

**RAINDANCE METROPOLITAN DISTRICT NO. 1
Weld County, Colorado**

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**


YEAR ENDED DECEMBER 31, 2022


**RAINDANCE METROPOLITAN DISTRICT NO. 1
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Independent Auditor's Report

Members of the Board of Directors
Raindance Metropolitan District No. 1.

Opinions

We have audited the accompanying financial statements of the governmental activities, business-type activities and each major fund of Raindance Metropolitan District No. 1. (the District) as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities and each major fund of Raindance Metropolitan District No. 1., as of December 31, 2022, and the respective changes in financial position, the respective budgetary comparison for the General Fund and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Raindance Metropolitan District No. 1. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Raindance Metropolitan District No. 1.'s ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Raindance Metropolitan District No. 1.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Raindance Metropolitan District No. 1.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Other Matters

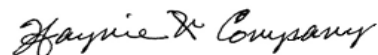
Required Supplementary Information

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise Raindance Metropolitan District No. 1's financial statements as a whole. The supplementary information section is presented for purposes of additional analysis and is not a required part of the financial statements.

The supplementary information as listed in the table of contents is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.



Littleton, Colorado
July 31, 2023

BASIC FINANCIAL STATEMENTS

RAINDANCE METROPOLITAN DISTRICT NO. 1
STATEMENT OF NET POSITION
DECEMBER 31, 2022

	Primary Government		
	Governmental Activities	Business- Type Activities	Total
ASSETS			
Cash and Investments	\$ 7,266,631	\$ -	\$ 7,266,631
Cash and Investments - Restricted	66,300	7,920,290	7,986,590
Receivable - County Treasurer	5,724	-	5,724
Accounts Receivable	1,093,508	172,690	1,266,198
Prepaid Expenses	174,506	-	174,506
Due from District No. 2	2,351	-	2,351
Due from District No. 3	760	-	760
Due from District No. 4	140	-	140
Interfund Balances	(343,654)	343,654	-
Property Taxes Receivable	2,051,047	-	2,051,047
Capital Assets, Not Being Depreciated	39,611,675	15,977,380	55,589,055
Capital Assets, Being Depreciated, Net	19,661,527	3,675,761	23,337,288
Total Assets	<u>69,590,515</u>	<u>28,089,775</u>	<u>97,680,290</u>
LIABILITIES			
Accounts Payable	501,763	601,767	1,103,530
Other Liability	1,148,081	-	1,148,081
Prepaid Assessments	-	38,663	38,663
Due to District No.3	3,200	-	3,200
Accrued Interest Payable	952	105,248	106,200
Noncurrent Liabilities:			
Due Within One Year	3,262	-	3,262
Due in More Than One Year	10,956,301	24,315,000	35,271,301
Total Liabilities	<u>12,613,559</u>	<u>25,060,678</u>	<u>37,674,237</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Property Tax Revenue	2,051,047	-	2,051,047
Total Deferred Inflows of Resources	<u>2,051,047</u>	<u>-</u>	<u>2,051,047</u>
NET POSITION			
Net Investment in Capital Asset	12,923,538	-	12,923,538
Restricted:			
Emergency Reserves	66,300	-	66,300
Debt Service	-	2,427,349	2,427,349
Unrestricted	41,936,071	601,748	42,537,819
Total Net Position	<u>\$ 54,925,909</u>	<u>\$ 3,029,097</u>	<u>\$ 57,955,006</u>

See accompanying Notes to Basic Financial Statements.

**RAINANCE METROPOLITAN DISTRICT NO. 1
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2022**

	Program Revenues			Net Revenues (Expenses) and Changes Net Position		
FUNCTIONS/PROGRAMS	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Primary Government:						
Governmental Activities:						
General Government	\$ 4,105,475	\$ 133,739	\$ 7,307,068	\$ 3,962,558	\$ -	\$ 3,962,558
Interest and Related Costs on Long-Term Debt	884,590	-	-	(884,590)	-	(884,590)
Total Governmental Activities	<u>4,990,065</u>	<u>133,739</u>	<u>7,307,068</u>	<u>3,077,968</u>	<u>-</u>	<u>3,077,968</u>
Business-Type Activities:						
Non-Potable Water	1,018,889	1,253,861	1,357,500	-	1,592,472	1,592,472
Interest and Related Costs on Long-Term Debt	1,263,635	-	-	-	(1,263,635)	(1,263,635)
Total Business-Type Activities	<u>2,282,524</u>	<u>1,253,861</u>	<u>1,357,500</u>	<u>-</u>	<u>328,837</u>	<u>328,837</u>
Total Primary Government	<u>\$ 7,272,589</u>	<u>\$ 1,387,600</u>	<u>\$ 8,664,568</u>	<u>3,077,968</u>	<u>328,837</u>	<u>3,406,805</u>
GENERAL REVENUES						
Property Taxes				1,359,272	-	1,359,272
Specific Ownership Taxes				80,449	-	80,449
Other Revenue				7,302	-	7,302
Interest Income				-	18,644	18,644
Total General Revenues				<u>1,447,023</u>	<u>18,644</u>	<u>1,465,667</u>
SPECIAL ITEMS						
Capital Assets Conveyed to Poudre Tech Metro District				(2,763,774)	-	(2,763,774)
Total General Revenues and Special Items				<u>(1,316,751)</u>	<u>18,644</u>	<u>(1,298,107)</u>
CHANGES IN NET POSITION						
Net Position - Beginning of Year				1,761,217	347,481	2,108,698
Net Position - End of Year				<u>53,164,692</u>	<u>2,681,616</u>	<u>55,846,308</u>
NET POSITION - END OF YEAR				<u>\$ 54,925,909</u>	<u>\$ 3,029,097</u>	<u>\$ 57,955,006</u>

See accompanying Notes to Basic Financial Statements.

**RAINDANCE METROPOLITAN DISTRICT NO. 1
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2022**

	General	Capital Projects	Total Governmental Funds
ASSETS			
Cash and Investments	\$ 2,567,712	\$ 4,698,919	\$ 7,266,631
Cash and Investments - Restricted	66,300	-	66,300
Receivable - County Treasurer	5,724	-	5,724
Accounts Receivable	1,093,508	-	1,093,508
Due from District No. 2	2,351	-	2,351
Due from District No. 3	760	-	760
Due from District No. 4	140	-	140
Prepaid Expenses	174,506	-	174,506
Property Taxes Receivable	2,051,047	-	2,051,047
Total Assets	<u>\$ 5,962,048</u>	<u>\$ 4,698,919</u>	<u>\$ 10,660,967</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
LIABILITIES			
Accounts Payable	\$ 488,585	\$ 13,178	\$ 501,763
Other Liability	-	1,148,081	1,148,081
Due to Other Fund	343,654	-	343,654
Due to District No. 3	3,200	-	3,200
Total Liabilities	835,439	1,161,259	1,996,698
DEFERRED INFLOWS OF RESOURCES			
Property Tax Revenue	2,051,047	-	2,051,047
Total Deferred Inflows of Resources	2,051,047	-	2,051,047
FUND BALANCES			
Nonspendable:			
Prepaid Expenses	174,506	-	174,506
Restricted:			
Emergency Reserves	66,300	-	66,300
Assigned:			
Capital Projects	-	3,537,660	3,537,660
Designated for Next Year's Expenditures	114,723	-	114,723
Unrestricted:			
General Government	2,720,033	-	2,720,033
Total Fund Balances	<u>3,075,562</u>	<u>3,537,660</u>	<u>6,613,222</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 5,962,048</u>	<u>\$ 4,698,919</u>	
Amounts reported for governmental activities in the statement of net position are different because:			
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.			
Capital Assets, Not Being Depreciated			39,611,675
Capital Assets, Being Depreciated, Net			19,661,527
Long-term liabilities, including Developer advances, are not due and payable in the current period and, therefore, are not recorded as liabilities in the funds			
Lease Payable			(161,649)
Lease Interest Payable			(952)
Developer Advance Payable			(8,425,613)
Developer Advance Interest Payable			(2,372,301)
Net Position of Governmental Activities			<u>\$ 54,925,909</u>

See accompanying Notes to Basic Financial Statements.

