RAINDANCE METROPOLITAN DISTRICT NO. 2
Weld County, Colorado

FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

YEAR ENDED DECEMBER 31, 2025

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YEAR ENDED DECEMBER 31, 2025

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Raindance Metropolitan District No. 2
Weld County, Colorado

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of the Raindance Metropolitan District No. 2 (the District) as of and for the year ended December 31, 2025, 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 and each major fund of the District, as of December 31, 2025, and the respective changes in financial position 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 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
July 31, 2026

BASIC FINANCIAL STATEMENTS

RAINDANCE METROPOLITAN DISTRICT NO. 2
STATEMENT OF NET POSITION
DECEMBER 31, 2025

	Governmental Activities
Assets	
Cash and Investments	$ 24,344
Cash and Investments - Restricted	156,837
Due from District No. 3	17,478
Property Taxes Receivable	2,018,467
Total Assets	2,217,126
Deferred Outflows of Resources	
Cost of Bond Refunding, Net	1,147,788
Total Deferred Inflows of Resources	1,147,788
Liabilities	
Due to Other Governments	19,531
Accrued Bond Interest Payable	146,292
Current Portion Bonds Payable	695,000
Noncurrent Liabilities:	
Due in More Than One Year	41,268,181
Total Liabilities	42,129,004
Deferred Inflows of Resources	
Property Tax Revenue	2,018,467
Total Deferred Inflows of Resources	2,018,467
Net Position	
Restricted for:	
Debt Service	174,305
Unrestricted	(40,956,862)
Total Net Position	$ (40,782,557)

The accompanying notes are an integral part of these financial statements.

RAINDANCE METROPOLITAN DISTRICT NO. 2
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2025

		Program Revenue			Net Revenues (Expenses) and Change in Net Position
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Functions/Programs					
Primary Government					
Government Activities					
General Government	$ 8,796	$ -	$ -	$ -	$ (8,796)
Intergovernmental - Operations Transfers to PTMD	601,318	-	-	-	(601,318)
Interest and Related Costs on Long-Term Debt	1,843,670	-	-	1,183,640	(660,030)
Total Governmental Activities	$ 2,453,784	$ -	$ -	$ 1,183,640	(1,270,144)
General Revenues					
Property Taxes					1,673,472
Specific Ownership Taxes					67,795
Interest on Late Tax Payments					2,532
Net Investment Income					10,672
Total General Revenues					1,754,471
Change in Net Position					484,327
Net Position - Beginning of Year					(41,266,884)
Net Position - End of Year					$ (40,782,557)

The accompanying notes are an integral part of these financial statements.

RAINDANCE METROPOLITAN DISTRICT NO. 2
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2025

	General	Debt Service	Total Governmental Funds
Assets			
Cash and Investments	$ 24,344	$ -	$ 24,344
Cash and Investments - Restricted	-	156,837	156,837
Due from Other Funds	10	-	10
Due from District No. 3	-	17,478	17,478
Property Taxes Receivable	709,882	1,308,585	2,018,467
Total Assets	$ 734,236	$ 1,482,900	$ 2,217,136
Liabilities, Deferred Inflows of Resources, and Fund Balances			
Liabilities			
Due to Other Funds	$ -	$ 10	$ 10
Due to Other Governments	19,531	-	19,531
Total Liabilities	19,531	10	19,541
Deferred Inflows of Resources			
Unavailable Property Taxes	709,882	1,308,585	2,018,467
Fund Balances			
Restricted for:			
Debt Service	-	174,305	174,305
Unassigned	4,823	-	4,823
Total Fund Balances	4,823	174,305	179,128
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 734,236	$ 1,482,900	

Amounts reported for governmental activities in the statement of net position are different because:	
Other long-term assets are not available to pay for current period expenditures and, therefore, are not reported in the funds.	
Cost of Bond Refunding, Net	1,147,788
Long-term liabilities, including bonds payables, are not due and payables in the current periods and; therefore, are not recorded as liabilities in the funds.	
Bonds Payable	(41,340,000)
Unamortized Bond Premium	(623,176)
Accrued Bond Interest	(146,292)
Developer Advance Payable	(5)
Net Position of Governmental Activities	$ (40,782,557)

The accompanying notes are an integral part of these financial statements.

