

Rendezvous Residential Metropolitan District

Grand County, Colorado

Financial Statements

Year Ended December 31, 2022

with

Independent Auditor's Report

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COLORADO CPA COMPANY

Independent Auditor's Report

Board of Directors
Rendezvous Residential Metropolitan District
Grand County, Colorado

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of Rendezvous Residential Metropolitan District (the "District"), as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of Rendezvous Residential Metropolitan District as of December 31, 2022, 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 audit in accordance with auditing standards generally accepted in the United States of America ("GAAS"). 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 GAAS 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 judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, 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 Supplemental 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 opinions on the basic financial statements are not affected by this missing information.

Supplemental Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Rendezvous Residential Metropolitan District's basic financial statements. The supplemental information as listed in the table of contents is not a required part of the basic financial statements.

The supplemental 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 supplemental information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Colorado CPA Company PC

Highlands Ranch, Colorado
July 27, 2023

Rendezvous Residential Metropolitan District
Balance Sheet/Statement of Net Position
Governmental Funds
December 31, 2022

	General Fund	Debt Service Fund	Total	Adjustments	Statement of Net Position
Assets					
Cash and investments	\$ 21,590	\$ -	\$ 21,590	\$ -	\$ 21,590
Cash and investments - restricted	-	153,492	153,492	-	153,492
Receivable from County Treasurer	907	6,072	6,979	-	6,979
Prepaid expenses	1,956	-	1,956	-	1,956
Property taxes receivable - 2023	-	1,590,094	1,590,094	-	1,590,094
Due from other funds	-	-	-	-	-
Due from Developer	6,900	-	6,900	-	6,900
Bond insurance, net of amortization	-	-	-	108,297	108,297
Total assets	<u>31,353</u>	<u>1,749,658</u>	<u>1,781,011</u>	<u>108,297</u>	<u>1,889,308</u>
Deferred outflows of resources					
Deferred loss on refunding	-	-	-	331,645	331,645
Total deferred outflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>331,645</u>	<u>331,645</u>
Total assets and deferred outflows of resources	<u>\$ 31,353</u>	<u>\$ 1,749,658</u>	<u>\$ 1,781,011</u>		
Liabilities					
Accounts payable	\$ 3,387	\$ -	\$ 3,387	-	3,387
Due to Rendezvous Colorado, LLC	16,727	-	16,727	-	16,727
Accrued interest on long-term obligations	-	-	-	27,845	27,845
To to Developer	-	-	-	547,100	547,100
Long-term liabilities:					
Due within one year	-	-	-	1,180,000	1,180,000
Due within more than one year	-	-	-	12,792,954	12,792,954
Total liabilities	<u>20,114</u>	<u>-</u>	<u>20,114</u>	<u>14,547,899</u>	<u>14,568,013</u>
Deferred inflows of resources					
Deferred property taxes	-	1,590,094	1,590,094	-	1,590,094
Total deferred inflows of resources	<u>-</u>	<u>1,590,094</u>	<u>1,590,094</u>	<u>-</u>	<u>1,590,094</u>
Fund balances / net position/(deficit)					
Fund balances:					
Nonspendable:					
Prepaid expenses	1,956	-	1,956	(1,956)	-
Restricted:					
Debt service	-	159,564	159,564	(159,564)	-
Unassigned	9,283	-	9,283	(9,283)	-
Total fund balances	<u>11,239</u>	<u>159,564</u>	<u>170,803</u>	<u>(170,803)</u>	<u>-</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 31,353</u>	<u>\$ 1,749,658</u>	<u>\$ 1,781,011</u>		
Net position/(deficit):					
Restricted for:					
Debt Service				159,564	159,564
Unrestricted				(14,096,718)	(14,096,718)
Total net position/(deficit)				<u>\$ (13,937,154)</u>	<u>\$ (13,937,154)</u>

Note: the accompanying notes are an integral part of these financial statements.

Rendezvous Residential Metropolitan District
Statement of Revenues, Expenditures and Changes in Fund Balances/Statement of Activities
Governmental Funds
For the Year Ended December 31, 2022

	General Fund	Debt Service Fund	Total	Adjustments	Statement of Activities
Expenditures					
Accounting and audit	\$ 5,450	\$ -	\$ 5,450	\$ -	\$ 5,450
Bank fees	748	-	748	-	748
Directors fees	500	-	500	-	500
Legal and professional fees	20,167	-	20,167	-	20,167
Insurance	2,064	-	2,064	-	2,064
Management fees	5,000	-	5,000	-	5,000
Miscellaneous	1,362	-	1,362	-	1,362
Treasurer's fees	-	76,788	76,788	-	76,788
Debt service:					
Debt principal	-	13,960,000	13,960,000	(13,960,000)	-
Bond interest	-	388,017	388,017	(29,415)	358,602
Bond issuance costs	-	229,552	229,552	-	229,552
Bond insurance amortization	-	118,142	118,142	(108,297)	9,845
Total expenditures/expenses	<u>35,291</u>	<u>14,772,499</u>	<u>14,807,790</u>	<u>(14,097,712)</u>	<u>710,078</u>
General revenues					
Property taxes	-	1,534,868	1,534,868	-	1,534,868
Specific ownership taxes	12,272	82,129	94,401	-	94,401
Interest income and miscellaneous	-	2,249	2,249	-	2,249
System development fees	-	69,288	69,288	-	69,288
Total general revenues	<u>12,272</u>	<u>1,688,534</u>	<u>1,700,806</u>	<u>-</u>	<u>1,700,806</u>
Excess (deficiency) of revenues over expenditures	(23,019)	(13,083,965)	(13,106,984)	14,097,712	990,728
Other financing sources (uses)					
Proceeds from bond issue	-	12,450,663	12,450,663	(12,450,663)	-
Transfer (to)/from other funds	<u>23,019</u>	<u>(23,019)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net other financing sources (uses)	23,019	12,427,644	12,450,663	(12,450,663)	-
Net changes in fund balances	-	(656,321)	(656,321)	656,321	
Change in net position				990,728	990,728
Fund balances / net position/(deficit)					
Beginning of year	11,239	815,885	827,124	(15,755,006)	(14,927,882)
End of year	<u>\$ 11,239</u>	<u>\$ 159,564</u>	<u>\$ 170,803</u>	<u>\$ (14,107,957)</u>	<u>\$ (13,937,154)</u>

