

RAINDANCE METROPOLITAN DISTRICT NO. 1
Weld County, Colorado

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEAR ENDED DECEMBER 31, 2024

**RAINDANCE METROPOLITAN DISTRICT NO. 1
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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Raindance Metropolitan District No. 1
Weld County, Colorado

Opinions

We have audited the accompanying financial statements of the governmental activities, business-type activities, and each major fund of the Raindance Metropolitan District No. 1 (the District) as of and for the year ended December 31, 2024, 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 the District, as of December 31, 2024, and the respective changes in financial position 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 audit 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 the District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. 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 the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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 the District'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 opinions. 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 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 the District'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 the District'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.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

We have applied certain limited procedures to the budgetary comparison schedules in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the budgetary comparison schedules because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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 opinions on the basic financial statements are not affected by this missing information.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The supplementary information listed in the table of contents is presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information 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. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information listed in the table of contents is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information, including continuing disclosure annual financial information, included in the report. The other information comprises the continuing disclosure annual financial information but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

DMC Auditing and Consulting, LLC

Bailey, Colorado
November 10, 2025

BASIC FINANCIAL STATEMENTS

RAINDANCE METROPOLITAN DISTRICT NO. 1
STATEMENT OF NET POSITION
DECEMBER 31, 2024

	Primary Government		
	Governmental	Business-	
	Activities	Type	
		Activities	Total
ASSETS			
Cash and Investments	\$ 6,478,076	\$ 2,467,706	\$ 8,945,782
Cash and Investments - Restricted	325,300	2,289,792	2,615,092
Receivable from County Treasurer	27,100	-	27,100
Accounts Receivable	181,725	724,528	906,253
Prepaid Insurance	90,153	-	90,153
Due from District No. 2	357,350	-	357,350
Due from District No. 3	22,599	-	22,599
Due from District No. 4	646,108	-	646,108
Due from Proprietary Fund	1,750,955	-	1,750,955
Property Tax Receivable	3,181,099	-	3,181,099
Capital Assets:			
Capital Assets, Not Being Depreciated	41,434,355	26,839,425	68,273,780
Capital Assets, Net of Depreciation	6,927,484	4,697,455	11,624,939
Total Assets	61,422,304	37,018,906	98,441,210
LIABILITIES			
Accounts Payable	580,736	918,058	1,498,794
Prepaid Assessments	-	17,559	17,559
Due to District No. 3	33,601	-	33,601
Due to Poudre Tech Metro District	460,348	82,814	543,162
Due to Governmental Fund	-	1,750,955	1,750,955
Accrued Interest Payable	913	105,144	106,057
Noncurrent Liabilities:			
Due Within One Year	32,839	30,000	62,839
Due in More Than One Year	13,934,839	25,523,048	39,457,887
Total Liabilities	15,043,276	28,427,578	43,470,854
DEFERRED INFLOWS OF RESOURCES			
Property Tax Revenue	3,181,099	-	3,181,099
Total Deferred Inflows of Resources	3,181,099	-	3,181,099
NET POSITION			
Net Investment in Capital Assets	38,410,489	5,983,832	44,394,321
Restricted for:			
Emergency Reserve	325,300	-	325,300
Debt Service	-	2,184,648	2,184,648
Unrestricted	4,462,140	422,848	4,884,988
Total Net Position	\$ 43,197,929	\$ 8,591,328	\$ 51,789,257

See accompanying Notes to Basic Financial Statements.

RAINDANCE METROPOLITAN DISTRICT NO. 1
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2024

		Program Revenues			Net Revenues (Expenses) and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
FUNCTIONS/PROGRAMS	Expenses						
Primary Government:							
Governmental Activities:							
General Government	\$ 4,514,476	\$ 1,146,471	\$ 56,891	\$ -	\$ (3,311,114)	\$ -	\$ (3,311,114)
Interest on Long-Term Debt and Related Costs	1,060,763	-	-	-	(1,060,763)	-	(1,060,763)
Total Governmental Activities	5,575,239	1,146,471	56,891	-	(4,371,877)	-	(4,371,877)
Business-Type Activities:							
Non-Potable Water	2,464,500	1,879,850	-	4,759,857	-	4,175,207	4,175,207
Total Business-Type Activities	2,464,500	1,879,850	-	4,759,857	-	4,175,207	4,175,207
Total Primary Government	\$ 8,039,739	\$ 3,026,321	\$ 56,891	\$ 4,759,857	(4,371,877)	4,175,207	(196,670)
GENERAL REVENUES							
Property Taxes					9,120,684	-	9,120,684
Specific Ownership Taxes					330,259	-	330,259
Interest Income					172,697	137,469	310,166
Other Revenue					65,353	-	65,353
Total General Revenues					9,688,993	137,469	9,826,462
CHANGES IN NET POSITION							
					5,317,116	4,312,676	9,629,792
Net Position - Beginning of Year, original					36,905,240	4,438,628	41,343,868
Restatement - Correction of Errors					975,573	(159,976)	815,597
Net Position - Beginning of Year, as restated					37,880,813	4,278,652	42,159,465
NET POSITION - END OF YEAR							
					\$ 43,197,929	\$ 8,591,328	\$ 51,789,257

See accompanying Notes to Basic Financial Statements.

RAINDANCE METROPOLITAN DISTRICT NO. 1
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2024

