAINDANCE METROPOLITAN DISTRICT NO. 1
GENERAL FUND
2022 BUDGET
WITH 2020 ACTUAL AND 2021 ESTIMATED
For the Years Ended and Ending December 31,**

1/31/22

	ACTUAL 2020	ESTIMATED 2021	BUDGET 2022
BEGINNING FUND BALANCE	\$ 737,760	\$ 3,219,482	\$ 4,876,472
REVENUES			
Property taxes	3,293,757	3,551,953	1,359,272
Specific ownership taxes	162,989	174,126	67,964
Stop curb repair revenue	50,050	65,000	60,000
Pool admissions	-	85,000	85,000
Other revenue	66,739	191,010	100,000
Interest income	107,258	6,995	-
Developer advance - overhead	166,667	60,000	60,000
Developer contribution - pool	-	251,865	273,400
Developer contribution- events	-	-	150,000
Reimbursements - 7th Street Bridge	-	1,600,000	-
Transfers from District No. 2	47,885	53,030	53,551
Transfers from District No. 3	52,170	52,790	53,306
Transfers from District No. 4	5,391	15,221	16,043
Total revenues	<u>3,952,906</u>	<u>6,106,990</u>	<u>2,278,536</u>
TRANSFERS IN			
Transfers from other funds	-	-	-
Total funds available	<u>4,690,666</u>	<u>9,326,472</u>	<u>7,155,008</u>
EXPENDITURES			
General and administrative			
Accounting	102,252	150,000	165,000
Staffing	-	126,800	313,300
Management fee	-	36,000	36,000
Asset administration	-	10,000	10,000
Audit	13,800	14,200	15,000
Consulting and studies	35,884	42,000	30,000
County Treasurer's fee	51,015	53,279	20,390
Dues and licenses	3,025	2,057	2,000
Engineering - cost certification	-	10,000	10,000
Election expense	-	-	20,000
Insurance	23,036	48,610	50,000
Legal services	108,528	100,700	100,000
Miscellaneous	8,147	9,200	10,000
Office supplies	-	5,000	5,000
Office overhead	-	60,000	60,000
Rent	-	24,000	24,000
Repay Developer advance	166,667	60,000	60,000
Contingency	-	20,751	60,760
Operation and maintenance			
District events	62,602	280,000	250,000
District water usage	-	118,503	150,000
Equipment acquisition	25,870	18,000	225,000
Equipment repairs and maintenance	18,045	35,800	12,500
Landscaping	77,239	164,300	350,000
Lifestyle director fee	67,039	-	-
Raindance farms	-	5,000	30,000
Snow removal	21,749	56,000	60,000
Stop curb repair	26,250	49,000	32,500
Utility locates	33,158	104,200	90,000
Utilities	81,177	86,000	75,000
Water system/field manager	166,667	-	-
Pool and clubhouse			
Pool management fees	199,020	200,000	265,000
Pool supplies	22,214	47,900	50,000
Pool water usage	6,005	14,400	15,000
Pool gas and electricity	10,202	23,000	21,000
Pool telephone services	141	1,300	1,300
Pool internet	1,398	1,600	1,600
Pool insurance	8,755	9,200	9,200
Pool trash and recycle	1,046	1,100	1,250
Pool repair and maintenance	-	25,700	25,000
Pool security	-	26,300	50,000
Pool cleaning services	-	4,200	4,200
Pool miscellaneous	3,086	5,900	4,000
Capital Outlay			
7th Street Bridge	-	2,400,000	-
Total expenditures	<u>1,344,017</u>	<u>4,450,000</u>	<u>2,714,000</u>
TRANSFERS OUT			
Transfers to other fund	127,167	-	-
Total expenditures and transfers out requiring appropriation	<u>1,471,184</u>	<u>4,450,000</u>	<u>2,714,000</u>
ENDING FUND BALANCE	<u>\$ 3,219,482</u>	<u>\$ 4,876,472</u>	<u>\$ 4,441,008</u>
EMERGENCY RESERVE	\$ 113,600	\$ 181,400	\$ 67,000

No assurance provided. See summary of significant assumptions.

**RAINDANCE METROPOLITAN DISTRICT NO. 1
CAPITAL PROJECTS FUND
2022 BUDGET
WITH 2020 ACTUAL AND 2021 ESTIMATED
For the Years Ended and Ending December 31,**

1/31/22

	ACTUAL 2020	ESTIMATED 2021	BUDGET 2022
BEGINNING FUND BALANCE	\$ -	\$ (1,310,039)	\$ 2,551,961
REVENUES			
Developer advance - capital	26,891,474	-	11,000,000
Developer advance - golf course	-	7,516,243	6,500,000
PIF - golf lot premiums	-	11,562,000	15,000,000
Reimbursements - Town of Windsor	-	914,892	-
Transfers from District No. 2	19,150,705	-	-
Transfers from District No. 3	-	37	-
Total revenues	<u>46,042,179</u>	<u>19,993,172</u>	<u>32,500,000</u>
Total funds available	<u>46,042,179</u>	<u>18,683,133</u>	<u>35,051,961</u>
EXPENDITURES			
Capital Outlay			
Repay Developer advance	19,150,705	7,516,280	6,500,000
Sewer reimbursement	-	914,892	-
Capital outlay- public improvements	26,891,474	-	11,000,000
Golf Course	1,310,039	7,700,000	6,500,000
Total expenditures	<u>47,352,218</u>	<u>16,131,172</u>	<u>24,000,000</u>
TRANSFERS OUT			
Transfer to other funds	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures and transfers out requiring appropriation	<u>47,352,218</u>	<u>16,131,172</u>	<u>24,000,000</u>
ENDING FUND BALANCE	<u>\$ (1,310,039)</u>	<u>\$ 2,551,961</u>	<u>\$ 11,051,961</u>

No assurance provided. See summary of significant assumptions.