Note: the accompanying notes are an integral part of these financial statements.

Rendezvous Residential Metropolitan District
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual
General Fund
For the Year Ended December 31, 2022

	Original Budget	Final Budget	Actual	Variance - Favorable (Unfavorable)
Expenditures				
Accounting and audit	\$ 5,450	\$ 5,450	\$ 5,450	\$ -
Bank fees	-	-	748	(748)
Directors fees	500	500	500	-
Legal	10,500	28,770	20,167	8,603
Insurance	255	255	2,064	(1,809)
Management fees	10,000	10,000	5,000	5,000
Miscellaneous	25	25	1,362	(1,337)
Total expenditures/expenses	<u>26,730</u>	<u>45,000</u>	<u>35,291</u>	<u>9,709</u>
General revenues				
Specific ownership taxes	<u>25,300</u>	<u>25,300</u>	<u>12,272</u>	<u>(13,028)</u>
Total general revenues	<u>25,300</u>	<u>25,300</u>	<u>12,272</u>	<u>(13,028)</u>
Excess (deficiency) of revenues over expenditures and net changes in fund balance				
	(1,430)	(19,700)	(23,019)	(3,319)
Other financing sources (uses)				
Transfer (to)/from other funds	<u>-</u>	<u>-</u>	<u>23,019</u>	<u>23,019</u>
Net other financing sources (uses)	<u>-</u>	<u>-</u>	<u>23,019</u>	<u>23,019</u>
Net changes in fund balance				
	(1,430)	(19,700)	-	19,700
Fund balances				
Beginning of year	<u>1,536</u>	<u>1,536</u>	<u>11,239</u>	<u>9,703</u>
End of year	<u>\$ 106</u>	<u>\$ (18,164)</u>	<u>\$ 11,239</u>	<u>\$ 29,403</u>

Note: the accompanying notes are an integral part of these financial statements.

Rendezvous Residential Metropolitan District

Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 1 – Definition of Reporting Entity

Definition of Reporting Entity

Rendezvous Residential Metropolitan District (the “District”), a quasi-municipal corporation and political subdivision of the State of Colorado, was organized on April 23, 1998, and is governed pursuant to provisions of the Colorado Special District Act. The District’s service area is located in Grand County, Colorado. The District was established to provide for the acquisition, construction, relocation, installation and completion and/or operation and maintenance of streets, traffic and safety controls, a complete local sanitary sewage collection and transmission system, and a complete potable and non-potable local water supply, storage, transmission and distribution system, per the First Amended and Restated Service Plan (2001). The District is governed by an elected Board of Directors.

As required by accounting principles generally accepted in the United States of America (“GAAP”), these financial statements present the activities of the District, which is legally separate and financially independent of other state and local governments. The District follows the Governmental Accounting Standards Boards (“GASB”) accounting pronouncements which provide guidance for determining which governmental activities, organizations and functions should be included within the financial reporting entity. GASB pronouncements set forth the financial accountability of a governmental organization's elected governing body as the basic criterion for including a possible component governmental organization in a primary government's legal entity. Financial accountability includes, but is not limited to, appointment of a voting majority of the organization's governing body, ability to impose its will on the organization, a potential for the organization to provide specific financial benefits or burdens and fiscal dependency. The pronouncements also require including a possible component unit if it would be misleading to exclude it.

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 operation and administrative functions are contracted.

Note 2 – Summary of Significant Accounting Policies

The accounting policies of the District conform to the accounting principles generally accepted in the United States of America as applicable to governmental units. The Governmental Accounting Standards Board is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

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

Basis of Presentation

The accompanying financial statements are presented per GASB Statement No. 34, – “*Special Purpose Governments*”.

Rendezvous Residential Metropolitan District

Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 2 – Summary of Significant Accounting Policies (continued)

Basis of Presentation (continued)

The government-wide financial statements (i.e. the governmental funds balance sheet/statement of net position and the governmental funds statement of revenues, expenditures, and changes in fund balances/statement of activities) report information on all of the governmental activities of the District. The statement of net position reports all financial and capital resources of the District. The difference between the (a) assets and deferred outflows of resources and the (b) liabilities and deferred inflows of resources of the District is reported as net position. The statement of activities demonstrates the degree to which expenditures/expenses of the governmental funds are supported by general revenues. Governmental activities are normally supported by property taxes.

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 instead as general revenues.

For the most part, the effect of inter-fund activity has been eliminated from these financial statements.

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

Estimates

The preparation of these financial statements in conformity with GAAP requires the District management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

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. Property taxes are recognized as revenues in the year for which they are levied and collected.