RAINDANCE METROPOLITAN DISTRICT NO. 1
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2022

	General	Capital Projects	Total Governmental Funds
REVENUES			
Property Taxes	\$ 1,359,272	\$ -	\$ 1,359,272
Specific Ownership Taxes	80,449	-	80,449
IGA - Reimbursements for 7th Street Bridge	1,842,516	-	1,842,516
Developer Contributions - Pool	270,006	-	270,006
Developer Contributions - Events	232,495	-	232,495
Other Revenue	7,302	-	7,302
PIF - Golf Lots Premium	-	5,464,552	5,464,552
Pool Admissions	46,239	-	46,239
Stop Curb Repair Revenue	87,500	-	87,500
Transfers from District No. 2	54,159	-	54,159
Transfers from District No. 3	54,373	-	54,373
Transfers from District No. 4	16,193	-	16,193
Total Revenues	4,050,504	5,464,552	9,515,056
EXPENDITURES			
General and Administrative:			
Accounting	134,249	-	134,249
Accounting - Cost Certification	13,981	-	13,981
Administration and Operations:			
Staffing	274,215	-	274,215
Management Fee	36,000	-	36,000
Audit	15,600	-	15,600
County Treasurer's Fees	20,389	-	20,389
Consulting and Studies	12,795	-	12,795
Construction Management	-	44,724	44,724
Dues	2,095	-	2,095
Engineering - Cost Certification	20,723	-	20,723
Election	4,960	-	4,960
Insurance	148,229	-	148,229
Legal	83,934	-	83,934
Office Supplies	1,287	-	1,287
Office Overhead	120,000	-	120,000
Miscellaneous	7,830	149	7,979

See accompanying Notes to Basic Financial Statements.

RAINDANCE METROPOLITAN DISTRICT NO. 1
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS (CONTINUED)
YEAR ENDED DECEMBER 31, 2022

	General	Capital Projects	Total Governmental Funds
EXPENDITURES (CONTINUED)			
Operations and Maintenance:			
District Events	\$ 369,706	\$ -	\$ 369,706
Equipment Acquisition	133,799	-	133,799
Landscaping	591,037	-	591,037
Raindance Farms	190,526	-	190,526
Repairs and Maintenance	67,706	-	67,706
Security	1,420	-	1,420
Snow Removal	54,598	-	54,598
Small Tools and Supplies	18,814	-	18,814
Stop Curb Repair	45,000	-	45,000
Utilities	130,298	-	130,298
Utility Locates	86,503	-	86,503
Water Usage	598,396	-	598,396
Pool and Clubhouse:			
Pool Cleaning Services	1,947	-	1,947
Pool Events	2,100	-	2,100
Pool Gas and Electricity	70,227	-	70,227
Pool Insurance	52,963	-	52,963
Pool Internet	2,642	-	2,642
Pool Management Fee	350,221	-	350,221
Pool Miscellaneous	8,230	-	8,230
Pool Repair and Maintenance	109,027	-	109,027
Pool Security	53,982	-	53,982
Pool Supplies	10,570	-	10,570
Pool Telephone Services	608	-	608
Pool Trash and Recycle	2,816	-	2,816
Pool Water Usage	23,370	-	23,370
Landscaping - River Resort	26,618	-	26,618
7th Street Bridge	652,213	-	652,213
Lease - Principal Payment	4,800	-	4,800
Lease - Downpayment	9,600	-	9,600
Public Improvements	-	216,323	216,323
Golf Course/Hoedown Hill/Country Store/Maintenance Bldg	-	5,220,873	5,220,873
Total Expenditures	4,566,024	5,482,069	10,048,093
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(515,520)	(17,517)	(533,037)
OTHER FINANCING SOURCES (USES)			
Developer Advances	120,000	4,698,231	4,818,231
Repayment of Developer Advances	(120,000)	(4,481,908)	(4,601,908)
Transfers from Other Funds	103,591	-	103,591
Transfer to Other Funds	-	(103,591)	(103,591)
Total Other Financing Sources (Uses)	103,591	112,732	216,323
NET CHANGE IN FUND BALANCES	(411,929)	95,215	(316,714)
Fund Balances - Beginning of Year	3,487,491	3,442,445	6,929,936
FUND BALANCES - END OF YEAR	\$ 3,075,562	\$ 3,537,660	\$ 6,613,222

See accompanying Notes to Basic Financial Statements.

**RAINDANCE METROPOLITAN DISTRICT NO. 1
RECONCILIATION OF THE STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES OF THE GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2022**

Net Change in Fund Balances - Governmental Funds \$ (316,714)

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. In the statement of activities, capital outlay is not reported as an expenditure. However, the statement of activities will report as depreciation/amortization expense the allocation of the cost of any depreciable asset over the estimated useful life of the asset.

Capital Outlay - Current Year	6,550,455
Depreciation - Current Year	(446,188)
Capital Assets Conveyed to Other Governments	(2,763,774)

The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.

Developer Advances	(4,818,231)
Repayment of Developer Advances	4,601,908
Lease	(166,449)
Lease Principal Payment	4,800

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Accrued Interest on Developer Advances - Change in Liability	(883,638)
Accrued Interest on Lease - Change in Liability	(952)

Change in Net Position of Governmental Activities	\$ 1,761,217
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**RAINDANCE METROPOLITAN DISTRICT NO. 1
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2022**

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Property Taxes	\$ 1,359,272	\$ 1,359,272	\$ 1,359,272	\$ -
Specific Ownership Taxes	67,964	107,820	80,449	(27,371)
IGA - Reimbursements for 7th Street Bridge	-	1,840,000	1,842,516	2,516
Developer Contributions - Pool	273,400	270,006	270,006	-
Developer Contributions - Events	150,000	-	232,495	232,495
Other Revenue	100,000	3,150	7,302	4,152
Pool Admissions	85,000	46,500	46,239	(261)
Stop Curb Repair Revenue	60,000	70,000	87,500	17,500
Transfers from District No. 2	53,551	54,170	54,159	(11)
Transfers from District No. 3	53,306	54,423	54,373	(50)
Transfers from District No. 4	16,043	16,208	16,193	(15)
Total Revenues	2,218,536	3,821,549	4,050,504	228,955
EXPENDITURES				
General and Administrative:				
Accounting	165,000	150,000	134,249	15,751
Accounting - Cost Certification	-	15,000	13,981	1,019
Administration and Operations:				
Staffing	313,300	274,500	274,215	285
Management Fee	36,000	36,000	36,000	-
Asset Administration	10,000	-	-	-
Audit	15,000	15,600	15,600	-
Contingency	60,760	113,387	-	113,387
County Treasurer's Fees	20,390	20,389	20,389	-
Consulting and Studies	30,000	15,100	12,795	2,305
Dues	2,000	2,095	2,095	-
Engineering - Cost Certification	10,000	17,600	20,723	(3,123)
Election	20,000	5,000	4,960	40
Insurance	50,000	148,229	148,229	-
Legal	100,000	78,700	83,934	(5,234)
Office Supplies	5,000	1,700	1,287	413
Office Overhead	60,000	120,000	120,000	-
Miscellaneous	10,000	7,800	7,830	(30)

See accompanying Notes to Basic Financial Statements.

**RAINDANCE METROPOLITAN DISTRICT NO. 1
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL (CONTINUED)
YEAR ENDED DECEMBER 31, 2022**

