

**NATIONAL RESORT METROPOLITAN DISTRICT
Weld County, Colorado**

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**


YEAR ENDED DECEMBER 31, 2023


**NATIONAL RESORT METROPOLITAN DISTRICT
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Independent Auditor's Report

Members of the Board of Directors
National Resort Metropolitan District

Opinions

We have audited the accompanying financial statements of the governmental activities and each major funds of National Resort Metropolitan District (the District) as of and for the year ended December 31, 2023, 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 National Resort Metropolitan District, as of December 31, 2023, and the respective changes in financial position and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of National Resort Metropolitan District and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about National Resort Metropolitan 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 opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements 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 National Resort Metropolitan 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 National Resort Metropolitan 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

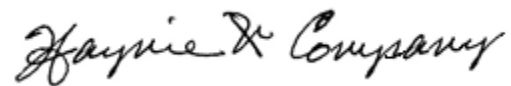
Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required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

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise National Resort Metropolitan District's financial statements. The schedules of revenues, expenditures, and changes in fund balance – budget and actual for Debt Service Fund and Capital Projects Fund is presented for purposes of additional analysis and is not a required part of the 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. Such 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 is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information and continuing disclosure annual financial information, as listed in the table of contents, does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information and continuing disclosure annual financial 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.

A handwritten signature in black ink that reads "Haynie & Company". The signature is written in a cursive, flowing style.

Littleton, Colorado
October 3, 2024

BASIC FINANCIAL STATEMENTS

**NATIONAL RESORT METROPOLITAN DISTRICT
STATEMENT OF NET POSITION
DECEMBER 31, 2023**

	<u>Governmental Activities</u>
ASSETS	
Cash and Investments	\$ 6,841
Cash and Investments - Restricted	239,289
Receivable from County Treasurer	52
Property Tax Receivable	16,736
Capital Assets:	
Capital Assets, Not Being Depreciated	15,376,704
Capital Assets, Net of Depreciation	<u>13,292,625</u>
Total Assets	<u>28,932,247</u>
LIABILITIES	
Accounts Payable	201,665
Due to Raindance MD 1	571,687
Accrued Interest Payable	64,548
Noncurrent Liabilities:	
Due Within One Year	1,000,000
Due in More Than One Year	<u>10,724,713</u>
Total Liabilities	<u>12,562,613</u>
DEFERRED INFLOWS OF RESOURCES	
Property Tax Revenue	<u>16,736</u>
Total Deferred Inflows of Resources	<u>16,736</u>
NET POSITION	
Net Investment in Capital Assets	13,292,625
Unrestricted	<u>3,060,273</u>
Total Net Position	<u><u>\$ 16,352,898</u></u>

See accompanying Notes to Basic Financial Statements.

**NATIONAL RESORT METROPOLITAN DISTRICT
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2023**

		Program Revenues			Net Revenues (Expenses) and Changes in Net Position
Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	
FUNCTIONS/PROGRAMS					
Primary Government:					
Governmental Activities:					
General Government	\$ 173,538	\$ -	\$ -	\$ -	
Interest on Long-Term Debt and Related Costs	770,973	-	-	-	
Total Governmental Activities	\$ 944,511	\$ -	\$ -	\$ -	
GENERAL REVENUES					
Property Taxes				16,963	
Specific Ownership Taxes				721	
Interest Income				41	
Total General Revenues				17,725	
OTHER ITEMS					
Developer Advance Payable Transferred from Raindance MD 1				(5,455,693)	
Capital Assets Transferred from Raindance MD 1				22,735,372	
Total Other Items				17,279,679	
CHANGES IN NET POSITION					
Net Position - Beginning of Year				5	
NET POSITION - END OF YEAR					
				\$ 16,352,898	

See accompanying Notes to Basic Financial Statements.