Rendezvous Residential Metropolitan District

Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 2 – Summary of Significant Accounting Policies (continued)

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

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 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 period. The material sources of revenue subject to accrual are property taxes and interest. 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 paid.

The District reports the following major governmental funds:

General Fund – The General Fund is the general operating fund of the District. It is used to account for all financial resources not accounted for and reported in another fund.

Debt Service Fund – The Debt Service Fund is used to account for the accumulation of resources that are restricted, committed or assigned to expenditures for principal, interest and other debt related costs.

Budgets

In accordance with the State Budget Law of Colorado, 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 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.

During the year, the District amended its total appropriations in the general fund from \$26,730 to \$45,000 primarily due to increased operating costs, and amended its total appropriations in the debt service fund from \$1,101,666 to \$14,697,611 primarily due to the payoff of the existing obligations with the Series 2022 Bonds (see Note 4). During the year, actual expenditures in the debt service fund exceeded appropriated amounts, and the District's management intends to amend the debt service fund budget subsequent to year-end.

Rendezvous Residential Metropolitan District

Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 2 – Summary of Significant Accounting Policies (continued)

Fair Value of Financial Instruments

The District's financial instruments include cash and investments, accounts receivable and accounts payable. The District estimates that the fair value of all financial instruments as of December 31, 2022, does not differ materially from the aggregate carrying values of its financial instruments recorded in the accompanying balance sheet. The carrying amount of these financial instruments approximates fair value because of the short maturity of these instruments.

Deposits and Investments

The District's cash and investments are considered to be cash on hand and short-term investments with maturities of three months or less from the date of acquisition. Investments for the government are reported at net asset value.

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

Deferred Outflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District has one item that qualifies for reporting in this category. It is the deferred loss on refunding reported in the government-wide statement of net position. A deferred loss on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

Deferred Inflows of Resources

In addition to liabilities, the statement of financial position will sometimes report 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(s) 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. Deferred property taxes are deferred and recognized as an inflow of resources in the period that the amounts become available.

Rendezvous Residential Metropolitan District

Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 2 – Summary of Significant Accounting Policies (continued)

Capital Assets

Capital assets are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend the life of the asset are not capitalized. Improvements that will be conveyed to other governmental entities are classified as construction in progress, are not included in the calculation of net investment in capital assets and are not depreciated. Land and certain landscaping improvements are not depreciated.

Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets, as applicable, using the straight-line method. Depreciation on property that will remain assets of the District is reported on the Statement of Activities as a current charge.

As of December 31, 2022, the District had no capital assets.

Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities.

Prepaid Debt Insurance and Loss on Refunding

Prepaid debt insurance and the refunding loss from the Series 2022 Bonds are being amortized over the term of the Series 2022 bonds using the straight-line method. Accumulated amortization of prepaid debt insurance and loss on refunding amounted to \$9,845 and \$29,415, respectively, as of December 31, 2022.

Fund Equity

Fund balances for governmental funds are 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: non-spendable, restricted, committed, assigned, and unassigned. Because circumstances differ among governments, not every government or every governmental fund will present all these components.

Rendezvous Residential Metropolitan District

Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 2 – Summary of Significant Accounting Policies (continued)

Fund Equity (continued)

The following classifications describe the relative strength of the spending constraints:

Non-spendable fund balance – The portion of fund balance that cannot be spent because it is either not in spendable form (such as prepaids and inventory) or is legally or contractually required to be maintained intact.

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

Committed fund balance – The portion of fund balance constrained for specific purposes according to limitations imposed by the District's highest level of decision making authority, the Board of Directors prior to the end of the current fiscal year. 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 above-described criteria.

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

Net Position represents the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources. The District reports the following categories of net position:

Restricted net position – net position is considered restricted if their use is constrained to a particular purpose. Restrictions are imposed by external organizations such as federal or state laws. Restricted net position is reduced by liabilities and deferred inflows of resources related to the restricted assets.

Unrestricted net position – consists of all other net position that does not meet the definition of the above two components and is available for general use by the District.

When an expense is incurred for purposes for which both restricted and unrestricted net position are available, the District will use the most restrictive net position first.

Rendezvous Residential Metropolitan District

Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 2 – Summary of Significant Accounting Policies (continued)

Property Taxes

Property taxes are levied by the District Board of Directors. The levy is based on assessed valuations determined by the County Assessor generally as of January 1 of each year. The levy is normally set by December 15 by certification to the County Commissioners who assess the property tax obligation of 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 at the taxpayers' election, in equal installments in February and June. Delinquent taxpayers are notified in August and the sales of the resultant tax liens on delinquent properties are generally 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 revenue in the year they are levied and measurable. The deferred property tax revenues are recorded as revenue in the year they are available or collected.

System Development and Water Tap Fees

System development and water tap fees are recorded as operating revenue when received.

Note 3 – Cash and Investments

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

Statement of net position:

Cash and investments - unrestricted	\$ 21,590
Cash and investments - restricted	<u>153,492</u>
Total	<u>\$ 175,082</u>

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

Deposits with financial institutions	<u>\$ 175,082</u>
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Cash Deposits

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.

Rendezvous Residential Metropolitan District

Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 3 – Cash and Investments (continued)

Cash Deposits (continued)

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.

As of December 31, 2022, the District's cash deposit account had a bank balance of \$175,179 and a carrying balance of \$175,082, held with an institution insuring \$250,000.