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
EXPENDITURES (CONTINUED)				
Operations and Maintenance:				
District Events	\$ 250,000	\$ 370,000	\$ 369,706	\$ 294
Equipment Acquisition	225,000	135,000	133,799	1,201
Landscaping	350,000	600,000	591,037	8,963
Raindance Farms	30,000	200,000	190,526	9,474
Repairs and Maintenance	12,500	60,000	67,706	(7,706)
Security	-	230,000	1,420	228,580
Snow Removal	60,000	60,000	54,598	5,402
Small Tools and Supplies	-	24,000	18,814	5,186
Stop Curb Repair	32,500	36,250	45,000	(8,750)
Utilities	75,000	116,400	130,298	(13,898)
Utility Locates	90,000	92,200	86,503	5,697
Water Usage	150,000	600,000	598,396	1,604
Pool and Clubhouse:				
Pool Cleaning Services	4,200	1,950	1,947	3
Pool Events	-	2,100	2,100	-
Pool Gas and Electricity	21,000	70,000	70,227	(227)
Pool Insurance	9,200	22,000	52,963	(30,963)
Pool Internet	1,600	2,600	2,642	(42)
Pool Management Fee	265,000	400,500	350,221	50,279
Pool Miscellaneous	4,000	10,200	8,230	1,970
Pool Repair and Maintenance	25,000	100,000	109,027	(9,027)
Pool Security	50,000	30,000	53,982	(23,982)
Pool Supplies	50,000	12,600	10,570	2,030
Pool Telephone Services	1,300	500	608	(108)
Pool Trash and Recycle	1,250	2,800	2,816	(16)
Pool Water Usage	15,000	25,000	23,370	1,630
Landscaping - River Resort	-	30,000	26,618	3,382
7th Street Bridge	-	620,000	652,213	(32,213)
Lease - Principal Payment	24,000	4,800	4,800	-
Lease - Downpayment	-	-	9,600	(9,600)
Total Expenditures	<u>2,654,000</u>	<u>4,880,000</u>	<u>4,566,024</u>	<u>313,976</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(435,464)	(1,058,451)	(515,520)	542,931
OTHER FINANCING SOURCES (USES)				
Developer Advance	60,000	120,000	120,000	-
Repayment of Developer Advances	(60,000)	(120,000)	(120,000)	-
Transfers from Other Funds	-	-	103,591	103,591
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>103,591</u>	<u>103,591</u>
NET CHANGE IN FUND BALANCE	(435,464)	(1,058,451)	(411,929)	646,522
Fund Balance - Beginning of Year	<u>4,876,472</u>	<u>3,487,491</u>	<u>3,487,491</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 4,441,008</u>	<u>\$ 2,429,040</u>	<u>\$ 3,075,562</u>	<u>\$ 646,522</u>

See accompanying Notes to Basic Financial Statements.

RAINDANCE METROPOLITAN DISTRICT NO. 1
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2022

ASSETS

Cash and Investments - Restricted	\$ 7,920,290
Accounts Receivable	172,690
Due from Other Funds	343,654
Capital Assets, Not Being Depreciated	15,977,380
Capital Assets, Being Depreciated, Net	3,675,761
Total Assets	28,089,775

LIABILITIES

Accounts Payable	601,767
Prepaid Assessments	38,663
Accrued Interest Payable	105,248
Noncurrent Liabilities:	
Due in More Than One Year	24,315,000
Total Liabilities	25,060,678

NET POSITION

Restricted	2,427,349
Unrestricted	601,748
Total Net Position	\$ 3,029,097

See accompanying Notes to Basic Financial Statements.

RAINDANCE METROPOLITAN DISTRICT NO. 1
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2022

	Enterprise Fund Non-Potable Water
OPERATING REVENUES	
Water Service Fees	\$ 1,253,861
Total Operating Revenues	1,253,861
OPERATING EXPENSES	
Administration - Billing	17,766
Consulting and Studies	181,833
Delivery and Ditch Expenses	2,400
Depreciation	250,782
District Manager and Staff	373,400
Legal	46,900
Miscellaneous	960
Pumping Services	5,190
Repairs and Maintenance	46,621
Tools and Equipment	351
Utilities	10,206
Water Purchase	82,480
Total Operating Expenses	1,018,889
OPERATING INCOME	234,972
OTHER REVENUES AND EXPENDITURES	
Capital Fees	235,000
Interest Income	18,644
Raw Water Dedication Fees	315,000
Water Meter Fees	807,500
Bond Interest - Series 2020	(1,262,975)
Paying Agent Fees	(660)
Total Other Revenues and Expenditures	112,509
CHANGE IN NET POSITION	347,481
Net Position - Beginning of Year	2,681,616
NET POSITION - END OF YEAR	\$ 3,029,097

See accompanying Notes to Basic Financial Statements.

**RAINDANCE METROPOLITAN DISTRICT NO. 1
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2022**

CASH FLOWS FROM OPERATING ACTIVITIES

Receipts from Customers	\$ 1,111,448
Payments to Suppliers	<u>(351,128)</u>
Net Cash Provided by Operating Activities	760,320

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES

Bond Interest - Series 2020	(1,262,975)
Paying Agent Fees	(660)
Interfund Transfer (Due From from General Fund)	<u>(343,654)</u>
Net Cash Used by Noncapital Financing Activities	(1,607,289)

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Water Meter Fees	859,500
Capital Fees	970,000
Capital Outlay	<u>(847,154)</u>
Net Cash Provided by Capital and Related Financing Activities	982,346

CASH FLOWS FROM INVESTING ACTIVITIES

Net Cash Provided by Investing Activities	<u>18,644</u>
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NET INCREASE IN CASH AND CASH EQUIVALENTS

154,021

Cash and Cash Equivalents - Beginning of Year

7,766,269

CASH AND CASH EQUIVALENTS - END OF YEAR

\$ 7,920,290

RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES

Operating Income	\$ 234,972
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:	
Depreciation Expense	250,782
Increase/(Decrease) in Accounts Payable	416,979
(Increase)/Decrease in Accounts Receivable	(117,371)
Increase/(Decrease) in Prepaid Assessments	<u>(25,042)</u>
Net Cash Provided by Operating Activities	<u><u>\$ 760,320</u></u>

RAINDANCE METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 1 DEFINITION OF REPORTING ENTITY

Raindance Metropolitan District No. 1 (the District), a quasi-municipal corporation and a political subdivision of the State of Colorado, was organized by order and decree of the District Court in and for Weld County, Colorado, on June 12, 2014, and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes).

The District was organized to provide 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 was organized in conjunction with three other related special districts – RainDance Metropolitan Districts No. 2, No. 3, and No. 4. The District serves as the Operating District which is responsible for coordinating the financing, construction, and maintenance of all public improvements and other services needed for RainDance Metropolitan Districts Nos. 2-4 (Financing Districts), which are responsible for providing the tax base needed to support financing of public improvements.

The District follows the Governmental Accounting Standards Board (GASB) accounting pronouncements which provide guidance for determining which governmental activities, organizations and functions should be included within the financial reporting entity. GASB pronouncements set forth the financial accountability of a governmental organization's elected governing body as the basic criterion for including a possible component governmental organization in a primary government's legal entity. Financial accountability includes, but is not limited to, appointment of a voting majority of the organization's governing body, ability to impose its will on the organization, a potential for the organization to provide specific financial benefits or burdens, and fiscal dependency.

The District is not financially accountable for any other organization, nor is the District a component unit of any other primary governmental entity.

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

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The more significant accounting policies of the District are described as follows:

Government-Wide and Fund Financial Statements

The government-wide financial statements include the statement of net position and the statement of activities. These financial statements include all of the activities of the District. The effect of interfund activity has been removed from these statements. Governmental activities are normally supported by property taxes and intergovernmental revenues.

The statement of net position reports all financial and capital resources of the District. The difference between the sum of assets and deferred outflows and the sum of liabilities and deferred inflows is reported as net position.

RAINDANCE METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-Wide and Fund Financial Statements (Continued)

The statement of activities demonstrates the degree to which the direct and indirect expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported as general revenues.

Separate financial statements are provided for the governmental funds and the proprietary fund. Major individual governmental funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. The major sources of revenue susceptible to accrual are property taxes and intergovernmental revenues. All other revenue items are considered to be measurable and available only when cash is received by the District. The District has determined that Developer advances are not considered as revenue susceptible to accrual. Expenditures, other than interest on long-term obligations, are recorded when the liability is incurred or the long-term obligation due.

The District reports the following major governmental funds:

The General Fund is the District's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The Capital Projects Fund is used to account for financial resources to be used for the acquisition and construction of capital equipment and facilities.

The District reports the following major proprietary fund:

RAINDANCE METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

The Enterprise Fund accounts for the construction, operation, and maintenance of facilities, and water rights associated with providing non-potable water services that are operated in a manner where the intent of the District is that the costs of providing such services to the general public on a continuing basis be financed or recovered primarily through user charges.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Operating revenues consist of charges to customers for service provided. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation of capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses or capital contributions.

Budgets

In accordance with the State Budget Law, the District's Board of Directors holds public hearings in the fall each year to approve the budget and appropriate the funds for the ensuing year. The appropriation is at the total fund expenditures and other financing uses level and lapses at year-end. The District's Board of Directors can modify the budget by line item within the total appropriation without notification. The appropriation can only be modified upon completion of notification and publication requirements. The budget includes each fund on its basis of accounting unless otherwise indicated.

The District amended its annual budget for the year ended December 31, 2022.