RAINDANCE METROPOLITAN DISTRICT NO. 2
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2025

	General	Debt Service	Total Governmental Funds
Revenues			
Property Taxes	$ 585,508	$ 1,087,964	$ 1,673,472
Specific Ownership Taxes	23,720	44,075	67,795
Interest on Late Tax Payments	886	1,646	2,532
Raindance No. 3 Service Fees	-	1,183,640	1,183,640
Net Investment Income	4,818	5,854	10,672
Total Revenues	614,932	2,323,179	2,938,111
Expenditures			
Current:			
County Treasurer's Fees	8,796	16,344	25,140
Bank Fees	-	150	150
Intergovernmental Expenditures	601,318	-	601,318
Debt Service:			
Bond Principal - Series 2016	-	200,000	200,000
Bond Interest - Series 2016	-	1,800,250	1,800,250
Total Expenditures	610,114	2,016,744	2,626,858
Net Change in Fund Balances	4,818	306,435	311,253
Fund Balances - Beginning of Year	5	(132,130)	(132,125)
Fund Balances - End of Year	$ 4,823	$ 174,305	$ 179,128

The accompanying notes are an integral part of these financial statements.

RAINDANCE METROPOLITAN DISTRICT NO. 2
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2025

Net Change in Fund Balances - Total Governmental Funds	$	311,253
Amounts reported for governmental activities in the statement of activities are different because:		
The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. The net effect of these differences in the treatment of long-term debt and related items is as follows:		
Bond Series 2024 - Principal Payment		200,000
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.		
Amortization of Bond Premium		36,413
Accrued Bond Interest - Change in Liability		3,729
Amortization of Cost of Bond Refunding		(67,068)
Changes in Net Position of Governmental Activities	$	484,327

The accompanying notes are an integral part of these financial statements.

NOTE 1 DEFINITION OF REPORTING ENTITY

RainDance Metropolitan District No. 2 (the District), a quasi-municipal corporation and a political subdivision of the state of Colorado, was organized by order and decree issued by the District Court in and for Weld County, Colorado, on June 6, 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 metropolitan districts – RainDance Metropolitan Districts No. 1 (District No. 1), RainDance Metropolitan District No. 3 (District No. 3), and RainDance Metropolitan District No. 4 (District No. 4). On November 20, 2023, District No. 4 changed its name to National Resort Metropolitan District (NRMD). District No. 1 serves as the Operating District and is responsible for coordinating financing, construction, and maintenance of all public improvements and other services needed for District Nos. 2 – 3 and NRMD (Financing Districts) and, together with District No. 1, the Districts, which are responsible for providing the tax base needed to support financing of capital improvements and operations and maintenance.

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, 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 taxes and intergovernmental revenues.

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

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-Wide and Fund Financial Statements (Continued)

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

Separate financial statements are provided for governmental funds. 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 government 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. All other revenue items are considered to be measurable and available only when cash is received by the District. Expenditures, other than interest on long-term obligations, are recorded when the liability is incurred or the long-term obligation is 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 Debt Service Fund accounts for the resources accumulated and payments made for principal, interest, and other related costs related to the Series 2024 Bonds.

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.

For the year ended December 31, 2025, the District's Debt Service Fund expenditures exceeded expenditure appropriation which may be a violation of State Statutes.

The District amended its annual budget for the General Fund for the year ended December 31, 2025

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 unearned property tax revenue is recorded as revenue in the year they are available or collected.

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.

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net assets that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until that time. The District has one item that qualifies for reporting in this category. Accordingly, the item, *cost of bond refunding,* is deferred and recognized as a outflows of resources in the period that the amount is incurred.

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.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Equity (Continued)

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.

Fund balance (continued)

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.

Deficit

The Debt Service Fund reported a deficit as of December 31, 2024. The deficit was eliminated with the receipt of pledged revenue and property taxes in 2025.