	General	Capital Projects	Total Governmental Funds
ASSETS			
Cash and Investments	\$ 5,899,432	\$ 578,644	\$ 6,478,076
Cash and Investments - Restricted	325,300	-	325,300
Receivable from County Treasurer	27,100	-	27,100
Accounts Receivable	181,114	611	181,725
Due from District No. 2	357,350	-	357,350
Due from District No. 3	22,599	-	22,599
Due from District No. 4	560,639	85,469	646,108
Due from Proprietary Fund	1,750,955	-	1,750,955
Prepaid Insurance	90,153	-	90,153
Property Tax Receivable	3,181,099	-	3,181,099
Total Assets	<u>\$ 12,395,741</u>	<u>\$ 664,724</u>	<u>\$ 13,060,465</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
LIABILITIES			
Accounts Payable	\$ 578,320	\$ 2,416	\$ 580,736
Due to District No. 3	33,601	-	33,601
Due to Poudre Tech Metro District	460,348	-	460,348
Total Liabilities	<u>1,072,269</u>	<u>2,416</u>	<u>1,074,685</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Property Tax	3,181,099	-	3,181,099
Total Deferred Inflows of Resources	<u>3,181,099</u>	<u>-</u>	<u>3,181,099</u>
FUND BALANCES			
Nonspendable:			
Prepaid Expense	90,153	-	90,153
Restricted for:			
Emergency Reserves	325,300	-	325,300
Committed:			
Subsequent Year's Budget	945,865	-	945,865
Assigned to:			
Capital Projects	-	662,308	662,308
Unassigned	6,781,055	-	6,781,055
Total Fund Balances	<u>8,142,373</u>	<u>662,308</u>	<u>8,804,681</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 12,395,741</u>	<u>\$ 664,724</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.	48,361,839
Long-term liabilities, including Developer advance payable, are not due and payable in the current period and, therefore, are not reported in the funds.	
Accrued Interest Payable	(913)
Lease Payable	(1,525,738)
Developer Advance and Accrued Interest Payable	(12,441,940)

Net Position of Governmental Activities	<u>\$ 43,197,929</u>
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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, 2024

	General	Capital Projects	Total Governmental Funds
REVENUES			
Property Taxes	\$ 9,120,684	\$ -	\$ 9,120,684
Specific Ownership Taxes	330,259	-	330,259
Interest Income	172,697	-	172,697
Other Revenue	16,481	48,872	65,353
Recreation Fees (Pool & W-Club)	1,146,471	-	1,146,471
Pledged Revenue From District No. 2	56,891	-	56,891
Total Revenues	10,843,483	48,872	10,892,355
EXPENDITURES			
General and Administrative:			
Accounting	186,358	-	186,358
Auditing	41,313	-	41,313
Consulting & Studies	3,021	-	3,021
County Treasurer's Fee	136,822	-	136,822
Dues And Membership	2,644	-	2,644
Insurance	70,377	-	70,377
Legal	93,510	-	93,510
Management Fee	51,975	-	51,975
Office Overhead	60,000	-	60,000
Operation Supplies	2,341	-	2,341
Staffing	546,437	-	546,437
Operations and Maintenance:			
Cost Share - Town Of Windsor	-	449,187	449,187
Cost Share - W-Club	573,236	-	573,236
District Events	807	-	807
Dues, Education, And Certifications	750	-	750
Equipment Acquisition	72,158	-	72,158
Landscaping - Irrigation Repair And Maintenance	38,515	-	38,515
Landscaping - Orchard Trees And Operation	48,534	-	48,534
Landscaping - Softscape Contract	400,144	-	400,144
Landscaping - Special Projects And Mowing	129,247	-	129,247
Miscellaneous	20,544	-	20,544
Raindance Farms	33,775	-	33,775
Rent	29,714	-	29,714
Repairs And Maintenance	138,610	-	138,610
Security	94,297	-	94,297
Small Tools And Supplies	39,746	-	39,746
Snow Removal	14,608	-	14,608
Utilities	246,458	-	246,458
Water Usage - District Irrigation	263,528	-	263,528

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, 2024

EXPENDITURES (CONTINUED)

Pool and Clubhouse:			
Pool Management Fees	\$ 269,069	\$ -	\$ 269,069
Pool Supplies	63,768	-	63,768
Pool Water Usage	18,449	-	18,449
Pool Gas And Electricity	35,051	-	35,051
Pool Telephone Services	625	-	625
Pool Internet	4,364	-	4,364
Pool Trash And Recycle	4,165	-	4,165
Pool Repair And Maintenance	128,076	-	128,076
Pool Cleaning Services	30,489	-	30,489
Pool Miscellaneous	7,778	-	7,778
Debt Service:			
Repay Developer Advance	60,000	2,207,205	2,267,205
Lease Expense - Parking Lot	4,994	-	4,994
Lease Expense - Property (Maint. Bldg)	30,000	-	30,000
Lease Expense - Vehicle	14,153	-	14,153
Total Expenditures	<u>4,010,450</u>	<u>2,656,392</u>	<u>6,666,842</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	6,833,033	(2,607,520)	4,225,513
OTHER FINANCING SOURCES (USES)			
Developer Advance - Overhead	60,000	-	60,000
Transfers In (Out)	(2,207,205)	2,207,205	-
Total Other Financing Sources (Uses)	<u>(2,147,205)</u>	<u>2,207,205</u>	<u>60,000</u>
NET CHANGE IN FUND BALANCES	4,685,828	(400,315)	4,285,513
Fund Balances - Beginning of Year, original	3,456,545	(85,459)	3,371,086
Restatement - Correction of Error	-	1,148,082	1,148,082
Fund Balances - Beginning of Year, as restated	<u>3,456,545</u>	<u>1,062,623</u>	<u>4,519,168</u>
FUND BALANCES - END OF YEAR	<u>\$ 8,142,373</u>	<u>\$ 662,308</u>	<u>\$ 8,804,681</u>

See accompanying Notes to Basic Financial Statements.

RAINDANCE METROPOLITAN DISTRICT NO. 1
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES OF THE GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2024

Net Change in Fund Balances - Governmental Funds \$ 4,285,513

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 expense the allocation of the cost of any depreciable asset over the estimated useful life of the asset.

Capital Outlay - Current Year	58,505
Right to Use Lease Assets - Current Year	77,238
Finance Purchases of Assets - Current Year	50,048
Depreciation Expense - Current Year	(243,245)
Amortization Expense - Current Year	(48,734)

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 government funds. Neither transaction, however, has any effect on net position.