Custodial Credit Risks – Deposits

For deposits, custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a deposit policy for custodial credit risk. As of December 31, 2022, none of the District's bank balance was exposed to custodial credit risk.

Investments

Investment Policies

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

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 or sinking fund requirements. Colorado State statutes specify investment instruments meeting defined rating and risk criteria in which local governments may invest which include:

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

The District generally limits its concentration of investments to those noted with an asterisk (*) above, which are believed to have minimal credit risk; minimal interest rate risk and no foreign currency risk.

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

Rendezvous Residential Metropolitan District

Notes to the Financial Statements For the Year Ended December 31, 2022

Note 3 – Cash and Investments (continued)

Restricted Cash and Investments

As of December 31, 2022, a portion of cash and investments were restricted for future debt service.

Note 4 – Long-Term Debt

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

	Balances 1/1/2022	Additions	Reductions	Balances 12/31/2022	Current Portion
Developer advances:					
Developer advances	\$ 2,753,596	\$ -	\$ -	\$ 2,753,596	\$ -
Total developer advances	2,753,596	-	-	2,753,596	-
General obligation bonds:					
Series 2022 Bonds	-	11,835,000	(1,180,000)	10,655,000	1,180,000
Series 2022 Bonds - unamortized premium	-	615,663	(51,305)	564,358	-
2016 Refunding Bonds	6,905,000	-	(6,905,000)	-	-
2018 Limited Tax Bonds	2,540,000	-	(2,540,000)	-	-
2019 Subordinate Note	3,335,000	-	(3,335,000)	-	-
Total bonds	12,780,000	12,450,663	(14,011,305)	11,219,358	1,180,000
Total long-term obligations	\$ 15,533,596	\$ 12,450,663	\$ (14,011,305)	\$ 13,972,954	\$ 1,180,000

Bonds and developer advances issued for governmental activities are liquidated by the debt service fund. The details of the Districts long-term obligation are as follows:

\$7,945,000 General Obligation Limited Refunding Tax Bonds, Series 2016 (the “Series 2016 Bonds”)

Dated October 25, 2016, the Series 2016 Bonds consist of 3% term bonds with a final maturity date of December 1, 2041. The proceeds from the sale of the Bonds were used to refund the Districts Outstanding Series 2007 General Obligation Refunding Bonds. The Bonds are limited tax general obligations of the District secured by and payable from pledged revenues consisting of the limited tax mill levy not to exceed 50 mills (subject to adjustment related to future changes in the method of calculating the Districts assessed valuation), system development fees in the amount of \$2,500 and any other legally available funds.

Rendezvous Residential Metropolitan District

Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 4 – Long-Term Debt (continued)

\$7,945,000 General Obligation Limited Refunding Tax Bonds, Series 2016 (the “Series 2016 Bonds”)
(continued)

The principal, payable December 1 annually, is subject to mandatory sinking fund redemption beginning December 1, 2017, and is subject to redemption in part from excess revenue in increments of \$1,000. The bonds are subject to optional redemption in whole on December 1, 2021 and on any date thereafter, upon payment of par and accrued interest, without redemption premium. The bonds are subject to Owner Put and Optional Tender on any date on or after December 31, 2022 or any date on and after an Event of Payment Default has occurred and is continuing.

The occurrence or existence of any one or more of the following events are Events of Default: (a) failure to pay the accrued interest on or principal of the Bond when due; or (b) failure of the District to deposit, from legally available moneys, funds sufficient to pay the purchase price of the Bond on the Put Option Date; or (c) failure by the District to impose the Limited Mill Levy, to apply the Pledged Revenue or to enforce the collection and deposit of System Development Fees as required; or (d) breach by the District of any material covenant set forth in the bond resolution or failure by the District to perform any material duty imposed on it and continuation of such breach or failure for a period of 60 days after receipt by the District of written notice thereof from the Paying Agent or from the Owner; or (e) the District files a petition under the federal bankruptcy laws or other applicable bankruptcy laws seeking to adjust the debt represented by the Bond; or (f) following the delivery of the Conversion Opinion, any determination, decision, or decree is made by the Commissioner of the Internal Revenue Service or any district director of the Internal Revenue Service, or by any court of competent jurisdiction, that the interest payable on the Bond is includable in the gross income for federal income tax purposes of the Owner, if and so long as such determination, decision, or decree is not being appealed or otherwise contested in good faith by the District.

The Series 2016 Bonds were refunded during the year by the Series 2022 Bonds.

\$3,600,000 General Obligation Limited Tax Bonds, Series 2018 (the “Series 2018 Bonds”)

The Series 2018 Bonds, dated January 23, 2018, consist of 3.88% term bonds with a final maturity of December 1, 2022. The Bonds are limited tax general obligations of the District secured by and payable from pledged revenues consisting of the limited tax mill levy not to exceed 50 mills (subject to future changes in the method of calculating the Districts assessed valuation) system development fees and any other legally available funds.

Rendezvous Residential Metropolitan District

Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 4 – Long-Term Debt (continued)

\$3,600,000 General Obligation Limited Tax Bonds, Series 2018 (the “Series 2018 Bonds”) (continued)

The proceeds from the sale of the Bonds along with available District funds were used to partially retire the Districts Outstanding Series 2003 Subordinate Bonds. The Bonds are subject to redemption at the option of the District, in whole, on December 1, 2021 and on any date thereafter, upon payment of par and accrued interest, without redemption premium.