**NATIONAL RESORT METROPOLITAN DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2023**

	General	Debt Service	Capital Projects - HDH	Capital Projects - GC	Total Governmental Funds
ASSETS					
Cash and Investments	\$ 6,841	\$ -	\$ -	\$ -	\$ 6,841
Cash and Investments - Restricted	-	21,777	217,512	-	239,289
Receivable from County Treasurer	52	-	-	-	52
Property Tax Receivable	16,736	-	-	-	16,736
Total Assets	\$ 23,629	\$ 21,777	\$ 217,512	\$ -	\$ 262,918
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES					
Accounts Payable	\$ -	\$ -	\$ 201,665	\$ -	\$ 201,665
Due to Raindance MD 1	6,888	-	564,799	-	571,687
Total Liabilities	6,888	-	766,464	-	773,352
DEFERRED INFLOWS OF RESOURCES					
Deferred Property Tax	16,736	-	-	-	16,736
Total Deferred Inflows of Resources	16,736	-	-	-	16,736
FUND BALANCES					
Restricted for:					
Debt Service	-	21,777	-	-	21,777
Capital Projects	-	-	(548,952)	-	(548,952)
Unassigned	5	-	-	-	5
Total Fund Balances	5	21,777	(548,952)	-	(527,170)
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 23,629	\$ 21,777	\$ 217,512	\$ -	

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.

28,669,329

Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.

Accrued Interest Payable

(64,548)

Loans Payable

(9,750,000)

Developer Advance and Accrued Interest Payable

(1,974,713)

Net Position of Governmental Activities

\$ 16,352,898

See accompanying Notes to Basic Financial Statements.

**NATIONAL RESORT METROPOLITAN DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2023**

	General	Debt Service	Capital Projects HDH	Capital Projects GC	Total Governmental Funds
REVENUES					
Property Taxes	\$ 16,963	\$ -	\$ -	\$ -	\$ 16,963
Specific Ownership Taxes	721	-	-	-	721
Interest Income	41	-	-	-	41
Total Revenues	<u>17,725</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>17,725</u>
EXPENDITURES					
Current:					
Banking Fees	-	34	267	-	301
County Treasurer's Fee	255	-	-	-	255
Miscellaneous	-	-	42	-	42
Transfers to Raindance MD 1	17,470	-	-	-	17,470
Debt Service:					
Loan Interest	-	207,069	-	-	207,069
Loan Cost Of Issuance	-	219,498	-	-	219,498
Loan Origination Fee	-	48,750	-	-	48,750
Capital Projects:					
Capital Outlay	-	-	2,037,477	-	2,037,477
Capital Outlay - Transferred from/Repay Raindance MD 1	-	-	4,051,949	-	4,051,949
Total Expenditures	<u>17,725</u>	<u>475,351</u>	<u>6,089,735</u>	<u>-</u>	<u>6,582,811</u>
EXCESS OF REVENUES UNDER EXPENDITURES					
	-	(475,351)	(6,089,735)	-	(6,565,086)
OTHER FINANCING SOURCES (USES)					
Loan Issuance	-	9,750,000	-	-	9,750,000
Developer Advance	-	207,100	-	-	207,100
Repay Developer Advance - Capital	-	-	(1,731,597)	(2,187,592)	(3,919,189)
Transfers In (Out)	-	(9,459,972)	7,272,380	2,187,592	-
Total Other Financing Sources	<u>-</u>	<u>497,128</u>	<u>5,540,783</u>	<u>-</u>	<u>6,037,911</u>
NET CHANGE IN FUND BALANCES					
	-	21,777	(548,952)	-	(527,175)
Fund Balances - Beginning of Year	<u>5</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5</u>
FUND BALANCES - END OF YEAR	<u>\$ 5</u>	<u>\$ 21,777</u>	<u>\$ (548,952)</u>	<u>\$ -</u>	<u>\$ (527,170)</u>

See accompanying Notes to Basic Financial Statements.

**NATIONAL RESORT METROPOLITAN DISTRICT
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, 2023**

Net Change in Fund Balances - Total Governmental Funds \$ (527,175)

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	6,089,426
Depreciation Expense	(155,469)

Other long-term assets are not available to pay for current period expenditures and, therefore, are not reported in the funds.