Lease Principal	(138,048)
Developer Advance	(60,000)
Repay Developer Advance	2,267,205

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 Lease - Change in Liability	23
Accrued Interest on Developer Advance - Change in Liability	(931,389)

Changes in Net Position of Governmental Activities \$ 5,317,116

**RAINDANCE METROPOLITAN DISTRICT NO. 1
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2024**

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
REVENUES				
Property Taxes	\$ 9,122,657	\$ 9,122,657	\$ 9,120,684	\$ (1,973)
Specific Ownership Taxes	364,906	364,906	330,259	(34,647)
Interest Income	90,594	90,594	172,697	82,103
IGA - PTMD - River Resort Cost Share	360,000	-	-	-
IGA - PTMD - Maintenance Building Cost Share	20,000	-	-	-
Recreation Fees (Pool & W-Club)	435,000	862,704	1,146,471	283,767
Curb Stop Repair Revenue	40,000	-	-	-
Pledged Revenue from District No. 2	54,115	54,115	56,891	2,776
Other Revenue	20,000	20,000	16,481	(3,519)
Total Revenues	10,507,272	10,514,976	10,843,483	328,507
EXPENDITURES				
General and Administrative:				
Accounting	140,000	187,000	186,358	642
Accounting - Cost Certification	15,000	-	-	-
Auditing	25,000	42,000	41,313	687
County Treasurer's Fee	136,840	136,840	136,822	18
Consulting & Studies	25,000	5,000	3,021	1,979
Contingency	31,360	31,055	-	31,055
Dues And Membership	2,800	2,800	2,644	156
Insurance	130,000	75,000	70,377	4,623
Legal	100,000	85,000	93,510	(8,510)
Management Fee	55,000	55,000	51,975	3,025
Operation Supplies	7,000	2,350	2,341	9
Organization Costs	20,000	-	-	-
Office Overhead	60,000	60,000	60,000	-
Staffing	220,000	550,000	546,437	3,563
Operations and Maintenance::				
Cost Share - W-Club	450,000	575,000	573,236	1,764
Curb Stop Repair	20,000	5,000	-	5,000
District Events	15,000	1,000	807	193
Equipment Acquisition	70,000	75,000	72,158	2,842
Landscaping - Softscape Contract	600,000	400,000	400,144	(144)
Landscaping - Special Projects And Mowing	140,000	130,000	129,247	753
Landscaping - Irrigation Repair And Maintenance	75,000	40,000	38,515	1,485
Landscaping - Orchard Trees And Operation	20,000	50,000	48,534	1,466
Raindance Farms	40,000	34,000	33,775	225
Miscellaneous	10,000	25,000	20,544	4,456
Operation And Maintenance Staffing	215,000	-	-	-
Dues, Education, And Certifications	4,000	750	750	-
Rent	20,000	28,000	29,714	(1,714)
Repairs And Maintenance	75,000	140,000	138,610	1,390
Safety Supplies And Equipment	2,000	-	-	-
Security	60,000	95,000	94,297	703
Small Tools And Supplies	15,000	40,000	39,746	254
Snow Removal	65,000	15,000	14,608	392
Utilities	90,000	250,000	246,458	3,542
Water Usage - District Irrigation	300,000	265,000	263,528	1,472

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, 2024**

EXPENDITURES (CONTINUED)

Pool and Clubhouse:				
Pool Management Fees	\$ 330,000	\$ 270,000	\$ 269,069	\$ 931
Pool Cashier - Contract/Self Perform	45,000	-	-	-
Pool Supplies	60,000	65,000	63,768	1,232
Pool Water Usage	25,000	20,000	18,449	1,551
Pool Gas And Electricity	65,000	35,000	35,051	(51)
Pool Telephone Services	1,000	1,000	625	375
Pool Internet	3,000	4,500	4,364	136
Pool Insurance	42,000	8,000	-	8,000
Pool Trash And Recycle	3,000	4,500	4,165	335
Landscaping River Resort	14,000	-	-	-
Pool Repair And Maintenance	50,000	128,000	128,076	(76)
Pool Cleaning Services	10,000	31,000	30,489	511
Pool House And Restroom Repair	25,000	5,000	-	5,000
Pool Miscellaneous	7,000	10,000	7,778	2,222
Engineering - Cost Certification	15,000	-	-	-
Capital Outlay	125,000	-	-	-
Debt Service:				
Repay Developer Advance	60,000	60,000	60,000	-
Lease Expense - Parking Lot	5,000	5,000	4,994	6
Lease Expense - Property (Maint. Bldg)	-	30,000	30,000	-
Lease Expense - Vehicle	-	15,000	14,153	847
Total Expenditures	<u>4,139,000</u>	<u>4,092,795</u>	<u>4,010,450</u>	<u>82,345</u>
EXCESS OF REVENUES OVER EXPENDITURES	6,368,272	6,422,181	6,833,033	410,852
OTHER FINANCING SOURCES (USES)				
Developer Advance - Overhead	60,000	60,000	60,000	-
Transfers To Other Fund	-	(2,207,205)	(2,207,205)	-
Total Other Financing Uses	<u>60,000</u>	<u>(2,147,205)</u>	<u>(2,147,205)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	6,428,272	4,274,976	4,685,828	410,852
Fund Balance - Beginning of Year	<u>3,040,922</u>	<u>3,040,922</u>	<u>3,456,545</u>	<u>415,623</u>
FUND BALANCE - END OF YEAR	<u>\$ 9,469,194</u>	<u>\$ 7,315,898</u>	<u>\$ 8,142,373</u>	<u>\$ 826,475</u>

See accompanying Notes to Basic Financial Statements.

RAINDANCE METROPOLITAN DISTRICT NO. 1
STATEMENT OF FUND NET POSITION
PROPRIETARY FUND
DECEMBER 31, 2024

	Enterprise Fund - Non-Potable Water
ASSETS	
Cash and Investments - Unrestricted	\$ 2,467,706
Cash and Investments - Restricted	2,289,792
Accounts Receivable	724,528
Capital Assets:	
Capital Assets, Not Being Depreciated	26,839,425
Capital Assets, Net of Depreciation	4,697,455
Total Assets	<u>37,018,906</u>
LIABILITIES	
Accounts Payable	918,058
Prepaid Assessments	17,559
Due to Poudre Tech Metro District	82,814
Due to Governmental Fund	1,750,955
Accrued Bond Interest	105,144
Noncurrent Liabilities:	
Due Within One Year	30,000
Due in More Than One Year	25,523,048
Total Current Liabilities	<u>28,427,578</u>
NET POSITION	
Net Investment in Capital Assets	5,983,832
Restricted	2,184,648
Unrestricted	422,848
Total Net Position	<u><u>\$ 8,591,328</u></u>

See accompanying Notes to Basic Financial Statements.