NOTE 3 CASH AND INVESTMENTS

Cash and investments as of December 31, 2025, are classified in the accompanying financial statements as follows:

Statement of Net Position:	
Cash and Investments	$24,344
Cash and Investments - Restricted	156,837
Total Cash and Investments	$181,181

Cash and investments as of December 31, 2025, consist of the following:

Deposits with Financial Institutions	$135,947
Investments	45,234
Total Cash and Investments	$181,181

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

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 financials services are required by statue to monitor the naming of eligible depositories and reporting off the uninsured deposits and assets maintained in the collateral pools.

At December 31, 2025, the District's cash deposits had a bank and carrying balance of $135,947.

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 noted with an asterisk (*) below, 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.

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

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Investments (Continued)
As of December 31, 2025, the District had the following investments:

Investment	Maturity	Amount
U.S. Treasury Money Market Fund	Weighted-Average Under 60 Days	$ 45,234

U.S. Treasure Money Market Funds
The money at U.S Bank is invested in the First American Funds – Y Class Treasury Obligation Fund. The First American Fund is a money market fund that is managed by U.S. Bancorp Asset Management, Inc. and each share is equal in value to $1.00. The fund is AAAm rated and invests in high quality short-term U.S. Treasury obligations, including repurchase agreements secured by U.S. Treasury obligations. The average underlying securities is 60 days or less.

Restricted Cash and Investments
Cash and investments of the District include amounts restricted in accordance with the Series 2024 Loan Agreement. At December 31, 2025, cash deposits in the amount of $156,837 are restricted for the payment of debt service and other purposes as provided in the related loan documents and are therefore not available for general operations of the District.

NOTE 4 INTERFUND BALANCES AND TRANSFERS

At December 31, 2025, the General Fund subsidized $10 on behalf of the Debt Service Fund for a wire fee, which was repaid shortly after year end

NOTE 5 LONG-TERM OBLIGATIONS

The following is an analysis of changes in the District's long-term obligations for the year ended December 31, 2025:

	Balance at Decmeber 31, 2024	Additions	Reductions	Balance at December 31, 2025	Due Within One Year
Bonds Payable:					
General Obligation Bonds					
Series 2024	$ 41,540,000	$ -	$ (200,000)	$ 41,340,000	$ 695,000
Series 2024 - Premium	659,589	-	(36,413)	623,176	-
Subtotal Bonds Payable	42,199,589	-	(236,413)	41,963,176	695,000
Other Debts:					
Developer Advance - Operating	5	-	-	5	-
Subtotal Other Debts	5	-	-	5	
Total Long-Term Obligations	$ 42,199,594	$ -	$ (236,413)	$ 41,963,181	$ 695,000

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

The details of the District's long-term obligations are as follows:

On October 9, 2024, the District advance refunded and defeased $43,095,000 in General Obligation Bonds by the issuance of **Limited Tax General Obligation Bonds, Series 2024** (the Bonds), in the amount of $41,540,000. The refunding of the District No. 3's 2018 Bonds and District's 2019 Bonds were undertaken to reduce total debt service payments over the next 30 years by approximately $12,527,231 and to obtain an economic gain of approximately $5,772,028.

Use of Proceeds

Net proceeds of the Bonds were used to fully refund District No. 3's outstanding Series 2018A Senior and 2018B Subordinate Bonds and the District's Series 2019A Senior and 2019B Subordinate Bonds and pay the costs of issuing the Bonds.

Optional Redemption

The bonds maturing on or after December 1, 2029, are subject to redemption prior to maturity, at the option of the District, and on any date thereafter, upon payment of par, accrued interest, and a redemption premium of a percentage of the principal amount redeemed, as follows:

Date of Redemption	Redemption Premium
December 1, 2029, to November 30, 2030	3.00%
December 1, 2030, to November, 2031	2.00
December 1, 2031, to November 28, 2032	1.00
December 1, 2032, and thereafter	0.00

Bond Details

The Bonds bear interest between 4.00% to 5.00%, payable semi-annually to the extent oof Senior Pledged Revenue available on June 1 and December 1 (Interest Payment Dates), beginning on December 1, 2024. Annual mandatory sinking fund principal payments are due on December 1, beginning on December 1, 2025. The Bonds mature on October 1, 2054.

To the extent principal of the Bonds is not paid when due, such principal will remain outstanding until paid. To the extent interest on the Bonds is not paid when due, such unpaid interest will compound semi-annually on each Interest Payment Date, at the rate then borne by the Bonds.