Events of default include: 1) the occurrence and continuation of an event of default related to the Series 2016 Bonds; 2) failure to pay the accrued interest on the principal when due; 3) failure to (a) impose the limited mill levy or system development fees, (b) deposit the pledged revenue in the related account, (c) apply the pledged revenue as required, or (d) to enforce the collection and deposit of the system development fees as required; 4) breach by the District of any material covenant or failure to perform any material duty set forth in the Series 2018 Bond Resolution, and continuation of such breach or failure for a period of 60 days after receipt of the District of written notice thereof from the Paying Agent or owner of the bonds; (5) filing a petition under the federal (or other) bankruptcy laws seeking to adjust the debt represented by the bonds, or (6) any determination, decision, or decree is made by the Commissioner of the Internal Revenue Service or any district director of the Internal Revenue Service, or by any court of competent jurisdiction, that the interest payable on the Bond is includable in the gross income for federal income tax purposes of the owner, if and so long as such determination, decision, or decree is not being appealed or otherwise contested in good faith by the District.

The Series 2018 Bonds were refunded during the year by the Series 2022 Bonds.

\$3,685,000 General Obligation Limited Tax Note, Series 2019 (the “Series 2019 Note”)

The Series 2019 Note, dated August 21, 2019, consists of a 3.65% term note with a final maturity of December 1, 2033. The proceeds from the Series 2019 Note along with available District funds were used to fully retire the Districts Outstanding Series 2003 Subordinate Bonds. The Series 2019 Note is a limited tax general obligation of the District secured by and payable from pledged revenues consisting of the limited tax mill levy not to exceed 50 mills (subject to future changes in the method of calculating the Districts assessed valuation), system development fees and any other legally available funds.

Interest payments are required each June 1 and December 1, commencing on December 1, 2019, with principal subject to a mandatory sinking fund, payable each December 1, commencing on December 1, 2020. The Series 2019 Note is subject to optional redemption prior to maturity beginning December 1, 2021, without any redemption premium.

Rendezvous Residential Metropolitan District

Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 4 – Long-Term Debt (continued)

\$3,685,000 General Obligation Limited Tax Note, Series 2019 (the “Series 2019 Note”) (continued)

The occurrence or existence of any one or more of the following events are Events of Default: (a) the occurrence and continuation of an event of default under the 2016 Bond Resolution or the 2018 Bond Resolution; or (b) failure to pay the accrued interest on or principal of the Senior Obligations when due; or (c) failure by the District to impose the Limited Mill Levy, to apply the Pledged Revenue or to enforce the collection and deposit of System Development Fees as required; or (d) breach by the District of any material covenant set forth in the bond resolution or failure by the District to perform any material duty imposed on it and continuation of such breach or failure for a period of 60 days after receipt by the District of written notice thereof from the Paying Agent or from the Owner; or (e) the District files a petition under the federal bankruptcy laws or other applicable bankruptcy laws seeking to adjust the debt represented by the Series 2019 Note; or (f) any Determination of Taxability as defined in the agreement.

The Series 2019 Note was refunded during the year by the Series 2022 Bonds.

\$11,835,000 General Obligation Limited Tax Bonds – Series 2022 (the “Series 2022 Bonds”)

In January 2022, the District issued the Series 2022 Bonds for the purpose of refunding the existing obligations of the District and to pay certain costs of issuance of the Series 2022 Bonds. The Series 2022 Bonds are limited tax general obligations secured by and payable from and to the extent of the Pledged Revenue, which includes property taxes derived from the limited mill levy, specific ownership taxes, and system development fees.

The Series 2022 Bonds bear interest at rates ranging from 2.35% - 4.00%, payable semiannually on each June 1 and December 1, commencing on June 1, 2022, and are subject to a mandatory sinking fund redemption commencing on December 1, 2022. The bonds maturing on and before December 1, 2028, are not subject to optional redemption. The bonds maturing on or after December 1, 2029, are subject to redemption prior to maturity, at the option of the District, as a whole or in integral multiples of \$5,000, in any order of maturity and in whole or partial maturities, without redemption premium.

Nothing in the 2022 Bond Resolution is to affect or restrict the right of the District to issue or incur general obligations or any other indebtedness, provided that under no circumstances is the District to issue indebtedness in excess of that authorized by eligible electors of the District, if applicable, and the Amended Service Plan, as the same may be amended from time to time.

Rendezvous Residential Metropolitan District

Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 4 – Long-Term Debt (continued)

\$11,835,000 General Obligation Limited Tax Bonds – Series 2022 (the “Series 2022 Bonds”) (continued)

The occurrence or existence of any one or more of the following events constitute an Event of Default under the Bond Resolution: (a) failure by the District to make any payment of principal of or interest on the Bonds to the extent of Pledged Revenue when due; or (b) breach by the District of any material covenant set forth in the Bond Resolution or failure by the District to perform any material duty imposed on it thereunder and continuation of such breach or failure for a period of 60 days after receipt by the President of the District of written notice thereof from the Paying Agent or from the Owners of at least 10% of the aggregate amount of the Bond Obligation, provided that such 60 day period be extended so long as the District has commenced and continues a good faith effort to remedy such breach or failure; or (c) an order of decree by a court of competent jurisdiction declaring the District bankrupt under federal bankruptcy law or appointing a receiver of all or any material portion of the District’s assets or revenues is entered with the consent or acquiescence of the District or is entered without the consent or acquiescence of the District but is not vacated, discharged or stayed within 30 days after it is entered.