RAINDANCE METROPOLITAN DISTRICT NO. 1
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUND
YEAR ENDED DECEMBER 31, 2024

	Enterprise Fund - Non-Potable Water
OPERATING REVENUES	
Water Service Fees	\$ 1,622,250
Total Operating Revenues	<u>1,622,250</u>
OPERATING EXPENSES	
Administration and General Expenses:	
Administration - Billing	56,928
Consulting & Studies	32,262
Legal	4,930
Miscellaneous	5,738
Equipment	491
Water System Manager and Field Staff	250,000
Scada	1,755
Repairs and Maintenance	120,748
Electricity and Gas	20,600
Utility Locates	99,648
Depreciation/Amortization Expense	322,338
Total Operating Expenses	<u>915,438</u>
OPERATING INCOME	706,812
NONOPERATING REVENUES AND EXPENSES	
Capital Fees	135,000
Interest Income	137,469
Water Meter Fees	257,600
Transfer from PTMD - Reservoir	4,624,857
Lease Interest Expense	(74,329)
Paying Agent Fees	(1,320)
Transfer to PTMD - 2023 Loan IGA	(210,438)
Bond Interest - Series 2020	(1,262,975)
Total Nonoperating Revenues and Expenses	<u>3,605,864</u>
CHANGE IN NET POSITION	4,312,676
Total Net Position - Beginning of Year, original	4,438,628
Restatement - Correction of Errors	(159,976)
Total Net Position - Beginning of Year, as restated	<u>4,278,652</u>
TOTAL NET POSITION - END OF YEAR	<u><u>\$ 8,591,328</u></u>

See accompanying Notes to Basic Financial Statements.

RAINDANCE METROPOLITAN DISTRICT NO. 1
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
YEAR ENDED DECEMBER 31, 2024

	Enterprise Fund - Non-Potable Water
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from Customers	\$ 1,497,806
Payments to Suppliers	(432,542)
Net Cash Provided by Operating Activities	<u>1,065,264</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Paying Agent Fees	(1,320)
Transfer to PTMD - 2023 Loan	(210,438)
Net Cash Used by Noncapital Financing Activities	<u>(211,758)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Capital Fees	135,000
Water Meter Fees	257,600
Transfer from PTMD - Reservoir	4,624,857
Bond Principal - Series 2020	(25,000)
Bond Interest - Series 2020	(1,262,975)
Payments to Poudre Tech Metro District	(641,196)
Capital Outlay, net of AP	(4,121,216)
Net Cash Used by Capital and Related Financing Activities	<u>(1,032,930)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest Received	137,469
Net Cash Provided by Investing Activities	<u>137,469</u>
DECREASE IN CASH AND CASH EQUIVALENTS	(41,955)
Cash and Cash Equivalents - Beginning of Year	<u>4,799,453</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u><u>\$ 4,757,498</u></u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES	
Operating Income	\$ 706,812
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:	
Depreciation/Amortization	322,338
(Increase) Decrease in:	
Accounts Receivable	(107,684)
Prepaid Assessments	(16,760)
Increase (Decrease) in:	
Accounts Payable	160,558
Net Cash Provided by Operating Activities	<u><u>\$ 1,065,264</u></u>

See accompanying Notes to Basic Financial Statements.

RAINDANCE METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024

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 District No. 2 and District No. 3 (District No. 2 and District No. 3), and National Resort Metropolitan District (NRMD) (formally known as RainDance Metropolitan District No. 4). The District serves as the Operating District which is responsible for coordinating the financing, construction, and maintenance of certain public improvements and other services needed for District No. 2, District No. 3 and NRMD (collectively, the Districts) (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.

RAINDANCE METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-Wide and Fund Financial Statements (Continued)

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.

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.

RAINDANCE METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

The District reports the following major proprietary fund:

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, 2024.

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, 2024

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.

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

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.

RAINDANCE METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024

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, 2024

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Equity (Continued)

Restatement of Beginning Net Position and Fund Balance

During 2024, and in accordance with new accounting standards that apply to leases, the District recorded two leases related to parcels of land used to construct a municipal maintenance building and a water pump station, which lease agreements were executed in 2021 and 2019, respectively. Under both lease agreements, no payments were due through 12/31/23, and payments started January 1, 2024. Under the new standards, the District, as lessee, is required to recognize a lease liability and an intangible right-to-use lease asset. Since the lease agreements were executed prior to 2024, the District restated the net position for the year ended December 31, 2023.

Further, funds previously received from another governmental entity related to public infrastructure/utility oversizing, which was recorded as other liability upon receipt, was reclassified as revenue/contribution during 2024.

The impact of above correction of errors are as follows:

	Net Position - Government - Wide (Accrual)	Net Position - Business-Type Activities (Accrual)
December 31, 2023 - as Originally Stated	\$ 36,905,240	\$ 4,438,628
Impact of:		
1. Increase Capital Assets, being depreciated (Right to Use Lease Asset)	1,090,621	1,081,230
2. Increase Amortization Expense	(33,826)	(22,487)
3. Increase Lease Payable - Property	(1,229,304)	(1,218,719)
4. Decrease Other Liability (Utility Oversizing Reimbursement)	1,148,082	-
December 31, 2023 - as Restated	<u>\$ 37,880,813</u>	<u>\$ 4,278,652</u>

In addition, the District restated the fund balance (Capital Projects Fund) as explained below:

	Fund Balance - Capital Projects Fund (Modified Accrual)
December 31, 2023 - as Originally Stated	\$ (85,459)
Impact of:	
1. Increase Revenue Related to Utility Oversizing Reimbursement	1,148,082
December 31, 2023 - as Restated	<u>\$ 1,062,623</u>

NOTE 3 CASH AND INVESTMENTS

Cash and investments as of December 31, 2024, are classified in the accompanying financial statements as follows:

Statement of Net Position:

Cash and Investments	\$ 8,945,782
Cash and Investments - Restricted	2,615,092
Total Cash and Investments	<u>\$ 11,560,874</u>

RAINDANCE METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Cash and investments as of December 31, 2024, consist of the following:

Deposits with Financial Institutions	\$ 11,560,874
Total Cash and Investments	<u>\$ 11,560,874</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, 2024, the District's cash deposits had a bank balance and carrying balance of \$11,560,874. \$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, 2024

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, 2024, the District had no investments.