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.

Loan Issuance	(9,750,000)
Developer Advance	(5,662,793)
Repay Developer Advance	3,919,189

Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the fund financial statements.

Capital Assets Transferred from Raindance MD 1	22,735,372
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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 Payable - Change in Liability	(64,548)
Accrued Interest Payable on Developer Advance - Change in Liability	(231,109)

Changes in Net Position of Governmental Activities	\$ 16,352,893
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**NATIONAL RESORT METROPOLITAN DISTRICT
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2023**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Property Taxes	\$ 16,963	\$ 16,963	\$ -
Specific Ownership Taxes	1,018	721	(297)
Interest Income	-	41	41
Other Revenue	1,000	-	(1,000)
Total Revenues	<u>18,981</u>	<u>17,725</u>	<u>(1,256)</u>
EXPENDITURES			
Contingency	1,000	-	1,000
County Treasurer's Fee	254	255	(1)
Transfers to Raindance MD 1	17,727	17,470	257
Total Expenditures	<u>18,981</u>	<u>17,725</u>	<u>1,256</u>
NET CHANGE IN FUND BALANCE	-	-	-
Fund Balance - Beginning of Year	<u>5</u>	<u>5</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 5</u>	<u>\$ 5</u>	<u>\$ -</u>

See accompanying Notes to Basic Financial Statements.

**NATIONAL RESORT METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 1 DEFINITION OF REPORTING ENTITY

National Resort Metropolitan District (formerly Raindance Metropolitan District No. 4) (the District) is a quasi-municipal corporation and political subdivision of the State of Colorado (the State) duly organized and existing as a metropolitan district under the constitution and laws of the State, including particularly Title 32, Article 1, Colorado Revised Statutes, as amended (C.R.S.). The District was organized by Corrected Order and Decree of the District Court for Weld County, Colorado on October 14, 2014. The District was organized simultaneously with Raindance Metropolitan District No. 1, Raindance Metropolitan District No. 2, and Raindance Metropolitan District No. 3 (collectively with the District, the Districts), and the Districts are each authorized by Title 32, Article 1, Part 1, C.R.S., to furnish certain public facilities and services, including, but not limited to, streets, water, sanitation, parks and recreation, traffic and safety control, transportation, and mosquito control improvements in accordance with the Service Plan for the Districts approved by the Town Board of the Town of Windsor, Colorado, on March 24, 2014 (as amended and restated from time to time).

At an election of the qualified electors of the District, duly called and held on Tuesday, May 6, 2014 (the Election), in accordance with law and pursuant to due notice, a majority of those qualified to vote and voting at the Election voted in favor of, inter alia, the issuance of District indebtedness and the imposition of taxes for the payment thereof, for the purpose of providing certain improvements and facilities (as more particularly described above).

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Government-Wide and Fund Financial Statements

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

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

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. Major individual governmental funds are reported as separate columns in the fund financial statements.

**NATIONAL RESORT METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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. 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 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 costs related to the Collegiate Peaks 2023 Loan.

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

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 has amended its annual budget for the year ended December 31, 2023.

**NATIONAL RESORT METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

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.

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 position 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.

Capital Assets

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

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

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

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

Infrastructure	30 years
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**NATIONAL RESORT METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

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.

**NATIONAL RESORT METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deficits

The Capital Project Fund – HDH reported a deficit in the fund financial statements as of December 31, 2023. The deficit will be eliminated with the receipt of funds advanced by the Developer in 2024.

NOTE 3 CASH AND INVESTMENTS

Cash and investments as of December 31, 2023, are classified in the accompanying financial statements as follows:

Statement of Net Position:

Cash and Investments	\$ 6,841
Cash and Investments - Restricted	239,289
Total Cash and Investments	<u><u>\$ 246,130</u></u>

Cash and investments as of December 31, 2023, consist of the following:

Deposits with Financial Institutions	\$ 246,130
Total Cash and Investments	<u><u>\$ 246,130</u></u>

Deposits with Financial Institutions

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

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

At December 31, 2023, the District's cash deposits had a bank balance and carrying balance of \$246,130.