The Bonds are not subject to acceleration and do not have any unused lines of credit. No assets have been pledged as collateral on the Bonds.

Pledged Revenue

Per the Capital Pledge Agreement, the Bonds are secured by and payable from District No. 2 and District No. 3 (the Taxing Districts_ pledged revenue, which consists of the following sources, net of any costs of collection: on the 2016 Bonds.

(a) all Property Tax Revenue;
(b) all Specific ownership Tax Revenues, and
(c) any other legally available moneys which the District determines, inn its absolute discretion, to credit to the Bond Fund.

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Property Tax Revenues
Property Tax Revenues means all moneys derived from imposition by the Taxing Districts of the Required Mill Levy. Property Tax Revenues are net of the costs of collection and any tax refunds or abatements authorized by or on behalf of the County.

Required Mill Levy
The Taxing Districts have covenanted to impose a Required Mill Levy each year in an amount sufficient to pay the principal of, premium if any, and interest on the Bonds as they become due and payable and to replenish the Reserve Fund to the Reserve Requirement, but not in excess of 39 mills (subject to adjustment for changes in the method of calculating assessed valuation occurring after January 1, 2014).

Reserve Fund
The Bonds are also secured by amounts on deposit in the Reserve Fund in the amount off Reserve Requirement ($2,492,800), which was funded at closing by a debt service reserve insurance policy issued by Build America Mutual Assurance Company (BAM).

Events of Default of the Bonds
Events of default occur if the Districts fails to impose the Required Mill Levy or apply thee Pledged Revenue as required by the Capital Pledge Agreement, and do not comply with other customary terms and conditions with normal financing as described in the Bonds indenture.

2024 Bonds Debt Service
The outstanding principal and interest of the Bonds are due as follows:

Year ending December 31,	Principal	Interest	Total
2026	695,000	1,790,250	2,485,250
2027	730,000	1,755,500	2,485,500
2028	770,000	1,719,000	2,489,000
2029	805,000	1,680,500	2,485,500
2030	850,000	1,640,250	2,490,250
2031-2035	4,920,000	7,520,500	12,440,500
2036-2040	6,275,000	6,161,500	12,436,500
2041-2045	7,785,000	4,660,400	12,445,400
2046-2050	9,465,000	2,974,000	12,439,000
2051-2024	9,045,000	907,333	9,952,333
Total	41,340,000	30,809,233	72,149,233

NOTE 6 AUTHORIZED DEBT

At December 31, 2025, the District had authorized but unissued indebtedness in the following amounts allocated for the following purposes:

	Amount Authorized on November 8, 1994	Authorization Used for 2019 Bonds	Authorization Used for 2024 Loan	Authorized but Unissued
Water	$ 93,000,000	$ (3,956,432)	$ -	$ 89,043,568
Streets	93,000,000	(6,261,698)	-	86,738,302
Sanitation/Stormwater	93,000,000	(4,138,890)	-	88,861,110
Parks and Recreation	93,000,000	-	-	93,000,000
Public Transporation	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	-	41,540,000	134,540,000
Intergovernmental Agreement	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 bonded indebtedness for all of the Financing Districts combined is to not exceed $93,000,000 exclusive of costs of issuance, organization costs, inflation, contingencies, and other similar costs.

NOTE 7 NET POSITION

The District has a deficit unrestricted net position. The District has a deficit in unrestricted net position because it carries a bond payable that was issued to refund prior bonds for the District and District No. 3, which bonds' net proceeds were used to finance public improvements that were either conveyed to other governments or transferred to District No. 1.

NOTE 8 RELATED PARTIES

The developer of the property which constitutes the District is RainDance Land Company LLC., a Delaware limited liability company (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 9 AGREEMENTS

District Coordinating Services Agreement
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, District No. 1 was designated as the "coordinating district" (the Coordinating District). The District, District No. 3, and National Resort Metro District were each designated as "financing districts" (the Financing Districts).