NOTE 4 ACCOUNTS RECEIVABLE

The District has the following accounts receivable for Governmental Activities and Business-Type Activities as of December 31, 2024:

	Governmental Activities	Business- Type Activities
Accounts Receivable:		
Stop Curb Repair	\$ 170,000	\$ -
Other Receivable	11,725	-
Non-Potable Water Usage	-	589,757
Total Receivables	<u>\$ 181,725</u>	<u>\$ 724,528</u>

RAINDANCE METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 5 CAPITAL ASSETS

An analysis of the changes in capital assets for the year ended December 31, 2024 follows:

	Balance at December 31, 2023, as restated	Increases	Decreases	Balance at December 31, 2024
Governmental Activities:				
Capital Assets, Not Being Depreciated/Amortized:				
Construction in Progress	\$ 41,434,355	\$ -	\$ -	\$ 41,434,355
Total Capital Assets, Not Being Depreciated/Amortized	41,434,355	-	-	41,434,355
Capital Assets, Being Depreciated/Amortized:				
Building and Infrastructure	6,578,094	-	544,143	6,033,951
Furniture and Equipment	316,138	58,505	-	374,643
Right to Use Lease Asset - Parking Lot	176,049	-	-	176,049
Right to Use Lease Asset - Property (Maint. Bldg)	1,090,621	-	-	1,090,621
Right to Use Lease Asset - Office Space	-	77,238	-	77,238
Financed Purchase - Vehicle	-	50,048	-	50,048
Total Capital Assets, Being Depreciated/Amortized	8,160,902	185,791	544,143	7,802,550
Less Accumulated Depreciation/Amortization for:				
Building and Infrastructure	1,041,946	201,132	544,143	698,935
Furniture and Equipment	51,458	42,113	-	93,571
ROU Lease Asset - Parking Lot	11,737	5,868	-	17,605
ROU Lease Asset - Property (Maint. Bldg)	22,089	11,044	-	33,133
ROU Lease Asset - Office	-	19,310	-	19,310
Vehicle	-	12,512	-	12,512
Total Accumulated Depreciation/Amortization	1,127,230	291,979	544,143	875,066
Total Capital Assets, Being Depreciated/Amortized, Net	7,033,672	(106,188)	-	6,927,484
Governmental Activities Capital Assets, Net	48,468,027	(106,188)	-	48,361,839
Business-Type Activities:				
Capital Assets, Not Being Depreciated:				
Construction in Progress	7,921,234	3,035,131	-	10,956,365
Water Rights	15,883,060	-	-	15,883,060
Total Capital Assets, Not Being Depreciated	23,804,294	3,035,131	-	26,839,425
Capital Assets, Being Depreciated/Amortized:				
Land Improvements	40,589	-	-	40,589
Equipment	525,428	-	-	525,428
Water Meters	3,895,615	315,425	-	4,211,040
Right to Use Lease Asset - Property (Pump Station)	1,081,230	-	-	1,081,230
Total Capital Assets, Being Depreciated/Amortized	5,542,862	315,425	-	5,858,287
Less Accumulated Depreciation/Amortization for:				
Land Improvements	6,765	2,706	-	9,471
Equipment	81,608	36,297	-	117,905
Water Meters	727,634	272,092	-	999,726
ROU Lease Asset - Property (Pump Station)	22,487	11,243	-	33,730
Total Accumulated Depreciation/Amortization	838,494	322,338	-	1,160,832
Total Capital Assets, Being Depreciated, Net	4,704,368	(6,913)	-	4,697,455
Business-Type Activities Capital Assets, Net	28,508,662	3,028,218	-	31,536,880
Total Capital Assets, Net	\$ 76,976,689	\$ 2,922,030	\$ -	\$ 79,898,719

RAINDANCE METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 5 CAPITAL ASSETS (CONTINUED)

A significant portion of capital assets (public improvements currently included in Construction in Progress) 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, 2024:

	Balance at December 31, 2023, as restated	Additions	Reductions	Balance at December 31, 2024	Due Within One Year
Governmental Activities:					
Other Debts:					
Developer Advance	\$ 10,632,818	\$ 60,000	\$ 2,267,205	\$ 8,425,613	\$ -
Accrued Interest on					
Developer Advance	3,084,938	931,389	-	4,016,327	-
Lease Payable - Parking Lot	158,386	-	3,390	154,996	3,528
Lease Payable - Office Space	-	77,238	16,677	60,561	18,349
Lease Payable - Property	1,229,304	44,982	-	1,274,286	-
Lease Payable - Vehicle	-	50,048	14,153	35,895	10,962
Total Government Activities	15,105,446	1,163,657	2,301,425	13,967,678	32,839
Business-Type Activities:					
Bonds Payable:					
Non-potable Water Enterprise					
Revenue Bonds Series 2020A	24,315,000	-	25,000	24,290,000	30,000
Subtotal Bonds Payable	24,315,000	-	25,000	24,290,000	30,000
Other Debts:					
Developer Advance	-	250,000	250,000	-	-
Lease Payable - Property	1,218,719	44,329	-	1,263,048	-
Total Business-Type Activities	25,533,719	294,329	275,000	25,553,048	30,000
Total Long-Term Obligations	\$ 40,639,165	\$ 1,457,986	\$ 2,576,425	\$ 39,520,726	\$ 62,839

RAINDANCE METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 6 LONG-TERM OBLIGATIONS (CONTINUED)

Nonpotable 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.