The Series 2022 Bonds as of December 31, 2022 are scheduled to mature as follows:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 1,180,000	\$ 334,140	\$ 1,514,140
2024	805,000	286,940	1,091,940
2025	840,000	254,740	1,094,740
2026	870,000	221,140	1,091,140
2027	905,000	186,340	1,091,340
2028-2032	4,990,000	475,250	5,465,250
2033	1,065,000	25,027	1,090,027
Total	<u>\$ 10,655,000</u>	<u>\$ 1,783,577</u>	<u>\$ 12,438,577</u>

Debt Authorization

Upon issuance of the Series 2022 Bonds, the Series 2022 Bonds are the District’s only outstanding general obligation indebtedness. There is currently no debt authorization remaining under the Amended Service Plan (which is limited to \$16,740,000).

Rendezvous Residential Metropolitan District

Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 5 – Fund Balances and Net Position/(Deficit)

Fund Balances

The District’s total fund balance consists of the following components:

Fund balance - non-spendable:

Prepaid expenses	\$ 1,956
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Fund balance - restricted for:

Debt service	159,564
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Fund balance - unassigned	<u>9,283</u>
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Total fund balance	<u><u>\$ 170,803</u></u>
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The non-spendable fund balance in the General Fund represents prepaid insurance.

The restricted fund balance in the Debt Service Fund is restricted for the payment of the debt service costs associated with the District’s long-term obligations (see Note 4).

The unassigned fund balance represents the residual portion of fund balance that does not meet any of the above-described criteria and is available for general use by the District.

Net Position/(Deficit)

The District’s net position/(deficit) consists of the following components:

Net position - restricted for:

Debt service	\$ 159,564
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Net position/(deficit) - unrestricted	<u>(14,096,718)</u>
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Total net position/(deficit)	<u><u>\$ (13,937,154)</u></u>
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The restricted components of net position includes assets that are restricted for use either externally by creditors, grantors, contributors, or laws and regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.

The unrestricted net position includes all other net position that does not meet the definition of the above two components and is available for general use by the District.

Note 6 – Internal Transfers

During 2022, the District transferred \$23,019 from the Debt Service Fund to the General Service Fund for the coverage of operating costs.

Rendezvous Residential Metropolitan District

Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 7 – Related Party Transactions

Members of the Board of Directors of the District are employees, owners or associated with the Rendezvous Colorado LLC (the “Developer”) which is the developer of the land within the District, and may have conflicts of interest in dealing with the District.

The Developer has provided certain operational funds and will provide other operations funds for District outside of the Advance and Reimbursement/Facilities Acquisition Agreement (see Note 9), resulting in a Developer receivable balance of \$6,900 and a payable balance of \$16,727 as of December 31, 2022.

The District and K&C Management, LLC (affiliate of the Developer) entered into a management agreement in 2016 whereby the District compensates K&C Management, LLC for general operating and construction management services. Management fees are paid quarterly at a minimum of \$2,500 per year, subject to annual appropriation; and project management fees are 5% of new facility costs and expenditures. The agreement will terminate at the earlier of notice by either party, or if the District fails to appropriate sufficient funds to cover management and construction management fees. Management fees of \$5,000 were paid to K&C Management, LLC during 2022.

Note 8 – Risk Management

The District is exposed to various risks of loss related to 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”) as of December 31, 2022. 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.

Rendezvous Residential Metropolitan District

Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 9 – Agreements with Other Governments and Developer

Service Plan

To implement the Service Plan, the District has signed an intergovernmental agreement with the Town of Fraser (the “Town”) and Rendezvous Commercial Metropolitan District. The agreement is in full force and effect until such time as the Districts file a petition in District Court for dissolution after completion of all required statutory and election procedures.

The District is to own, operate, maintain and construct the facilities benefiting the District. The District will pay the total capital costs not to exceed voter authorization of \$16,740,000. Once completed, the facilities will be turned over to the Fraser Sanitation District (“Sanitation”) and Town of Fraser for ownership and maintenance.

Advance and Reimbursement/Facilities Acquisition Agreement

On December 31, 2001 the District finalized an agreement with the Developer to establish the terms and conditions for reimbursement of advances for capital construction and operating costs advanced to the District by the Developer through December 31, 2003. According to the agreement, the District will make reimbursements to the Developer of actual costs, as certified by the District. No interest will accrue on the capital construction and operating cost advances made. The agreement will terminate when mutually agreed by the parties or the terms have been fully performed.

During 2003, the District utilized \$180,000 of water tap fees and the issuance of \$8,070,000 of Subordinated Limited Tax Bonds (which have since been refunded) to the Developer to further reimburse capital construction advances. As of December 31, 2022, the amount owed to the Developer by the District was \$2,753,596.

Pre-Inclusion Agreement

On May 9, 2002, the District entered into a Pre-Inclusion Agreement with Sanitation, the Developer and Rendezvous Commercial Metropolitan District. This agreement has been amended three times with the most recent amendment occurring February 19, 2002. In accordance with the amended agreement, the District has agreed to pay Sanitation \$500 as an inclusion fee plus \$800 per acre. The agreement includes all acreage of the District, specifically the 600 acres for a total fee of approximately \$480,000 for inclusion into Sanitation. The Developer has agreed to pre-purchase tap fees at \$4,000 each from Sanitation in the total amount necessary to fund any shortfall in Sanitation’s annual debt service payment related to debt incurred to increase Sanitation’s plant capacity due to the development within the District.