Pooled Cash and Investments

The District follows the practice of pooling cash and investments of all funds to maximize investment earnings. Except when required by trust or other agreements, all cash is deposited to and disbursed from a single bank account. Cash in excess of immediate operating requirements is pooled for deposit and investment flexibility. Investment earnings are allocated periodically to the participating funds based upon each fund's average equity balance in the total cash and investments.

Receivables

Receivables are reported net of an allowance for uncollectible accounts, where applicable.

Interfund Balances

The District reports interfund balances that are representative of lending/borrowing arrangements between funds in the fund financial statements as due to/from other funds.

RAINDANCE METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 always 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.

Property taxes, net of estimated uncollectible taxes, are recorded initially as deferred inflow of resources in the year they are levied and measurable. The property tax revenues are recorded as revenue in the year they are available or collected.

Capital Assets

Capital assets, which include construction in progress, land improvements, infrastructure, furniture and equipment, water meters, and water rights, are reported in the government-wide and business-type financial statements. Capital assets are defined by the District as assets with an initial, individual costs of more than \$5,000. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

Capital assets which are anticipated to be conveyed to other governmental entities are recorded as construction in progress and are not included in the calculation of net investment in capital assets component of net position.

The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend the life of the asset are not capitalized.

Depreciation expense has been computed using the straight-line method over the estimated economic useful lives:

Buildings and Infrastructure	30 Years
Land Improvements	15 Years
Furniture and Equipment	5 to 20 Years
Water Meters	15 Years

RAINDANCE METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred Inflows of Resources

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net assets that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The District has one item that qualifies for reporting in this category. Accordingly, the item, *deferred property tax revenue*, is deferred and recognized as an inflow of resources in the period that the amount becomes available.

Adoption of New Accounting Standard

In June 2017, the Governmental Accounting Standards Board (GASB) issued GASB Statement No. 87, *Leases*. This standard establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this standard, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources.

The District adopted the requirements of this guidance effective January 1, 2022, and has elected to apply the provisions of this standard beginning on the period of adoption.

Leases

The District determines if an arrangement is a lease at inception. Leases are included as right-to-use lease assets and lease liabilities in the statements of net position.

Lease assets represent the District's control of the right to use an underlying asset for the lease term, as specified in the contract, in an exchange or exchange-like transaction. Lease assets are recognized at the commencement date based on the initial measurement of the lease liability, plus any payments made to the lessor at or before the commencement of the lease term, and certain direct costs. Lease assets are amortized in a systematic and rational manner over the shorter of the lease term or the useful life of the underlying asset.

Lease liabilities represent the District's obligation to make lease payments arising from the lease. Lease liabilities are recognized at the commencement date based on the present value of expected lease payments over the lease term, less any lease incentives. Interest expense is recognized ratably over the contract term.

The lease term may include options to extend or terminate the lease when it is reasonably certain that the District will exercise that option.

The District has elected to recognize payments for short-term leases with a lease term of 12 months or less as expenses as incurred, and these leases are not included as lease liabilities or right-to-use lease assets on the statement of net position. The District accounts for contracts containing both lease and non-lease components as separate contracts when possible. In cases where the contract does not provide separate price information for lease and non-lease components, and if it is impractical to estimate the price of such components, the District treats the components as a single lease unit.

RAINDANCE METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Equity

Net Position

For government-wide presentation purposes, when both restricted and unrestricted resources are available for use, it is the District's practice to use restricted resources first, then unrestricted resources as they are needed.

In the government-wide financial statements, fund equity is classified as net position. Net position may be classified into three components: net investment in capital assets, restricted and unrestricted.

Fund Balance

Fund balance for governmental funds should be reported in classifications that comprise a hierarchy based on the extent to which the government is bound to honor constraints on the specific purposes for which spending can occur. Governmental funds report up to five classifications of fund balance: nonspendable, restricted, committed, assigned, and unassigned. Because circumstances differ among governments, not every government or every governmental fund will present all of these components. The following classifications describe the relative strength of the spending constraints:

Nonspendable Fund Balance – The portion of fund balance that cannot be spent because it is either not in spendable form (such as prepaid amounts or inventory) or legally or contractually required to be maintained intact.

Restricted Fund Balance – The portion of fund balance that is constrained to being used for a specific purpose by external parties (such as bondholders), constitutional provisions, or enabling legislation.

Committed Fund Balance – The portion of fund balance that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority, the Board of Directors. The constraint may be removed or changed only through formal action of the Board of Directors.

Assigned Fund Balance – The portion of fund balance that is constrained by the government's intent to be used for specific purposes, but is neither restricted nor committed. Intent is expressed by the Board of Directors to be used for a specific purpose. Constraints imposed on the use of assigned amounts are more easily removed or modified than those imposed on amounts that are classified as committed.

Unassigned Fund Balance – The residual portion of fund balance that does not meet any of the criteria described above.

If more than one classification of fund balance is available for use when an expenditure is incurred, it is the District's practice to use the most restrictive classification first.

**RAINDANCE METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 3 CASH AND INVESTMENTS

Cash and investments as of December 31, 2022, are classified in the accompanying financial statements as follows:

Statement of Net Position:

Cash and Investments	\$ 7,266,631
Cash and Investments - Restricted	<u>7,986,590</u>
Total Cash and Investments	<u><u>\$ 15,253,221</u></u>

Cash and investments as of December 31, 2022, consist of the following:

Deposits with Financial Institutions	\$ 15,253,221
Total Deposits	<u><u>\$ 15,253,221</u></u>

Deposits with Financial Institutions

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulators. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The pool for all the uninsured public deposits as a group is to be maintained by another institution or held in trust. The market value of the collateral must be at least 102% of the aggregate uninsured deposits.

The State Commissioners for banks and financial services are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools.

At December 31, 2022, the District's cash deposits had a bank balance of \$15,357,104 and carrying balance of \$15,253,221. \$250,000 per financial institution is insured through FDIC, and the balance is collateralized in single institution pools.

Investments

The District has not adopted a formal investment policy; however, the District follows state statutes regarding investments.

The District generally limits its concentration of investments to those which are believed to have minimal credit risk, minimal interest rate risk and no foreign currency risk. Additionally, the District is not subject to concentration risk or investment custodial risk disclosure requirements for investments that are in the possession of another party.

Colorado revised statutes limit investment maturities to five years or less unless formally approved by the Board of Directors. Such actions are generally associated with a debt service reserve or sinking fund requirements.

**RAINDANCE METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Investments (Continued)

Colorado statutes specify investment instruments meeting defined rating and risk criteria in which local governments may invest which include:

- . Obligations of the United States, certain U.S. government agency securities, and securities of the World Bank
- . General obligation and revenue bonds of U.S. local government entities
- . Certain certificates of participation
- . Certain securities lending agreements
- . Bankers' acceptances of certain banks
- . Commercial paper
- . Written repurchase agreements and certain reverse repurchase agreements collateralized by certain authorized securities
- . Certain money market funds
- . Guaranteed investment contracts
- . Local government investment pools

As of December 31, 2022, the District had no investments.

NOTE 4 ACCOUNTS RECEIVABLE

The District has the following accounts receivable for General Fund and Enterprise Fund as of December 31, 2022:

	General Fund	Enterprise Fund
Accounts Receivable:		
Stop Curb Repair	\$ 170,000	\$ -
Due from PTMD/7th Street Bridge	921,258	-
Other Receivable	2,250	504
HOA Services	-	26,947
Non-Potable Water Usage	-	145,239
Total Receivables	\$ 1,093,508	\$ 172,690

RAINDANCE METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 5 CAPITAL ASSETS

An analysis of the changes in capital assets for the year ended December 31, 2022 follows:

	Balance - December 31, 2021	Additions	Reductions	Balance - December 31, 2022
Governmental Activities:				
Capital Assets, Not Being Depreciated:				
Construction in Progress	\$ 50,116,555	\$ 6,075,082	\$ 16,756,011	\$ 39,435,626
Right-to-Use Lease - Land	-	176,049	-	176,049
Total Capital Assets, Not Being Depreciated	50,116,555	6,251,131	16,756,011	39,611,675
Capital Assets, Being Depreciated:				
Buildings and Infrastructure	5,883,175	14,143,013	-	20,026,188
Furniture and Equipment	39,233	148,548	-	187,781
Total Capital Assets, Being Depreciated	5,922,408	14,291,561	-	20,213,969
Less Accumulated Depreciation for:				
Buildings and Infrastructure	98,053	431,823	-	529,876
Furniture and Equipment	8,201	14,365	-	22,566
Total Accumulated Depreciation	106,254	446,188	-	552,442
Total Capital Assets, Being Depreciated, Net	5,816,154	13,845,373	-	19,661,527
Governmental Activities Capital Assets, Net	55,932,709	20,096,504	16,756,011	59,273,202
Business-Type Activities:				
Capital Assets, Not Being Depreciated:				
Construction in Progress	-	94,320	-	94,320
Water Rights	15,883,060	-	-	15,883,060
Total Capital Assets, Not Being Depreciated	15,883,060	94,320	-	15,977,380
Capital Assets, Being Depreciated:				
Land Improvements	40,589	-	-	40,589
Equipment	420,864	104,564	-	525,428
Water Meters	2,995,799	648,270	-	3,644,069
Total Capital Assets, Being Depreciated	3,457,252	752,834	-	4,210,086
Less Accumulated Depreciation for:				
Land Improvements	1,353	2,706	-	4,059
Equipment	14,242	31,069	-	45,311
Water Meters	267,948	217,007	-	484,955
Total Accumulated Depreciation	283,543	250,782	-	534,325
Total Capital Assets, Being Depreciated, Net	3,173,709	502,052	-	3,675,761
Business-Type Activities Capital Assets, Net	19,056,769	596,372	-	19,653,141
Total Capital Assets, Net	\$ 74,989,478	\$ 20,692,876	\$ 16,756,011	\$ 78,926,343

RAINDANCE METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 5 CAPITAL ASSETS (CONTINUED)

A significant portion of capital assets (public improvements) will be conveyed by the District to other local governments, and once conveyed, the District will not be responsible for the maintenance of those public improvements. Upon acceptance of the public improvements by other local governments, the District will remove the cost of construction from its books.

Depreciation expense recorded under governmental activities was charged to the general government function, and depreciation expense recorded under business-type activities was charged to non-potable water enterprise function in the statement of activities.

NOTE 6 LONG-TERM OBLIGATIONS

The following is an analysis of changes in the District's long-term obligations for the year ended December 31, 2022:

	Balance - December 31, 2021	Additions	Retirements	Balance - December 31, 2022	Due Within One Year
Governmental Activities:					
Other Debts:					
Developer Advances	\$ 8,209,290	\$ 4,818,231	\$ 4,601,908	\$ 8,425,613	\$ -
Accrued Interest on Developer Advances	1,488,663	883,638	-	2,372,301	-
Lease Payable	-	166,449	4,800	161,649	3,262
Total Governmental Activities	9,697,953	5,868,318	4,606,708	10,959,563	-
Business-Type Activities:					
Bonds Payable:					
Non-Potable Water Enterprise					
Revenue Bonds Series 2020A	24,315,000	-	-	24,315,000	-
Total Bonds Payable	24,315,000	-	-	24,315,000	-
Other Debts:					
Developer Advances	-	373,400	373,400	-	-
Total Business-Type Activities	24,315,000	373,400	373,400	24,315,000	-
Total Long-Term Obligations	<u>\$ 34,012,953</u>	<u>\$ 6,241,718</u>	<u>\$ 4,980,108</u>	<u>\$ 35,274,563</u>	<u>\$ -</u>

Non-Potable Water Enterprise Revenue Bonds, Series 2020 (the Bonds)

The District, acting by and through its Water Activity Enterprise, issued the Bonds on August 6, 2020, in the par amount of \$24,315,000.

**RAINDANCE METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 6 LONG-TERM OBLIGATIONS (CONTINUED)

Non-Potable Water Enterprise Revenue Bonds, Series 2020 (the Bonds) (Continued)

Proceeds from the sale of the Bonds were used to acquire certain water rights and fund and reimburse a portion of the costs of acquiring, constructing, and installing certain non-potable water-related infrastructure to serve the RainDance Development. A portion of the proceeds of the Bonds were also used to fund: (a) the Reserve Account, (b) a portion of the interest to accrue on the Bonds, and (c) the costs of issuing the Bonds.

Bonds Details

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. To the extent principal of any Bond is not paid when due, such principal will remain outstanding until paid. To the extent interest on any Bond is not paid when due, such interest will compound semiannually on each June 1 and December 1, at the rate then borne by the Bond.

Bonds Optional Redemption

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 so redeemed as follows:

<u>Date of Redemption</u>	<u>Redemption Premium</u>
December 1, 2025 to November 30, 2026	3.00%
December 1, 2026 to November 30, 2027	2.00
December 1, 2027 to November 30, 2028	1.00
December 1, 2028 and thereafter	0.00

Sources of Repayment for the Bonds

The District's primary revenue sources for repayment of the Bonds are (i) rates assessed on residential and nonresidential 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 (ii) Capital Facilities Fees collected within the boundaries of RainDance Metropolitan District No. 2 (District No. 2).

The Bonds constitute special limited obligations of the District. The principal and interest on the Bonds is payable solely from "Net Revenue," meaning Gross Revenue after deducting Operations and Maintenance Expenses.

**RAINDANCE METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 6 LONG-TERM OBLIGATIONS (CONTINUED)

Non-Potable Water Enterprise Revenue Bonds, Series 2020 (the Bonds) (Continued)

Sources of Repayment for the Bonds (Continued)

“Gross Revenue” means all income and revenue directly or indirectly derived by the District from the Non-Potable System, or any part thereof, including without limitation, any rates, fees, tap fees, standby charges, availability fees, tolls, and charges for the services furnished by, for the use of, or for the availability of, the Non-Potable System, plus Capital Facilities Fees, but excluding: (a) income from the sale of property, or rights or related contracts, settlements, or judgments held or obtained in connection with the Non-Potable System or its operations; (b) Tap Fees; (c) Transfer Fees; (d) moneys borrowed and used for providing capital improvements; (e) any money and securities, and investment income therefrom, in any refunding fund, escrow account, or similar account pledged to the payment of any bonds or other obligations for the purpose of defeasing the same; and (f) any moneys received as grants or appropriations from the United States, the state, or other sources, the use of which is limited or restricted by the grantor or donor to the provision of capital improvements or for other purposes resulting in the general unavailability thereof, except to the extent any such moneys are to be received as payments for the use of the Non-Potable System, services rendered thereby, or the availability of any such service.

“Operation and Maintenance Expenses” means all reasonable and necessary costs and expenses of the District for the operation, maintenance and repair of the Non-Potable System, including without limitation legal and overhead expenses of the District directly related to the administration of the Non-Potable System, insurance premiums, audits, charges of depository banks and paying agents, professional services, salaries and administrative expenses, labor, the cost of materials and supplies for operations, and the cost of leasing, renting or otherwise procuring water or water resources on a temporary or annual basis, but excluding depreciation and any portion of such costs, legal liabilities not based on contract, expenses incurred in connection with capital improvements, payments due in connection with any bonds or other obligations issued to provide capital improvements, charges for the accumulation of reserves and expenses funded or provided for from Tap Fees.

The Districts impose a one-time fee of \$2,500 per single-family detached residential unit and \$2,500 per single family attached and multi-family residential unit within their respective boundaries to provide a source of funding to pay for the initial capital direct and indirect costs associated with the construction, installation and acquisition of Public Improvements to serve the Districts. Only the fees imposed within the boundaries of District No. 2 (the Capital Facilities Fee) are pledged to the payment of the Bonds. The Capital Facilities Fees are due and owing upon the issuance of a building permit for any residential or commercial unit on a lot within District No. 2.