Common Finance Plan Resolution and Infrastructure Acquisition and Reimbursement Agreement
On December 5, 2019, District No. 1 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. 1 declared their mutual intent to implement the common plan of finance set forth and approved in the Service Plan to fund or reimburse from the Bonds all or a portion of the capital costs related to the Public Improvements to serve RainDance; and (b) the District declared its intent, upon issuance of the Bonds, to transfer all available proceeds to District No. 1 for the payment of such costs, including amounts owed by District No. 1, pursuant to certain Reimbursement Agreement.

District No. 1 and the Developer have entered into an Infrastructure Acquisition and Reimbursement Agreement dated March 1, 2018 (the Reimbursement Agreement). Pursuant to the Reimbursement Agreement, it is acknowledged that the Developer has incurred certain costs related to the public infrastructure for the benefit of RainDance community, and may incur additional costs related thereto during a period when District No. 1 is unable to fund such costs, and District No. 1 and the Developer desire to establish terms and conditions under which District No. 1 (a) shall reimburse the Developer for any and all costs of any kind related to the provision of the Public Improvements that may be lawfully funded by District No. 1 under the Special District Act and the Service Plan (collectively, District Eligible Costs) which are subject to an Accountant's Cost Certification and Engineer's Cost Certification (Certified District Eligible Costs) to the extent constituting repayment obligations under the Reimbursement Agreement; (b) may acquire any such Public Improvements constructed for the benefit of RainDance community that are to be owned by District No. 1 from the Developer and shall pay Certified District Eligible Costs; and (c) shall reimburse the Developer for Certified District Eligible Costs incurred by the Developer for Public Improvements that are being dedicated to the Town or other governmental entities.

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.

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. As of December 31, 2025, the District has not provided for an emergency reserve equal to at least 3% of Fiscal Year Spending, as defined under TABOR, because net tax revenue is transferred to Poudre Tech Metropolitan District, the Operating District. However, the District has committed to maintain a reasonable level of unrestricted fund balance in the General Fund to mitigate temporary revenue shortfalls or unplanned one-time expenditures that may occur in the future.

The District's management has taken steps it believes are necessary to comply 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.

REQUIRED SUPPLEMENTARY INFORMATION

RAINDANCE METROPOLITAN DISTRICT NO. 2
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2025

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues				
Property Tax	$ 585,507	$ 585,507	585,508	$ 1
Specific Ownership Tax	23,420	23,420	23,720	300
Interest on Late Tax Payments	-	-	886	886
Net Investment Income	20	20	4,818	4,798
Other Revenue	-	571	-	(571)
Total Revenues	608,947	609,518	614,932	5,414
Expenditures				
County Treasurer's Fee	8,783	8,783	8,796	(13)
Intergovernmental Expenditures	600,164	600,735	601,318	(583)
Total Expenditures	608,947	609,518	610,114	(596)
Net Change in Fund Balance	-	-	4,818	4,818
Fund Balances - Beginning of Year	518	518	5	(513)
Fund Balances - End of Year	$ 518	$ 518	$ 4,823	$ 4,305

SUPPLEMENTARY INFORMATION

RAINDANCE METROPOLITAN DISTRICT NO. 2 DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2025

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues			
Property Taxes	$ 1,087,963	$ 1,087,964	$ 1
Specific Ownership Taxes	43,519	44,075	556
Interest on Late Tax Payments	-	1,646	1,646
Raindance No. 3 Service Fees	1,186,369	1,183,640	(2,729)
Net Investment Income	-	5,854	5,854
Total Revenues	2,317,851	2,323,179	5,328
Expenditures			
Current:			
County Treasurer's Fees	16,319	16,344	(25)
Bank Fees	100	150	(50)
Intergovernmental Expenditures	260,036	-	260,036
Contingency	32,000	-	32,000
Debt Service:			
Bond Principal - Series 2016	200,000	200,000	
Bond Interest - Series 2016	1,800,250	1,800,250	-
Paying Agent Fees	9,000	-	9,000
Total Expenditures	2,317,705	2,016,744	300,961
Net Change in Fund Balance	146	306,435	306,289
Fund Balances - Beginning of Year	-	(132,130)	(132,130)
Fund Balances - End of Year	$ 146	$ 174,305	$ 174,159