RAINDANCE METROPOLITAN DISTRICT NO. 1
ENTERPRISE FUND
2022 BUDGET
WITH 2020 ACTUAL AND 2021 ESTIMATED
For the Years Ended and Ending December 31,

1/31/22

	ACTUAL 2020	ESTIMATED 2021	BUDGET 2022
BEGINNING FUNDS AVAILABLE	\$ -	\$ 7,688,963	\$ 7,563,963
REVENUES			
Bond issuance - Series 2020	24,315,000	-	-
Capital fees	375,000	840,000	310,000
Developer advance - overhead	83,333	173,400	200,000
Interest income	10,998	20,700	11,000
Water meter fees	1,022,500	3,047,500	805,000
Water service fees	200,073	524,000	530,000
Total revenues	<u>26,006,904</u>	<u>4,605,600</u>	<u>1,856,000</u>
TRANSFERS IN			
Transfers from other funds	<u>127,167</u>	-	-
Total funds available	<u>26,134,071</u>	<u>12,294,563</u>	<u>9,419,963</u>
EXPENDITURES			
General and administrative			
Administration - billing	-	13,900	40,000
Consulting and studies	190,316	290,100	200,000
Legal services	88,743	84,100	80,000
Operations and maintenance			
Repairs and maintenance	18,124	45,000	24,000
Electricity and gas	-	-	120,000
Water purchase	44,410	-	-
Water meters and installation	713,014	1,950,400	805,000
Miscellaneous	109	-	-
Other Water Operating Expenses			
Scada	-	20,000	25,000
Delivery and ditch expenses	-	15,000	15,000
Water system manager and field staff	83,333	173,400	200,000
Tools and equipment	-	10,200	24,000
Equipment acquisition	8,762	-	-
Contingency	-	88,325	60,000
Capital			
Repay Developer advance	83,333	173,400	200,000
Capital outlay	15,883,060	600,000	600,000
Debt Service			
Bond interest - Series 2020	403,450	1,262,975	1,262,975
Cost of issuance	927,504	-	-
Paying agent fee	950	3,800	3,800
Total expenditures	<u>18,445,108</u>	<u>4,730,600</u>	<u>3,659,775</u>
Total expenditures and transfers out requiring appropriation	<u>18,445,108</u>	<u>4,730,600</u>	<u>3,659,775</u>
ENDING FUNDS AVAILABLE	<u>\$ 7,688,963</u>	<u>\$ 7,563,963</u>	<u>\$ 5,760,188</u>
DEBT RESERVE FUND	<u>\$ -</u>	<u>\$ 2,289,792</u>	<u>\$ 2,289,792</u>
TOTAL RESERVE	<u>\$ -</u>	<u>\$ 2,289,792</u>	<u>\$ 2,289,792</u>

No assurance provided. See summary of significant assumptions.

**RAINDANCE METROPOLITAN DISTRICT NO. 1
2022 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Services Provided

RainDance Metropolitan District No. 1'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. 2, 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. 1
2022 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 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 average interest rate of approximately 0.35%.

Capital Facilities Fees

The District imposes a Capital Facilities Fee in the amount of \$2,500 per single family detached unit, which is due and payable on or before a building permit is issued by the County.

Water Service Fee

The District charges service fees to each homeowner for non-potable water usage.

Water Meter Sales

The District anticipates selling and installing water meters for single-family detached units and for single-family attached and apartment units. The District expects to collect \$2,500 per unit.

Stop Curb Repair Fees

During 2022, the District anticipates invoicing various builders for damages to streets and curbs. The District expects to collect \$1,250 per address.

Transfers from RainDance Metropolitan District Nos. 2-4

Pursuant to the District Coordinating Services Agreement, the District will provide certain operation, maintenance and administrative services benefitting the RainDance Metropolitan District No. 2, 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 the District.

Pool Admissions

During 2022, the District anticipates collecting \$85,000 from selling River Resort guest passes and memberships.

**RAINDANCE METROPOLITAN DISTRICT NO. 1
2022 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Revenues (continued)

Developer Contribution- Pool

In 2022, the District anticipates collecting \$273,400 from the Raindance Communities, LLC (the "Developer") for the total pool operation costs incurred during 2021 in excess of the total pool admissions revenue collected in 2021.

Developer Contribution - Events

During 2022, the Districts anticipates receiving \$150,000 from the Developer as contributions towards the costs of District events.