RAINDANCE METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 6 LONG-TERM OBLIGATIONS (CONTINUED)

Non-Potable Water Enterprise Revenue Bonds, Series 2020 (the Bonds) (Continued)

Non-Potable Water Rates

The District covenants and agrees in the Bond Resolution to establish, maintain, and enforce a schedule of rates, fees, tolls, and charges for the availability of, services furnished by, or use of the Non-Potable System sufficient to satisfy one of the following two requirements each Fiscal Year:

- (i) generate Net Operating Revenue and Capital Facilities Fees in the Fiscal Year collectively equal to not less than:
 - a. an amount equal to 100% of the Annual Debt Service for the Outstanding Bonds and any Parity Lien Bonds in such Fiscal Year, plus
 - b. the amount necessary to replenish the Reserve Account to the Reserve Requirement and to replenish any reserve fund for Parity Lien Bonds to the Parity Lien Bonds Reserve Requirement (or to repay any Bond Insurer for draws on a Reserve Policy, as applicable); OR
- (ii) generate Net Operating Revenue and Capital Facilities Fees in the Fiscal Year which, together with the portion of Unrestricted Fund Balance as of December 31 of the immediately preceding Fiscal Year representing Capital Facilities Fees, will equal not less than:
 - a. an amount equal to 110% of the Annual Debt Service for the Outstanding Bonds and any Parity Lien Bonds in such Fiscal Year, plus
 - b. the amount necessary to replenish the Reserve Account to the Reserve Requirement and to replenish any reserve fund for Parity Lien Bonds to the Parity Lien Bonds Reserve Requirement (or to repay any Bond Insurer for draws on a Reserve Policy, as applicable).

In the event that revenues at any time are not sufficient to result in Net Operating Revenues in the amounts required as described above, the District is to promptly increase such rates, fees, tolls, and charges to the extent required to ensure compliance with the foregoing covenants.

The District further covenants and agrees to establish, maintain, and enforce a schedule of rates, fees, tolls, and charges for the availability of, services furnished by, or use of the Non-Potable System sufficient to maintain a minimum Unrestricted Fund Balance, calculated as of each December 31, commencing December 31, 2022, equal to not less than \$1,000,000. In the event that revenues are not sufficient to satisfy such minimum Unrestricted Fund Balance as of any December 31 occurring on or after December 31, 2022, the District is to promptly increase rates, fees, tolls, and charges to the extent required to ensure compliance with the foregoing covenants.

**RAINDANCE METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 6 LONG-TERM OBLIGATIONS (CONTINUED)

Non-Potable Water Enterprise Revenue Bonds, Series 2020 (the Bonds) (Continued)

Additional Security for Bonds

The Bonds are also secured by amounts on deposit in the Reserve Account which was funded from proceeds of the Bonds in the amount of the Reserve Requirement of \$2,289,792 and by capitalized interest which was funded from proceeds of the Bonds in the amount of \$3,079,400. The balances in the Reserve Fund and the Capitalized Interest accounts as of December 31, 2022, are \$2,313,624 and \$189,177, respectively.

Events on Default

Events of default occur if the District fails to pay principal and interest on the Bonds when due; delays or fails to reconstruct of any part of the System that is destroyed or damaged and is not promptly repaired or replaced when the reconstruction is essential to the efficient operation of the System or the collection of Gross Revenue; and the District doesn't comply with other customary terms and conditions as described in the Bond Resolution.

Bonds Debt Service

The outstanding principal and interest of the Bonds are due as follows:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ -	\$ 1,262,975	\$ 1,262,975
2024	25,000	1,262,975	1,287,975
2025	30,000	1,261,725	1,291,725
2026	35,000	1,260,225	1,295,225
2027	45,000	1,258,475	1,303,475
2028-2032	450,000	6,249,125	6,699,125
2033-2037	2,265,000	5,992,125	8,257,125
2038-2042	4,885,000	5,169,900	10,054,900
2043-2047	8,145,000	3,561,338	11,706,338
2048-2050	8,435,000	1,016,925	9,451,925
Total	<u>\$ 24,315,000</u>	<u>\$ 28,295,788</u>	<u>\$ 52,610,788</u>

**RAINDANCE METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 6 LONG-TERM OBLIGATIONS (CONTINUED)

Lease Payable

The District entered into the Ground Lease Agreement with VB-SI Assets, LLC on July 13, 2022, to lease 10 acres of vacant land for aboveground storage and parking for vehicles during District events. A related right-to-use lease asset and liability have been recorded. The commencement date of the lease is June 1, 2022, and the expiration date is May 31, 2052 unless extended. The lease provides annual payments of \$4,800, increasing two percent (2%) per year for the duration of the term, commencing on the commencement date and continuing on January 31 of each year thereafter during the term.

Total future minimum lease payments under the lease agreements are as follows:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 3,262	\$ 1,633	\$ 4,895
2024	3,390	1,604	4,994
2025	3,528	1,565	5,093
2026	3,666	1,530	5,196
2027	3,807	1,493	5,300
2028 - 2032	21,266	6,865	28,131
2033 - 2037	25,353	5,706	31,059
2038 - 2042	29,957	4,335	34,292
2043 - 2047	35,142	2,719	37,861
2048 - 2051	32,278	828	33,106
Total	<u>\$ 161,649</u>	<u>\$ 28,278</u>	<u>\$ 189,927</u>

Right-to-use assets acquired through outstanding leases are shown below:

	<u>Governmental Activities</u>
Land (used for parking)	<u>\$ 176,049</u>

**RAINDANCE METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 6 LONG-TERM OBLIGATIONS (CONTINUED)

Authorized Debt

At December 31, 2022, the District had authorized but unissued indebtedness in the following amounts allocated for the following purposes:

	Amount Authorized on May 6, 2014	Authorization Used for 2020 Bonds	Authorized But Unissued
Water	\$ 93,000,000	\$ 24,315,000	\$ 68,685,000
Sanitation/Stormwater	93,000,000	-	93,000,000
Streets	93,000,000	-	93,000,000
Parks and Recreation	93,000,000	-	93,000,000
Public Transportation	93,000,000	-	93,000,000
Fire Protection	93,000,000	-	93,000,000
Mosquito Control	93,000,000	-	93,000,000
Safety Protection	93,000,000	-	93,000,000
Security	93,000,000	-	93,000,000
TV Relay and Translation	93,000,000	-	93,000,000
Operation and Maintenance	93,000,000	-	93,000,000
Debt Refunding	93,000,000	-	93,000,000
Intergovernmental Agreements	93,000,000	-	93,000,000
Private Agreements	93,000,000	-	93,000,000
Special Assessments	93,000,000	-	93,000,000
Total	<u>\$ 1,395,000,000</u>	<u>\$ 24,315,000</u>	<u>\$ 1,370,685,000</u>

Pursuant to the Service Plan, the maximum general obligation indebtedness for all of Financing Districts combined is not to exceed \$93,000,000.

NOTE 7 NET POSITION

The District has net position consisting of three components – net investment in capital assets, restricted, and unrestricted.

Net investment in capital assets consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. As of December 31, 2022, the District had net investment in capital assets calculated as follows:

	<u>Governmental Activities</u>
Net Investment in Capital Assets:	
Capital Assets, Net	\$ 20,653,873
Noncurrent Portion of Outstanding Long-Term Obligations	<u>(7,730,335)</u>
Net Investment in Capital Assets	<u>\$ 12,923,538</u>

**RAINDANCE METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 7 NET POSITION (CONTINUED)

Restricted net position includes assets that are restricted for use either externally imposed by creditors, grantors, contributors, or laws and regulations of other governments or imposed by law through constitutional provisions or enabling legislation. The District had restricted net position as of December 31, 2022 as follows:

	Governmental Activities	Business- Type Activities
Restricted Net Position:		
Emergency Reserve	\$ 66,300	\$ -
Debt Service	-	2,427,349
Total Restricted Net Position	\$ 66,300	\$ 2,427,349

As of December 31, 2022, the District’s total unrestricted net position was \$42,537,819.

NOTE 8 AGREEMENTS

District Coordinating Services Agreement (District Nos. 1-4)

Effective as of January 1, 2018, the Districts entered into a District Coordinating Services Agreement (the Coordinating Services Agreement) for the purpose of establishing the respective obligations of the Districts with respect to the coordination, oversight, and funding of certain administrative costs of the Districts, and costs related to the continued operation and maintenance of certain of the public improvements within such Districts. Pursuant to the Coordinating Services Agreement, the District was designated as the “coordinating district” (the Coordinating District) and Districts No. 2, No. 3, and No. 4 were each designated as “financing districts” (the Financing Districts).

Common Finance Plan Resolution

On March 27, 2018, District No. 3 and the District adopted a Joint Resolution Regarding Intent to Implement Common Plan of Finance (the Common Finance Plan Resolution), pursuant to which: (i) the District and District No. 3 declared their mutual intent to implement the common plan of finance set forth and approved in the Service Plan to fund or reimburse all or a portion of the capital costs related to the public improvements to serve RainDance from District No. 3’s bonds; and (ii) District No. 3 declared its intent, upon issuance of its bonds, to transfer all available revenues to the District for the payment of such costs, including amounts owed by the District pursuant to the Reimbursement Agreements (as defined next).