Rendezvous Residential Metropolitan District

Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 9 – Agreements with Other Governments and Developer (continued)

Pre-Inclusion Agreement (continued)

Additionally, the District agreed to and deposited \$160,000 into an escrow account during 2002, for which the purpose is to guarantee adequate funds to pay at least one year's debt service of certain Sanitation's debt obligations. The Developer is to bear the expense of maintaining the escrow account and is to receive all interest accruing on the funds held in the escrow account. Upon termination of the escrow account, the Developer is to receive any balance remaining in the account.

Supplemental Agreement

On September 20, 2000 the District entered into a Supplemental Agreement with the Town of Fraser ("Town"), the Developer and Rendezvous Commercial Metropolitan District. The Developer/District agreed to pre-pay the Town the estimated engineering design and construction cost in the amount of \$1,600,800 for the wholesale water distribution system throughout the District and will receive full credit for a corresponding number of plant investment fees at the rate in effect at the time the payment is made. During 2003 and 2002, an additional \$281,455 and \$1,116,907 respectively, was pre-paid for full credit in the corresponding number of tap fees. The total funding of \$2,999,126 generated over 1,200 taps. This number of taps exceeds the projected number of possible taps based on the project density approved by the Town. Currently, the District receives \$7,700 as a water investment fee for each tap from the Town. This amount is paid on a quarterly basis after a builder pays the Town for a building permit. The original cost was an estimate and the District is required to pay whatever the Town incurs. A plant investment fee shall be equivalent to one single-family equivalent tap.

Note 10 – Tax, Spending and Debt Limitations

In November 1992, the voters of Colorado approved Amendment 1, commonly known as the Taxpayer's Bill of Rights ("TABOR"), which adds a new Section 20 to Article X of the Colorado Constitution. TABOR contains tax, spending, revenue and debt limitations, which apply to the State of Colorado and all local governments. Enterprises, defined as government-owned businesses authorized to issue revenue bonds and receiving less than 10% of annual revenue in grants from all state and local governments combined, are excluded from the provision of TABOR.

The initial base for local government spending and revenue limits is 1992 Fiscal Year Spending. Future 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.

Rendezvous Residential Metropolitan District

Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 10 – Tax, Spending and Debt Limitations (continued)

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. Any operating expense shortfall is funded by the Developer and therefore no 3% emergency reserve is provided.

TABOR requires, with certain exceptions, voter approval prior to imposing new taxes, increasing a tax rate, increasing a mill levy above tax policy change directly causing a net tax revenue gain to any local government.

Except for bond refinancing at lower interest rates or adding employees to existing pension plans, TABOR specifically prohibits the creation of multiple-fiscal year debt or other financial obligations without voter approval or without irrevocably pledging present cash reserves for all future payments.

At an election on November 6, 2001, the voters of the District authorized the following general obligations or other obligations, at a net effective interest rate not to exceed 14% for the following detailed purposes:

Streets	\$ 7,015,000
Sewer and storm drainage	4,065,000
Water	<u>5,660,000</u>
Total	<u>\$ 16,740,000</u>

On November 6, 2001, a majority of the District’s electors authorized the District to increase taxes \$500,000 annually to pay the District’s operations, maintenance and other expenses. The taxes would consist of ad valorem mill levy imposed without limitations as may be determined by the Board and in amount sufficient to produce the annual increase of \$500,000.

On November 6, 2001, a majority of the District’s electors authorized the District to collect, retain and spend any and all amounts received by the District annually from any revenue sources other than ad valorem taxes, including but not limited to tap fees, facility fees, service charges, inspection charges, administrative charges, grants or any other fee, rate, toll, penalty, income or charge imposed, collected or authorized by law. Such revenues may be collected and spent by the District without regard to any spending, revenue-raising or other limitation contained within Article X, Section 20 of the Colorado constitution and without limiting in any year the amount of other revenues that may be collected and spend by the District.

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.

Rendezvous Residential Metropolitan District

Notes to the Financial Statements

For the Year Ended December 31, 2022

Note 11 – Reconciliation of Government-Wide and Fund Financial Statements

Explanation of differences between the governmental fund Balance Sheet and the government-wide Statement of Net Position

The governmental fund Balance Sheet and the government-wide Statement of Net Position includes a reconciling column. Explanation of the adjustments included in the reconciling column is as follows:

Bond insurance, net of amortization	\$	108,297
Deferred loss on refunding		331,645
Due to Developer		(547,100)
Accrued interest on long-term obligations		(27,845)
Bonds payable		<u>(13,972,954)</u>
Total	\$	<u>(14,107,957)</u>

- Prepaid bond insurance is not a financial resource and, therefore is not reported in the funds.
- Deferred loss on refunding is amortized over the shorter of the life of the refunded or refunding debt.
- Long-term liabilities such as bonds payable, developer advances payable and accrued interest on bonds and developer advances are not due and payable in the current period and, therefore, are not in the funds.
- Bonds payable, developer advances payable and the related accrued interest amounts are reflected on the Statement of Net Position.