PIF- Golf Lot Premiums

In 2022, the District anticipates collecting \$15,000,000 of public improvement fees related to the purchase of certain golf course lots. The proceeds will be utilized to help fund public improvements associated with the Raindance National Golf Course and Resort.

Other Revenue

The District anticipates generating additional revenue of approximately \$100,000 from the surface use and compatible development.

Expenditures

County Treasurer's Fees

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

General and Administrative

General and administrative expenditures include the estimated costs of services necessary to maintain the District's administrative viability such as legal, accounting, audit, insurance and membership dues.

Operation and Maintenance

Operation and maintenance expenditures have been estimated by the District's management. The estimated expenditures include maintenance and repairs of the District's property and non-potable water facilities.

**RAINDANCE METROPOLITAN DISTRICT NO. 1
2022 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Expenditures (continued)

Pool and Clubhouse

Pool and clubhouse expenditures have been estimated by the District's management. The estimated expenditures include maintenance and repairs of the District's pool and clubhouse.

Debt Service

Principal and interest payments are provided based on the debt amortization schedule from the Series 2020 Bonds (discussed under Debt and Leases)

Capital Projects

Anticipated expenditures for capital projects are detailed on the Capital Projects Fund page of the Budget.

Debt and Leases

On August 6, 2020, the District, acting by and through its Water Activity Enterprise, issued \$24,315,000 in Non-Potable Water Enterprise Revenue Bonds, Series 2020. The District's primary revenue sources for repayment of the Bonds are rates assessed on residential and non-residential customers of the District and RainDance Metropolitan District Nos. 2, 3 and 4 based on non-potable water usage within the District's Service Area, and Capital Facilities Fees collected within the boundaries of RainDance Metropolitan District No. 2 (District No. 2). The Bonds were issued as two term bonds with the first bearing interest at 5.00% per annum and maturing on December 1, 2040 and the second bearing interest at 5.25% and maturing on December 1, 2050. Interest on the Bonds is payable semiannually on June 1 and December 1, beginning on December 1, 2020. Annual mandatory sinking fund principal payments are due on December 1, beginning on December 1, 2024. The Bonds are subject to redemption prior to maturity, at the option of the District, on December 1, 2025, and on any date thereafter, upon payment of par, accrued interest, and a redemption premium equal to a percentage of the principal amount

The District has no outstanding capital or operating leases.

**RAINDANCE METROPOLITAN DISTRICT NO. 1
2022 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Debt and Leases (continued)

	Balance - December 31, 2020	Additions*	Retirements*	Balance - December 31, 2021*
<u>Governmental Activities</u>				
Other Debts:				
Developer Advances	\$ 8,150,684	\$ 7,576,243	\$ 7,576,280	\$ 8,150,647
Accrued Interest on				
Developer Advances	563,970	816,368	-	1,380,338
Total Governmental Activities	<u>8,714,654</u>	<u>8,392,611</u>	<u>7,576,280</u>	<u>9,530,985</u>
<u>Business-Type Activities</u>				
Bonds Payable:				
Non-Potable Water Enterprise				
Revenue Bonds Series 2020A	24,315,000	-	-	24,315,000
Total Bonds Payable	<u>24,315,000</u>	<u>-</u>	<u>-</u>	<u>24,315,000</u>
Other Debts:				
Developer Advances	-	173,400	173,400	-
Total Business-Type Activities	<u>-</u>	<u>173,400</u>	<u>173,400</u>	<u>-</u>
Total Long-Term Obligations	\$ 33,029,654	\$ 8,566,011	\$ 7,749,680	\$ 33,845,985
	Balance - December 31, 2021*	Additions*	Retirements*	Balance - December 31, 2022*
<u>Governmental Activities</u>				
Other Debts:				
Developer Advances	\$ 8,150,647	\$ 17,560,000	\$ 6,560,000	\$ 19,150,647
Accrued Interest on				
Developer Advances	1,380,338	815,064	-	2,195,402
Total Governmental Activities	<u>9,530,985</u>	<u>18,375,064</u>	<u>6,560,000</u>	<u>21,346,049</u>
<u>Business-Type Activities</u>				
Bonds Payable:				
Non-Potable Water Enterprise				
Revenue Bonds Series 2020A	24,315,000	-	-	24,315,000
Total Bonds Payable	<u>24,315,000</u>	<u>-</u>	<u>-</u>	<u>24,315,000</u>
Other Debts:				
Developer Advances	-	200,000	200,000	-
Total Business-Type Activities	<u>-</u>	<u>200,000</u>	<u>200,000</u>	<u>-</u>
Total Long-Term Obligations	\$ 33,845,985	\$ 18,575,064	\$ 6,760,000	\$ 45,661,049

*Estimated amounts

**RAINDANCE METROPOLITAN DISTRICT NO. 1
2022 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Reserves

Emergency Reserve

The District has provided an emergency reserve fund equal to at least 3% of fiscal year spending for 2022, as defined under TABOR.

Debt Service Reserves

The District maintains a Debt Service Reserve as required with the issuance of the Series 2020 Non-Potable Water Enterprise Revenue Bonds.

This information is an integral part of the accompanying budget.