Proceeds from 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 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, District No. 2, District No. 3, and NRMD based on non-potable water usage within the Districts' Service Area, and (ii) Capital Facilities Fees collected within the boundaries of 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, 2024

NOTE 6 LONG-TERM OBLIGATIONS (CONTINUED)

Nonpotable 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, 2024

NOTE 6 LONG-TERM OBLIGATIONS (CONTINUED)

Nonpotable Water Enterprise Revenue Bonds, Series 2020 (the Bonds) (Continued)

Nonpotable 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, 2024

NOTE 6 LONG-TERM OBLIGATIONS (CONTINUED)

Nonpotable 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, 2024, are \$2,289,792 and \$-0-, 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>
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
2030-2034	940,000	6,194,125	7,134,125
2035-2039	3,265,000	5,740,875	9,005,875
2040-2044	6,150,000	4,635,950	10,785,950
2045-2049	9,265,000	2,675,400	11,940,400
2050	4,445,000	233,363	4,678,363
Total	<u>\$ 24,290,000</u>	<u>\$ 25,769,838</u>	<u>\$ 50,059,838</u>

RAINDANCE METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 6 LONG-TERM OBLIGATIONS (CONTINUED)

Lease Payable

Parking Lot

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, valued at \$176,049, 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, at an interest rate of 1.01%. The agreement has an escalation rate of 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. In 2024, the District paid \$4,994, comprised of principal and interest of \$3,390 and \$1,604, respectively. At December 31, 2024, the right-to-use asset cost and accumulated amortization were \$176,049 and \$17,605, respectively, with an annual amortization expense of \$5,868.

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>
2025	\$ 3,528	\$ 1,565	\$ 5,093
2026	3,666	1,530	5,196
2027	3,807	1,493	5,300
2028	3,947	1,458	5,406
2029	4,099	1,414	5,514
2030-2034	22,844	6,424	29,267
2035-2039	27,128	5,185	32,314
2040-2044	31,956	3,721	35,677
2045-2049	37,393	1,997	39,390
2050-2052	16,628	253	16,881
Total	<u>\$ 154,996</u>	<u>\$ 25,041</u>	<u>\$ 180,037</u>

Office Sublease

On November 1, 2024, the District entered into a cost share agreement with Poudre Tech Metropolitan District and Water Valley Master Association to lease a portion of Building #3 in the Pelican Point Business Park. For the District's share, the agreement is valued at \$77,238, requires monthly payments over four years ranging from \$1,730 to \$1,890, at an estimated interest rate of 6%. In 2024, the District paid \$20,754, comprised of principal and interest of \$16,677 and \$4,077, respectively. At December 31, 2024, the right-to-use asset cost and accumulated amortization were \$77,238 and \$19,310, respectively, with an annual amortization expense of \$19,310.

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>
2025	\$ 18,349	\$ 3,028	\$ 21,377
2026	20,143	1,875	22,018
2027	22,069	609	22,678
Total	<u>\$ 60,561</u>	<u>\$ 5,512</u>	<u>\$ 66,073</u>

RAINDANCE METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 6 LONG-TERM OBLIGATIONS (CONTINUED)

Lease Payable (Continued)

Vehicle Lease

On April 30, 2024, the District entered into a lease agreement for a 2023 Ford F-150 valued at \$50,048. The agreement requires four annual payments of \$14,153, at an interest rate of 8.89%. In 2024, the District paid \$14,153, comprised of principal only. At December 31, 2024, the right-to-use asset cost and accumulated amortization were \$50,048 and \$12,512, respectively, with an annual amortization expense of \$12,512.

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>
2025	\$ 10,962	\$ 3,191	\$ 14,153
2026	11,936	2,217	14,153
2027	12,997	1,155	14,153
Total	<u>\$ 35,895</u>	<u>\$ 6,563</u>	<u>\$ 42,458</u>

Property Lease – Municipal Maintenance Facility

On September 27, 2021, the District entered into a property lease agreement with VIMA Partners, LLC, for the use of property on which the District plans to construct and operate a maintenance building. The agreement is valued at approximately \$1,090,621 (present value using an estimated rate of 6%), requires monthly payments over 99 years ranging from \$2,500 to \$107,930 per month, and has an escalation rate of 4% per year. A right-to-use lease asset and liability, in the amount of the agreement's valuation of approximately \$1,090,621, have been recorded. At December 31, 2024, the right-to-use asset cost and accumulated amortization were \$1,090,621 and \$33,133, respectively, with an annual amortization expense of \$11,044.

This is a market-value lease with lease payments that do not cover the full amount of the interest until January 1, 2100. Interest is accrued annually until January 1, 2100, when the payments begin to exceed the interest amount. Principal payments begin on January 1, 2100, through September 1, 2120. Interest and accrued interest is paid annually starting on January 1, 2024. Interest started accruing on January 1, 2022. During 2024, the interest component of the amount due totaled \$74,982, but the District was billed and paid only \$30,000.

RAINDANCE METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 6 LONG-TERM OBLIGATIONS (CONTINUED)

Lease Payable (Continued)

Property Lease – Municipal Maintenance Facility (Continued)

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>
2025	\$ (46,523)	\$ 77,723	\$ 31,200
2026	(48,109)	80,557	32,448
2027	(49,742)	83,488	33,746
2028	(51,423)	86,518	35,095
2029	(53,151)	89,651	36,500
2030-2034	(293,419)	499,021	205,602
2035-2039	(344,224)	594,369	250,145
2040-2044	(401,582)	705,922	304,340
2045-2049	(465,359)	835,636	370,277
2050-2054	(534,853)	985,350	450,497
2055-2059	(608,473)	1,156,572	548,099
2060-2064	(683,301)	1,350,148	666,847
2065-2069	(754,458)	1,565,779	811,321
2070-2074	(814,210)	1,801,306	987,096
2075-2079	(850,731)	2,051,684	1,200,953
2080-2084	(846,367)	2,307,510	1,461,143
2085-2089	(775,238)	2,552,942	1,777,704
2090-2094	(599,916)	2,762,765	2,162,849
2095-2099	(266,858)	2,898,294	2,631,436
2100-2104	299,887	2,901,658	3,201,545
2105-2109	1,207,296	2,687,872	3,895,168
2110-2114	2,605,184	2,133,884	4,739,068
2115-2119	4,702,334	1,063,467	5,765,801
2120	947,521	23,846	971,367
Total	<u>\$ 1,274,285</u>	<u>\$ 31,295,962</u>	<u>\$ 32,570,247</u>

RAINDANCE METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 6 LONG-TERM OBLIGATIONS (CONTINUED)

Lease Payable (Continued)

Property Lease – Pump Station (Enterprise)

On January 28, 2019, the District entered into a property lease agreement with Raindance Aquatic Investments, LLC for the use of property on which the District plans to construct and operate a pump station related to nearby Raindance River Reservoir. The agreement is valued at approximately \$1,081,230 (present value using an estimated rate of 6%), requires monthly payments over 99 years ranging from \$2,500 to \$99,787 per month, and has an escalation rate of 4% per year. A right-to-use lease asset and liability, in the amount of the agreement's valuation of approximately \$1,081,230, have been recorded. At December 31, 2024, the right-to-use asset cost and accumulated amortization were \$1,081,230 and \$33,730, respectively, with an annual amortization expense of \$11,243.