On December 5, 2019, District No. 2 and the District adopted a Joint Resolution Regarding Intent to Implement Common Plan of Finance (the Common Finance Plan Resolution), pursuant to which: (a) the District and District No. 2 declared their mutual intent to implement the common plan of finance set forth and approved in the Service Plan to fund or reimburse from District No. 2’s bonds all or a portion of the capital costs related to the public improvements to serve RainDance; and (b) District No. 2 declared its intent, upon issuance of its bonds, to transfer all available proceeds to the District for the payment of such costs, including amounts owed by the District, pursuant to certain Reimbursement Agreement (as defined next).

RAINDANCE METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 8 AGREEMENTS (CONTINUED)

Infrastructure Acquisition and Reimbursement Agreements

The District and the Developer have entered into two Infrastructure Acquisition and Reimbursement Agreements dated March 1, 2018 and January 1, 2020 (the Developer Reimbursement Agreements), and the District and a subsidiary of Journey Homes entered into a similar agreement, dated March 1, 2018 (the JH Reimbursement Agreement, and together with the Developer Reimbursement Agreements, the Reimbursement Agreements). Pursuant to the Reimbursement Agreements, it is be acknowledged that the Developer or Journey Homes, as applicable, has incurred certain costs related to the public infrastructure for the benefit of the District, and may incur additional costs related thereto, and that the District agrees to reimburse the Developer or Journey Homes, as applicable, for any and all costs of any kind related to the provision of the public improvements that may be lawfully funded by the District, after such costs are reviewed and certified by the District's Accountant and Engineer. As of December 31,2022, outstanding advances under this agreement totaled \$8,425,613 in principal and \$2,224,341 in accrued interest.

Agreement Regarding Lot PIF

The District has entered into the Agreement Regarding Lot PIF (the Agreement) with Raindance Development LLC (the Developer) and TH Raindance Windsor LLC (the Builder) on October 15, 2021. Pursuant to the Agreement, the Developer desires to provide to the District a source of funding to construct a public golf course by requiring the Builder to pay to the District a public improvement fee (the PIF) in the amount established in the Agreement. With respect to the PIF, the District is authorized and empowered to exercise all rights and remedies related to the PIF available under the Purchase Contract without the necessity of further action on the part of the Developer. As of December 31, 2022, the District has collected PIF in the amount of \$5,464,552 under this Agreement.

Funding and Reimbursement Agreements Golf Course

On October 28, 2021, the District has entered into the Funding and Reimbursement Agreement (Golf Course), effective as of January 1, 2021, with Raindance Holdings, LLC (the Developer) to finance construction of a public golf course that will be owned and maintained by the District. Per the agreement, the Developer agrees to loan to the District one or more sums of money as needed to construct the golf course. The District and the Developer agree and acknowledge that the Developer has incurred certain costs related to the project for the benefit of the District, and may incur additional costs related thereto, and that the District agrees to reimburse to the Developer for such costs in accordance with the provisions of the agreement and after such costs are reviewed and certified by the District's Accountant and Engineer. Unreimbursed advances bear simple interest of 6.5% per annum, from the date any such advance is made to the date of repayment of such amount. The District anticipates repaying moneys advanced by the Developer with the proceeds of the PIF. During 2022, the District received and repaid advances under this agreement in the amount of \$4,481,908. As of December 31, 2022, outstanding advances under this agreement totaled \$147,960, representing accrued interest.

RAINDANCE METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 8 AGREEMENTS (CONTINUED)

Construction of Sanitary Sewer Facilities Intergovernmental Agreement

The District and the Town of Windsor (the Town) have entered into the Construction of Sanitary Sewer Facilities and Related Oversizing Credits and Reimbursements Agreement (the IGA) dated June 16, 2020. Pursuant to the IGA, the Town shall reimburse to the District for certain costs of constructing the sewer interceptor that relate to Poudre Heights Improvements. The reimbursement amount shall be limited to those actual costs certified by the District as District eligible costs, and shall be made upon submitting an "Acceptance Resolution" to the Town with certificates from the District's Engineer and CPA, relating to completion, costs, and eligibility. No reimbursements were made by the Town during 2022.

Intergovernmental Agreement Regarding New Liberty Road Modifications

The District and the Town of Windsor (the Town) have entered into the Intergovernmental Agreement Regarding New Liberty Road Modifications (the IGA) dated June 10, 2021. Per the IGA, the Town shall be responsible for the design of the New Liberty Road Expansion, and the District shall review the design of the New Liberty Road Expansion and provide input into design decisions. Also pursuant to the IGA, the District shall reimburse the Town for one-third (1/3) of design-related costs incurred by the Town with respect to the New Liberty Road Expansion. Upon completion of the modifications, the Town shall provide the District an "Acceptance Resolution" adopted by the Town's Board and supported by the Town's Engineer's Certificate. The District's share of design and construction costs shall be due within 30 days of the Town's presentation of the approved Acceptance Resolution. As of December 31, 2022, the District has not made any reimbursements to the Town per the IGA.

Intergovernmental Agreement Regarding 7th Street Pedestrian Bridge

On May 14, 2021, the Town of Windsor (the Town), the District, and Poudre Tech Metropolitan District (PTMD) entered into the Intergovernmental Agreement Regarding 7th Street Pedestrian Bridge Construction, Maintenance, and Right-Of-Way Encroachment (the Agreement). Pursuant to the Agreement, the District agrees to construct the Pedestrian Bridge as designed in the Improvement Plan and initially pay all related design and construction costs. The Town, the District and PTMD shall each be responsible for the one-third (1/3) of all costs incurred by the District and certified by the District's Engineer. Upon substantial completion of the Pedestrian Bridge and presentation of the Cost Certification, the Town and PTMD shall pay to the District their respective shares of the total amount certified in the Cost Certification within 30 days of receipt thereof, or as otherwise agreed to in writing. Per the Agreement, PTMD is appointed and designated to be the owner of the Pedestrian Bridge. As of December 31, 2022, the District had incurred and certified the project-related costs in the amount of \$2,763,774. The corresponding assets were conveyed to PTMD.

RAINDANCE METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 8 AGREEMENTS (CONTINUED)

Agreements for Utility Oversizing Reimbursement

On December 14, 2022, the Town of Windsor (the Town) and Raindance Development, LLC (the Developer) entered into the Agreement for Utility Oversizing Reimbursement for Raindance Major Infrastructure, Raindance 15th Filing and Raindance 8th Filing (the Agreement). Per the Agreement, the Town intends to reimburse that portion of the Developer's costs attributed to utility oversizing upon completion of the projects and verification of the related costs by the Town Engineering Department. As of December 31, 2022, the Town certified and reimbursed the utility oversizing costs in the amount of \$1,148,081 to the District. The reimbursement was recorded under Other Liabilities in the District's books. It is anticipated that the District will repay the amount of reimbursement to the Developer within a year.

NOTE 9 RELATED PARTIES

The Developer of the property which constitutes the District is RainDance Land Company, LLC, a Delaware limited liability company (the Developer). Certain members of the Board of Directors of the District are officers or employees of or related to the Developer or an entity affiliated with the Developer or the majority owner of the Developer, and may have conflicts of interest in dealing with the District.

NOTE 10 RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; thefts of, damage to, or destruction of assets; errors or omissions; injuries to employees; or acts of God.

The District is a member of the Colorado Special Districts Property and Liability Pool (the Pool). The Pool is an organization created by intergovernmental agreement to provide property, liability, public officials' liability, boiler and machinery, and workers' compensation coverage to its members. Settled claims have not exceeded this coverage in any of the past three fiscal years.

The District pays annual premiums to the Pool for liability, property and public officials' liability coverage. In the event aggregated losses incurred by the Pool exceed amounts recoverable from reinsurance contracts and funds accumulated by the Pool, the Pool may require additional contributions from the Pool members. Any excess funds which the Pool determines are not needed for purposes of the Pool may be returned to the members pursuant to a distribution formula.

RAINDANCE METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 11 TAX, SPENDING, AND DEBT LIMITATIONS

Article X, Section 20 of the Colorado Constitution, commonly known as the Taxpayer's Bill of Rights (TABOR), contains tax, spending, revenue, and debt limitations which apply to the state of Colorado and all local governments.