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.

**NATIONAL RESORT METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Investments (Continued)

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.

As of December 31, 2023, the District had no investments.

NOTE 4 CAPITAL ASSETS

An analysis of the changes in capital assets for the year ended December 31, 2023 follows:

	Balance at December 31, 2022	Increases	Decreases	Balance at December 31, 2023
Governmental Activities:				
Capital Assets, Not Being Depreciated:				
Construction in Progress				
Hoedown Hill Facilities	\$ -	\$ 8,046,951	\$ -	\$ 8,046,951
Golf Course Facilities	-	7,329,753	-	7,329,753
Total Capital Assets, Not Being Depreciated	-	15,376,704	-	15,376,704
Capital Assets, Being Depreciated:				
Infrastructure				
Golf Course - Transferred from Raindance MD 1	-	13,448,094	-	13,448,094
Total Capital Assets, Being Depreciated	-	13,448,094	-	13,448,094
Less Accumulated Depreciation for:				
Infrastructure	-	155,469	-	155,469
Total Accumulated Depreciation	-	155,469	-	155,469
 Total Capital Assets, Being Depreciated, Net	 -	 13,292,625	 -	 13,292,625
 Governmental Activities Capital Assets, Net	 \$ -	 \$ 28,669,329	 \$ -	 \$ 28,669,329

Depreciation in the amount of \$155,469 was charged to the general government function in the Statement of Activities.

**NATIONAL RESORT METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

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, 2023:

	Balance at December 31, 2022	Additions	Reductions	Balance at December 31, 2023	Due Within One Year
Notes/Loans/Bonds from Direct Borrowings and Direct Placements:					
Loan - Series 2023	\$ -	\$ 9,750,000	\$ -	\$ 9,750,000	\$ 1,000,000
Subtotal	-	9,750,000	-	9,750,000	1,000,000
Other Debts:					
Developer Advance - Operating	-	207,100	-	207,100	-
Developer Advance - Capital	-	5,455,693	3,919,189	1,536,504	-
Accrued Interest on:					
Developer Advance - Capital	-	231,109	-	231,109	-
Subtotal	-	5,893,902	3,919,189	1,974,713	-
 Total Long-Term Obligations	 \$ -	 \$ 15,643,902	 \$ 3,919,189	 \$ 11,724,713	 \$ 1,000,000

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

Loan Details

The District has entered into a loan agreement with Collegiate Peaks Bank, a division of Glacier Bank, dated August 25, 2023, in the amount of \$9,750,000 and maturing on June 1, 2029. Principal and interest payments are due semiannually in varying amounts through June 1, 2029, with the net effective interest rate of current 5-year FHLB rate + 3.25%.

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

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 1,000,000	\$ 774,573	\$ 1,774,573
2025	2,000,000	647,211	2,647,211
2026	2,000,000	494,267	2,494,267
2027	2,000,000	336,067	2,336,067
2028	2,000,000	178,462	2,178,462
2029	750,000	29,581	779,581
Total	<u>\$ 9,750,000</u>	<u>\$ 2,460,161</u>	<u>\$ 12,210,161</u>

**NATIONAL RESORT METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Pledged Revenue

For the purpose of providing for the payment of the loan:

The District has entered into a Public Improvement Fee Imposition and Collection Agreement (Golf Lot PIF) dated August 24, 2023 (the Golf Lot PIF Imposition and Collection Agreement), with Raindance Development LLC, a Delaware limited liability company (the Golf Developer), pursuant to which the Golf Developer has undertaken to cause each purchaser of a Golf Course Lot to pay to the District a Golf Lot PIF.

The District has entered into a Minimum Golf Lot PIF Guaranty dated August 25, 2023 (the Minimum Golf Lot PIF Guaranty), with Martin Lind (the Guarantor), pursuant to which the Guarantor has agreed to pay to the District the difference, if any, between the amount of any Golf Lot PIF established as payable with respect to an individual Golf Course Lot in accordance with a Purchaser Agreement Regarding Golf Lot PIF, and a minimum guaranteed amount of Golf Lot PIF per Golf Course Lot.