This is a market-value lease with lease payments that do not cover the full amount of the interest until January 1, 2098. Interest is accrued annually until January 1, 2098, when the payments begin to exceed the interest amount. Principal payments begin on January 1, 2098, through February 1, 2118. Interest and accrued interest is paid annually starting on January 1, 2024. Interest started accruing on January 1, 2022. During 2024, the interest component of the amount due totaled \$74,329, but the District was billed and paid only \$30,000.

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>
2025	\$ (45,830)	\$ 77,030	\$ 31,200
2026	(47,373)	79,821	32,448
2027	(48,961)	82,707	33,746
2028	(50,593)	85,689	35,096
2029	(52,271)	88,770	36,500
2030-2034	(288,131)	493,733	205,601
2035-2039	(337,091)	587,236	250,145
2040-2044	(391,961)	696,301	304,340
2045-2049	(452,382)	822,659	370,276
2050-2054	(517,348)	967,846	450,498
2055-2059	(584,862)	1,132,962	548,099
2060-2064	(651,454)	1,318,301	666,847
2065-2069	(711,501)	1,522,822	811,321
2070-2074	(756,268)	1,743,364	987,096
2075-2079	(772,576)	1,973,529	1,200,953
2080-2084	(740,947)	2,202,090	1,461,143
2085-2089	(633,042)	2,410,746	1,777,704
2090-2094	(408,116)	2,570,964	2,162,849
2095-2099	(8,148)	2,639,584	2,631,436
2100-2104	648,848	2,552,696	3,201,545
2105-2109	1,677,993	2,217,175	3,895,169
2110-2114	3,240,083	1,498,985	4,739,068
2115-2118	3,194,979	327,611	3,522,590
Total	<u>\$ 1,263,048</u>	<u>\$ 28,092,622</u>	<u>\$ 29,355,670</u>

RAINDANCE METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 6 LONG-TERM OBLIGATIONS (CONTINUED)

Authorized Debt

At December 31, 2024, the District had authorized but unissued indebtedness in the following amounts allocated for the following purposes:

	Amount Authorized on May 6, 2014	Authorization Used Series 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
Park 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

Pursuant to the Service Plan, the maximum general obligation indebtedness for all 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, 2024, the District had net investment in capital assets calculated as follows:

	Governmental Activities	Business- Type Activities
Net Investment in Capital Assets:		
Capital Assets, Net	\$ 48,361,839	\$ 31,536,880
Long-Term Debt Attributable to Capital Assets	(9,951,350)	(25,553,048)
Net Investment in Capital Assets	<u>\$ 38,410,489</u>	<u>\$ 5,983,832</u>

RAINDANCE METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024

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, 2024 as follows:

	Governmental Activities	Business- Type Activities
Restricted Net Position:		
Emergencies	\$ 325,300	\$ -
Debt Service	-	2,184,648
Total Restricted Net Position	<u>\$ 325,300</u>	<u>\$ 2,184,648</u>

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 (now National Resort Metropolitan District) 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; 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 below).

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 below).

RAINDANCE METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024

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 31,2024, outstanding advances under this agreement totaled \$8,425,613 in principal and \$4,016,327 in accrued interest.

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. (See Assignment and Assumption Agreement)

Assignment and Assumption Agreement

On August 22, 2023, the District ("Assignor") entered into the Assignment and Assumption Agreement with National Resort Metropolitan District (formerly Raindance Metropolitan District No. 4) ("Assignee") to transfer golf course and golf and recreation improvements and amenities. The Assignor conveys, transfers, and assigns to the Assignee all of Assignor's rights, title, and interest in (i) a Real Property Lease (Golf Course/Hoe Down Hill), dated July 11, 2022, between the Assignor and Raindance Aquatic Investments, and (ii) an Independent Contractor Agreement (Golf Course Management and Operator Services), dated July 11, 2022, between the Assignor and Pelican Lakes, LLC. The Assignee accepts the assignment and assumes and covenants to perform and fulfill all of the obligations, terms and conditions of the Assignor occurring on and after the date of the assignment.

RAINDANCE METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024

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 2024.

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, 2024, 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. In 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 in 2022.

RAINDANCE METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024

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, which was recorded as other liability upon receipt. During 2024, the other liability was reclassified as other revenue after the Developer confirmed that such amount can be treated as such.

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, 2024

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, 2024, the District determined its required emergency reserve to be approximately \$325,300.

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, 2024

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
REVENUES				
Other Revenue	\$ -	\$ -	\$ 48,872	\$ 48,872
Total Revenues	-	-	48,872	48,872
EXPENDITURES				
Cost Share - Town Of Windsor	-	450,000	449,187	813
Repay Developer Advance - Capital	-	2,207,205	2,207,205	-
Total Expenditures	-	2,657,205	2,656,392	813
EXCESS OF REVENUES OVER (UNDER)				
EXPENDITURES	-	(2,657,205)	(2,607,520)	49,685
OTHER FINANCING SOURCES (USES)				
Developer Advance	-	450,000	-	(450,000)
Transfers From Other Funds	-	2,207,205	2,207,205	-
Total Other Financing Sources (Uses)	-	2,657,205	2,207,205	(450,000)
NET CHANGE IN FUND BALANCE	-	-	(400,315)	(400,315)
Fund Balances - Beginning of Year, original	-	-	(85,459)	(85,459)
Restatement - Correction of Error	-	-	1,148,082	1,148,082
Fund Balances - Beginning of Year, as restated	-	-	1,062,623	1,062,623
FUND BALANCE - END OF YEAR	\$ -	\$ -	\$ 662,308	\$ 662,308