Spending and revenue limits are determined based on the prior year's Fiscal Year Spending adjusted for allowable increases based upon inflation and local growth. Fiscal Year Spending is generally defined as expenditures plus reserve increases with certain exceptions. Revenue in excess of the Fiscal Year Spending limit must be refunded unless the voters approve retention of such revenue.

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of Fiscal Year Spending (excluding bonded debt service). Local governments are not allowed to use the emergency reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases. At December 31, 2022, the District determined its required emergency reserve to be approximately \$66,300.

The District's management believes it is in compliance with the provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of the provisions, including the interpretation of how to calculate Fiscal Year Spending limits, will require judicial interpretation.

SUPPLEMENTARY INFORMATION

**RAINDANCE METROPOLITAN DISTRICT NO. 1
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2022**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
PIF - Golf Lots Premium	\$ 15,000,000	\$ 5,464,552	\$ (9,535,448)
Total Revenues	<u>15,000,000</u>	<u>5,464,552</u>	<u>(9,535,448)</u>
EXPENDITURES			
Capital Projects:			
Capital Outlay - Public Improvements	11,000,000	216,323	10,783,677
Construction Management	-	44,724	(44,724)
Golf Course	6,500,000	4,957,018	1,542,982
Hoedown Hill	-	179,170	(179,170)
Country Store	-	44,728	(44,728)
Maintenance Building	-	39,957	(39,957)
Miscellaneous	-	149	(149)
Total Expenditures	<u>17,500,000</u>	<u>5,482,069</u>	<u>12,017,931</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(2,500,000)	(17,517)	2,482,483
OTHER FINANCING SOURCES (USES)			
Developer Advances - Public Improvements	11,000,000	216,323	(10,783,677)
Developer Advances - Golf Course	6,500,000	4,481,908	(2,018,092)
Repayment of Developer Advances	(6,500,000)	(4,481,908)	2,018,092
Transfer to Other Funds	-	(103,591)	(103,591)
Total Other Financing Sources (Uses)	<u>11,000,000</u>	<u>112,732</u>	<u>(10,887,268)</u>
NET CHANGE IN FUND BALANCE	8,500,000	95,215	(8,404,785)
Fund Balance - Beginning of Year	<u>2,551,961</u>	<u>3,442,445</u>	<u>890,484</u>
FUND BALANCE - END OF YEAR	<u>\$ 11,051,961</u>	<u>\$ 3,537,660</u>	<u>\$ (7,514,301)</u>

**RAINDANCE METROPOLITAN DISTRICT NO. 1
ENTERPRISE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUNDS AVAILABLE –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2022**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Capital Fees	\$ 310,000	\$ 235,000	\$ (75,000)
Interest Income	11,000	18,644	7,644
Raw Water Dedication Fees	-	315,000	315,000
Water Service Fees	530,000	1,253,861	723,861
Water Meter Fees	805,000	807,500	2,500
Total Revenues	<u>1,656,000</u>	<u>2,630,005</u>	<u>974,005</u>
EXPENDITURES			
General and Administrative:			
Administration - Billing	40,000	17,766	22,234
Consulting and Studies	200,000	181,833	18,167
Legal	80,000	46,900	33,100
Operations and Maintenance:			
Delivery and Ditch Expenses	15,000	2,400	12,600
District Manager and Staff	200,000	373,400	(173,400)
Miscellaneous	-	960	(960)
Pumping Services	-	5,190	(5,190)
Repairs and Maintenance	24,000	46,621	(22,621)
Scada	25,000	-	25,000
Tools and Equipment	24,000	351	23,649
Utilities	120,000	10,206	109,794
Water Purchase	-	82,480	(82,480)
Water Meters and Installation	805,000	648,270	156,730
Debt Service:			
Bond Interest - Series 2020	1,262,975	1,262,975	-
Paying Agent Fees	3,800	660	3,140
Capital Projects:			
Water Infrastructure	600,000	198,884	401,116
Contingency	60,000	-	60,000
Total Expenditures	<u>3,459,775</u>	<u>2,878,896</u>	<u>580,879</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(1,803,775)	(248,891)	1,554,884
OTHER FINANCING SOURCES (USES)			
Developer Advances	200,000	373,400	173,400
Repayment of Developer Advances	(200,000)	(373,400)	(173,400)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
CHANGE IN FUNDS AVAILABLE	(1,803,775)	(248,891)	1,554,884
Funds Available- Beginning of Year	<u>7,563,963</u>	<u>8,045,095</u>	<u>481,132</u>
FUNDS AVAILABLE - END OF YEAR	<u>\$ 5,760,188</u>	<u>\$ 7,796,204</u>	<u>\$ 2,036,016</u>
ADJUSTMENTS TO RECONCILE BUDGET BASIS TO GAAP BASIS			
Change in Funds Available		\$ (248,891)	
Depreciation Expense		(250,782)	
Prior Year Accrued Bond Interest		105,248	
Current Year Accrued Bond Interest		(105,248)	
Capital Outlay		<u>847,154</u>	
CHANGE IN NET POSITION		347,481	
Net Position - Beginning of Year		<u>2,681,616</u>	
NET POSITION - END OF YEAR		<u>\$ 3,029,097</u>	

OTHER INFORMATION

RAINDANCE METROPOLITAN DISTRICT NO. 1
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY
DECEMBER 31, 2022

\$24,315,000 Non-Potable Water Enterprise
Revenue Bonds, Series 2020
Dated August 5, 2020
Principal Due December 1
Interest Rate 5.00% - 5.25%
Payable June 1 and December 1

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ -	\$ 1,262,975	\$ 1,262,975
2024	25,000	1,262,975	1,287,975
2025	30,000	1,261,725	1,291,725
2026	35,000	1,260,225	1,295,225
2027	45,000	1,258,475	1,303,475
2028	55,000	1,256,225	1,311,225
2029	60,000	1,253,475	1,313,475
2030	75,000	1,250,475	1,325,475
2031	90,000	1,246,725	1,336,725
2032	170,000	1,242,225	1,412,225
2033	255,000	1,233,725	1,488,725
2034	350,000	1,220,975	1,570,975
2035	450,000	1,203,475	1,653,475
2036	560,000	1,180,975	1,740,975
2037	650,000	1,152,975	1,802,975
2038	750,000	1,120,475	1,870,475
2039	855,000	1,082,975	1,937,975
2040	970,000	1,040,225	2,010,225
2041	1,090,000	991,725	2,081,725
2042	1,220,000	934,500	2,154,500
2043	1,360,000	870,450	2,230,450
2044	1,510,000	799,050	2,309,050
2045	1,670,000	719,775	2,389,775
2046	1,755,000	632,100	2,387,100
2047	1,850,000	539,963	2,389,963
2048	1,945,000	442,837	2,387,837
2049	2,045,000	340,725	2,385,725
2050	4,445,000	233,363	4,678,363
Total	<u>\$ 24,315,000</u>	<u>\$ 28,295,788</u>	<u>\$ 52,610,788</u>

RAINDANCE METROPOLITAN DISTRICT NO. 1
SCHEDULE OF ASSESSED VALUATION, MILL LEVY, AND PROPERTY TAXES COLLECTED
DECEMBER 31, 2022

<u>Year Ended</u> <u>December 31,</u>	<u>Assessed</u> <u>Valuation</u>	<u>Mill Levy</u>		<u>Total Property Taxes</u>		<u>Percent</u> <u>Collected</u> <u>to Levied</u>
		<u>General</u>	<u>Debt</u> <u>Service</u>	<u>Levied</u>	<u>Collected</u>	
2018	\$ 14,460	39.000	0.000	\$ 564	\$ 564	100.00 %
2019	3,775,010	39.000	0.000	147,225	147,215	99.99
2020	88,047,060	39.000	0.000	3,433,835	3,293,757	95.92
2021	89,297,570	39.000	0.000	3,482,605	3,552,079	101.99
2022	34,853,120	39.000	0.000	1,359,272	1,359,272	100.00
Estimated for Year Ending <u>December 31,</u> 2023	\$ 52,590,940	39.000	0.000	\$ 2,051,047		

NOTE: Property taxes collected in any one year include collection of delinquent property taxes levied in prior years. Information received from the County Treasurer does not permit identification of specific year of levy.