Raindance Aquatics has caused to be recorded against the PIF Property, inclusive of the Resort Property, which is generally coterminous with the boundaries of the District, a Declaration of Covenants Imposing and Implementing the Raindance National Resort Project Improvements Fee dated effective August 23, 2023 (the Resort PIF Covenant), recorded in the real property records of the County on August 23, 2023, at Reception No. 4916823, pursuant to which each PIF Obligor (as defined in the Resort PIF Covenant, generally comprising each owner or occupant of property within the PIF Property) is obligated to collect the Resort PIF (as defined therein) from the purchaser or the recipient of goods or services in any transaction constituting a PIF Sale (as defined therein) occurring within the PIF Property.

The District has entered into an Assignment of PIF Revenues Concerning Declaration of Covenants Imposing Raindance National Resort Project Improvements Fee dated August 24, 2023 (the CIC PIF Assignment), between Raindance National Resort Community Improvement Company, a Colorado nonprofit corporation (CIC), pursuant to which CIC has assigned to the District, so long as any portion of the Loan remains outstanding, all Gross Resort PIF Proceeds payable to CIC in accordance with the Resort PIF Covenant.

NOTE 6 NET POSITION

The District has net position consisting of two components – net investment in capital assets 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, 2023, the District has a net investment in capital assets totaling \$13,292,625, comprised of infrastructure transferred/conveyed from Raindance MD 1.

As of December 31, 2023, the District's total unrestricted net position was \$3,060,273.

**NATIONAL RESORT METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 7 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, District No. 1 was designated as the “coordinating district” (the Coordinating District). The District, District No. 2, and District No. 3 were each designated as “financing districts” (the Financing Districts).

Assignment and Assumption Agreement

On August 22, 2023, the District (“Assignee”) entered into the Assignment and Assumption Agreement with Raindance Metropolitan District No. 1 (“Assignor”) 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.

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 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.

**NATIONAL RESORT METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 10 RISK MANAGEMENT (CONTINUED)

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. On May 6, 2014, a majority of the District's electors authorized the District to collect and spend or retain in a reserve all currently levied taxes and fees of the District without regard to any limitations under TABOR.

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. Pursuant to the Coordinating Services Agreement, the District transfers its net operating revenue to District No. 1. Therefore, the Emergency Reserves related to the District's revenues are reported in District No. 1.

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

**NATIONAL RESORT METROPOLITAN DISTRICT
DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2023**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
PIF - Golf Lot Premiums	\$ -	\$ 600,000	\$ -	\$ (600,000)
PIF - Retail Sales	-	35,000	-	(35,000)
Total Revenues	-	635,000	-	(635,000)
EXPENDITURES				
Banking Fees	-	-	34	(34)
Loan Interest	-	205,000	207,069	(2,069)
Loan Principal	-	370,000	-	370,000
Loan Cost Of Issuance	-	225,000	219,498	5,502
Loan Origination Fee	-	48,750	48,750	-
Contingency	-	46,250	-	46,250
Total Expenditures	-	895,000	475,351	419,649
EXCESS OF REVENUES UNDER EXPENDITURES	-	(260,000)	(475,351)	(215,351)
OTHER FINANCING SOURCES (USES)				
Loan Issuance	-	9,750,000	9,750,000	-
Developer Advance	-	-	207,100	207,100
Transfers To Other Funds	-	(9,476,250)	(9,459,972)	16,278
Total Other Financing Sources	-	273,750	497,128	223,378
NET CHANGE IN FUND BALANCE	-	13,750	21,777	8,027
Fund Balance - Beginning of Year	-	-	-	-
FUND BALANCE - END OF YEAR	\$ -	\$ 13,750	\$ 21,777	\$ 8,027