RAINDANCE METROPOLITAN DISTRICT NO. 1
ENTERPRISE FUND – NON-POTABLE WATER
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUNDS AVAILABLE –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2024

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
REVENUES				
Capital Fees	\$ 200,000	\$ 200,000	\$ 135,000	\$ (65,000)
Water Service Fees - Residential/Commercial	1,250,000	987,000	992,288	5,288
Water Service Fees - District	300,000	300,000	263,528	(36,472)
Water Service Fees - Hoedown Hill	70,000	70,000	42,029	(27,971)
Water Service Fees - Golf Course	320,000	315,000	324,405	9,405
Water Meter Fees	200,000	200,000	257,600	57,600
Transfer from PTMD - Reservoir	-	6,196,198	4,624,857	(1,571,341)
Other Revenue	-	40,000	-	(40,000)
Interest Income	50,000	50,000	137,469	87,469
Total Revenues	2,390,000	8,358,198	6,777,176	(1,581,022)
EXPENDITURES				
Administration and General Expenses:				
Administration - Billing	60,000	50,000	56,928	(6,928)
Administration - Staffing	130,000	130,000	-	130,000
Consulting & Studies	10,000	40,500	32,262	8,238
Legal	5,000	3,500	4,930	(1,430)
Operations and Maintenance:				
Delivery and Ditch	15,000	15,000	-	15,000
Scada	20,000	20,000	1,755	18,245
Equipment	5,000	4,000	491	3,509
Utility Locates	80,000	100,000	99,648	352
Water Meters and Installations	125,000	250,000	315,425	(65,425)
Water Quality Treatments	30,000	30,000	-	30,000
Water System Manager and Field Staff	250,000	250,000	250,000	-
Electricity and Gas	50,000	63,000	20,600	42,400
Lease - Property (Pump Station)	-	30,000	30,000	-
Miscellaneous	900	40,000	5,738	34,262
Repairs and Maintenance	70,000	75,000	120,748	(45,748)
Contingency	37,125	34,306	-	34,306
Capital Projects:				
Water Infrastructure	-	6,196,198	3,035,131	3,161,067
Debt Service:				
Paying Agent Fees	2,000	2,000	1,320	680
Repay Developer Advance	250,000	250,000	250,000	-
Bond Interest - Series 2020	1,262,975	1,262,975	1,262,975	-
Bond Principal - Series 2020	25,000	25,000	25,000	-
Transfer to PTMD - 2023 Loan IGA	210,000	228,521	210,438	18,083
Total Expenditures	2,638,000	9,100,000	5,723,389	3,376,611

**RAINDANCE METROPOLITAN DISTRICT NO. 1
ENTERPRISE FUND – NON-POTABLE WATER
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUNDS AVAILABLE –
BUDGET AND ACTUAL (CONTINUED)
YEAR ENDED DECEMBER 31, 2024**

EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	\$ (248,000)	\$ (741,802)	\$ 1,053,787	\$ 1,795,589
OTHER FINANCING SOURCES (USES)				
Developer Advance	250,000	250,000	250,000	-
Total Other Financing Sources	<u>250,000</u>	<u>250,000</u>	<u>250,000</u>	<u>-</u>
CHANGE IN FUNDS AVAILABLE	2,000	(491,802)	1,303,787	1,795,589
Funds Available - Beginning of Year	<u>7,817,812</u>	<u>4,438,628</u>	<u>1,408,957</u>	<u>(3,029,671)</u>
FUNDS AVAILABLE - END OF YEAR	<u>\$ 7,819,812</u>	<u>\$ 3,946,826</u>	<u>\$ 2,712,744</u>	<u>\$ (1,234,082)</u>
CHANGE IN FUNDS AVAILABLE			\$ 1,303,787	
Add:				
Bond Principal Payment			25,000	
Current Year Capital Outlay			3,350,556	
Lease Principal Payment			(44,329)	
Deduct:				
Depreciation/Amortization			<u>(322,338)</u>	
CHANGE IN NET POSITION			4,312,676	
Total Net Position - Beginning of Year, original			4,438,628	
Restatement - Correction of Errors			<u>(159,976)</u>	
Total Net Position - Beginning of Year, as restated			<u>4,278,652</u>	
TOTAL NET POSITION - END OF YEAR			<u>\$ 8,591,328</u>	

OTHER INFORMATION

RAINDANCE METROPOLITAN DISTRICT NO. 1
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY
DECEMBER 31, 2024

Bonds/Loans and Interest Maturing in the Year Ending December 31,	\$24,315,000 Nonpotable Water Enterprise Revenue Bonds, Series 2020 Dated August 6, 2020 Principal Due December 1 Interest Rate 5.00% - 5.25% Payable June 1 and December 1		
	Principal	Interest	Total
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>\$ 24,290,000</u>	<u>\$ 25,769,838</u>	<u>\$ 50,059,838</u>

RAINDANCE METROPOLITAN DISTRICT NO. 1
SCHEDULE OF ASSESSED VALUATION, MILL LEVY, AND PROPERTY TAXES COLLECTED
DECEMBER 31, 2024

Year Ended December 31,	Assessed Valuation	Mill Levy		Total Property Taxes		Percent Collected to Levied
		General Operations	Debt Service	Levied	Collected	
2019/2020	\$ 88,047,060	39.000	0.000	\$ 3,433,835	\$ 3,293,757	95.92 %
2020/2021	89,297,570	39.000	0.000	3,482,605	3,552,079	101.99 %
2021/2022	34,853,120	39.000	0.000	1,359,272	1,359,272	100.00 %
2022/2023	52,590,940	39.000	0.000	2,051,047	2,050,899	99.99 %
2023/2024	233,913,830	39.000	0.000	9,122,639	9,120,684	99.98 %
Estimated for Year Ending December 31, 2025	\$ 81,566,650	39.000	0.000	\$ 3,181,099		

Note:

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