RAINDANCE METROPOLITAN DISTRICT NO. 2
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY
DECEMBER 31, 2025

Bonds/Loans and Interest Maturing in the year Ending December 31,	$41,540,000 Limited Tax General Obligation Bonds Series 2024, Dated October 9, 2024 Interest Rate: 4.00% to 5.00% Interest Payable June 1 and December 1 Principal Payable December 1		
	Principal	Interest	Total
2026	$ 695,000	$ 1,790,250	$ 2,485,250
2027	730,000	1,755,500	2,485,500
2028	770,000	1,719,000	2,489,000
2029	805,000	1,680,500	2,485,500
2030	850,000	1,640,250	2,490,250
2031	890,000	1,597,750	2,487,750
2032	935,000	1,553,250	2,488,250
2033	985,000	1,506,500	2,491,500
2034	1,030,000	1,457,250	2,487,250
2035	1,080,000	1,405,750	2,485,750
2036	1,140,000	1,351,750	2,491,750
2037	1,190,000	1,294,750	2,484,750
2038	1,250,000	1,235,250	2,485,250
2039	1,315,000	1,172,750	2,487,750
2040	1,380,000	1,107,000	2,487,000
2041	1,440,000	1,051,800	2,491,800
2042	1,495,000	994,200	2,489,200
2043	1,550,000	934,400	2,484,400
2044	1,620,000	872,400	2,492,400
2045	1,680,000	807,600	2,487,600
2046	1,750,000	740,400	2,490,400
2047	1,815,000	670,400	2,485,400
2048	1,895,000	597,800	2,492,800
2049	1,965,000	522,000	2,487,000
2050	2,040,000	443,400	2,483,400
2051	2,125,000	361,800	2,486,800
2052	2,210,000	276,800	2,486,800
2053	2,300,000	188,400	2,488,400
2054	2,410,000	80,333	2,490,333
Total	$ 41,340,000	$ 30,809,233	$ 72,149,233

ANNUAL INNFORMATION REQUIRED BY THE CONTINUING DISCLOSURE AGREEMENT RELATED T THE LIMITED TAX GENNERAL OBLIGATION BONDS, SERIES 2024

SUMMARY OF ASSESSED VALUATION, MILL LEVY AND PROPERTY TAXES COLLECTED

RAINDANCE METROPOLITAN DISTRICT NO. 2

			Total Mill Levied		Total Property Taxes		
Year Ended December 31,	Prior Year Assessed Valuation	Percent Change	General Fund	Debt Service Fund	Levied	Collected	Percent Collected to Levied
2021	$ 1,771,450	65.8 %	29.191	10.604	$ 70,494	$ 74,458	105.62
2022	8,183,850	362.0	6.327	34.279	332,312	332,151	99.95
2023	17,888,420	118.6	2.922	40.912	784,121	784,122	100.00
2024	32,417,930	81.2	1.628	47.037	1,577,618	1,577,620	100.00
2025	36,699,700	13.2	15.954	29.645	1,673,470	1,676,004	100.15
Estimated for Year Ending December 31, 2026	$ 46,635,260	27.1	15.222	28.060	2,018,467		

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.

Source: Weld County Assessor's Office

SUMMARY OF ASSESSED VALUATION, MILL LEVY AND PROPERTY TAXES COLLECTED

RAINDANCE METROPOLITAN DISTRICT NO. 3

Year Ended December 31,	Prior Year Assessed Valuation	Percent Change	Total Mill Levied: General Fund	Total Mill Levied: Debt Service Fund	Total Property Taxes: Levied	Total Property Taxes: Collected	Percent Collected to Levied
2021	$ 13,361,020	227.8 %	3.841	39.290	$ 576,274	$ 576,277	100 %
2022	24,340,250	82.2	2.116	40.264	1,031,540	1,032,670	100
2023	26,444,580	8.6	1.967	42.333	1,171,495	1,171,995	100
2024	37,836,580	43.1	-	48.846	1,848,166	1,848,170	100
2025	38,924,650	2.9	15.954	29.645	1,774,925	1,776,049	100
Estimated for Year Ending December 31, 2026	$ 39,949,790	2.6	16.718	28.060	1,788,872		

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.

Source: Weld County Assessor’s Office and the District.