**NATIONAL RESORT METROPOLITAN DISTRICT
CAPITAL PROJECTS FUND - HDH
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2023**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Other Revenue	\$ -	\$ 1,048,750	\$ -	\$ (1,048,750)
Total Revenues	-	1,048,750	-	(1,048,750)
EXPENDITURES				
Miscellaneous	-	-	42	(42)
Banking Fees	-	-	267	(267)
Capital Outlay	-	5,908,252	2,037,477	3,870,775
Capital Outlay - Transferred from/Repay Raindance MD 1	-	4,616,748	4,051,949	564,799
Total Expenditures	-	10,525,000	6,089,735	4,435,265
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	(9,476,250)	(6,089,735)	3,386,515
OTHER FINANCING SOURCES (USES)				
Repay Developer Advance - Capital	-	-	(1,731,597)	(1,731,597)
Transfers From Other Fund	-	9,476,250	7,272,380	(2,203,870)
Total Other Financing Sources (Uses)	-	9,476,250	5,540,783	(3,935,467)
NET CHANGE IN FUND BALANCE	-	-	(548,952)	(548,952)
Fund Balance - Beginning of Year	-	-	-	-
FUND BALANCE - END OF YEAR	\$ -	\$ -	\$ (548,952)	\$ (548,952)

**NATIONAL RESORT METROPOLITAN DISTRICT
CAPITAL PROJECTS FUND – GC
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2023**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Other Revenue	\$ -	\$ 300,000	\$ -	\$ (300,000)
Transfers from Raindance MD 1	-	4,200,000	-	(4,200,000)
Total Revenues	-	4,500,000	-	(4,500,000)
EXPENDITURES				
Capital Outlay - Transferred from/Repay Raindance MD 1	-	4,200,000	-	4,200,000
Contingency	-	300,000	-	300,000
Total Expenditures	-	4,500,000	-	4,500,000
OTHER FINANCING SOURCES (USES)				
Repay Developer Advance - Capital	-	-	(2,187,592)	(2,187,592)
Transfers From Other Fund	-	-	2,187,592	2,187,592
Total Other Financing Sources	-	-	-	-
NET CHANGE IN FUND BALANCE	-	-	-	-
Fund Balance - Beginning of Year	-	-	-	-
FUND BALANCE - END OF YEAR	\$ -	\$ -	\$ -	\$ -

OTHER INFORMATION

**NATIONAL RESORT METROPOLITAN DISTRICT
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY
YEAR ENDED DECEMBER 31, 2023**

	\$9,750,000 Taxable Special Revenue Loan Series 2023, Dated August 25, 2023 Interest Rate Fixed 7.91% Interest Payable June 1 and December 1 Principal Payable June 1 and December 1		
<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 1,000,000	\$ 774,573	\$ 1,774,573
2025	2,000,000	647,211	2,647,211
2026	2,000,000	494,267	2,494,267
2027	2,000,000	336,067	2,336,067
2028	2,000,000	178,462	2,178,462
2029	750,000	29,581	779,581
Total	\$ 9,750,000	\$ 2,460,161	\$ 12,210,161

**NATIONAL RESORT METROPOLITAN DISTRICT
SUMMARY OF ASSESSED VALUATION, MILL LEVY AND PROPERTY TAXES COLLECTED
YEAR ENDED DECEMBER 31, 2023**

Year Ended December 31,	Assessed Valuation	Percent Change	Total Mills Levied		Total Property Taxes		Percent Collected to Levied
			General Operations	Total	Levied	Collected	
2018/2019	\$ 90,750	0.0%	39.000	39.000	\$ 2,280	\$ 3,539	155.22 %
2019/2020	133,780	47.4%	39.000	39.000	5,217	5,217	100.00 %
2020/2021	377,100	181.9%	39.000	39.000	14,707	14,707	100.00 %
2021/2022	397,460	5.4%	39.000	39.000	15,501	15,501	100.00 %
2022/2023	424,950	6.9%	39.000	39.000	16,963	16,963	100.00 %
Estimated for Year Ending December 31, 2024	\$ 429,120	1.0%	39.000	39.000	16,736	16,736	100%

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 and Treasurer.