Rendezvous Residential Metropolitan District

Notes to the Financial Statements

For the Year Ended December 31, 2022

Note 11 – Reconciliation of Government-Wide and Fund Financial Statements (continued)

Explanation of differences between the governmental fund Statement of Revenues, Expenditures and Changes in Fund Balances and the government-wide Statement of Activities

The governmental fund Statement of Revenues, Expenditures and Changes in Fund Balances and the government-wide statement of activities include a reconciling column. Explanation of the adjustments included in the reconciling column is as follows:

Bond insurance amortization	\$	9,845
Prepaid bond insurance		(118,142)
Interest expense		(29,415)
Bond principal		(13,960,000)
Proceeds from bond issue		12,450,663
Total	\$	<u>(1,647,049)</u>

- Governmental funds report bond proceeds as other financing sources and repayments as expenditures. However, the bonds are reflected as a liability in the government-wide financial statements, and proceeds/repayments are reported as changes to the liability.
- Governmental funds report interest expense on the modified accrual basis; however, interest expense is reported on the full accrual method in the government-wide Statement of Activities.
- Governmental funds don't report amortization of prepaid bond insurance, however, in the statement of activities, the amortization is included as a component of bond interest.

Supplemental Information

Rendezvous Residential Metropolitan District
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual
Debt Service Fund
For the Year Ended December 31, 2022

	Original Budget	Final Budget	Actual	Variance - Favorable (Unfavorable)
Expenditures				
Bond interest - 2016 series	\$ 202,423	\$ 188,671	\$ 28,195	\$ 160,476
Bond interest - 2018 series	112,132	112,132	13,097	99,035
Bond interest - 2019 series	121,728	16,230	16,230	-
Bond interest - 2022 series	-	330,495	330,495	-
Bond principal - 2016 series	265,000	6,905,000	6,905,000	-
Bond principal - 2018 series	100,000	2,540,000	2,540,000	-
Bond principal - 2019 series	185,000	3,335,000	3,335,000	-
Bond principal - 2022 series	-	1,180,000	1,180,000	-
Paying agent fees	2,000	2,000	-	2,000
Administrative	2,500	2,500	-	2,500
Bond issuance costs			229,552	(229,552)
Bond insurance			118,142	(118,142)
Treasurer's fees	85,583	85,583	76,788	8,795
Total expenditures/expenses	<u>1,076,366</u>	<u>14,697,611</u>	<u>14,772,499</u>	<u>(74,888)</u>
General revenues				
Property taxes	1,545,195	1,545,195	1,534,868	(10,327)
Specific ownership taxes	72,083	72,083	82,129	10,046
Interest income and miscellaneous	-	-	2,249	2,249
System development fees	85,000	85,000	69,288	(15,712)
Tap fee reimbursement	-	-	-	-
Total revenues	<u>1,702,278</u>	<u>1,702,278</u>	<u>1,688,534</u>	<u>(13,744)</u>
Excess (deficiency) of revenues over expenditures and net changes in fund balance				
	625,912	(12,995,333)	(13,083,965)	(88,632)
Other financing source (uses)				
Proceeds from bond issue	-	-	12,450,663	(12,450,663)
Transfer (to)/from other funds	(25,300)	(25,300)	(23,019)	2,281
Net other financing sources (uses)	<u>(25,300)</u>	<u>(25,300)</u>	<u>12,427,644</u>	<u>(12,448,382)</u>
Net changes in fund balances				
	600,612	(13,020,633)	(656,321)	(12,537,014)
Fund balances				
Beginning of year	1,015,715	1,015,715	815,885	(199,830)
End of year	<u>\$ 1,616,327</u>	<u>\$ (12,004,918)</u>	<u>\$ 159,564</u>	<u>\$ (12,736,844)</u>

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

Rendezvous Residential Metropolitan District
 Schedule of Debt Service Requirements to Maturity
 December 31, 2022

\$11,835,000

Limited Tax General Obligation Refunding Bonds, Series 2022

Interest Rate 4.00%

Payable June 1 and December 1; Principal Due December 1

Year Ending December 31,	Principal	Interest	Total
2023	\$ 1,180,000	\$ 334,140	\$ 1,514,140
2024	805,000	286,940	1,091,940
2025	840,000	254,740	1,094,740
2026	870,000	221,140	1,091,140
2027	905,000	186,340	1,091,340
2028	945,000	150,140	1,095,140
2029	980,000	112,340	1,092,340
2030	1,000,000	92,740	1,092,740
2031	1,020,000	71,490	1,091,490
2032	1,045,000	48,540	1,093,540
2033	<u>1,065,000</u>	<u>25,057</u>	<u>1,090,057</u>
Totals	\$ 10,655,000	\$ 1,783,607	\$ 12,438,607

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

Rendezvous Residential Metropolitan District
Summary of Assessed Valuation, Mill Levy and Property Taxes Collected
December 31, 2022

Year Ended December 31,	Prior Year Assessed Valuation for Current Year Property Tax Levy	Mills Levied for General Fund	Mills Levied for Debt Service Fund	Total Property Taxes:		Percent Collected to Levied
				Levied	Collected	
2001	\$ 664,290	5.00	-	\$ 3,321	\$ 3,322	100.03%
2002	46,020	30.00	-	\$ 1,381	\$ 1,075	77.84%
2003	8,010	-	30.00	\$ 240	\$ 241	100.42%
2004	1,909,570	-	30.00	\$ 57,287	\$ 55,474	96.84%
2005	3,197,500	-	40.00	\$ 157,900	\$ 127,899	81.00%
2006	4,978,100	-	40.00	\$ 199,124	\$ 199,786	100.33%
2007	7,139,050	-	40.00	\$ 285,562	\$ 285,561	100.00%
2008	11,936,960	-	40.00	\$ 477,478	\$ 476,905	99.88%
2009	14,184,530	-	40.00	\$ 587,802	\$ 563,402	95.85%
2010	16,065,240	-	40.00	\$ 642,610	\$ 640,640	99.69%
2011	17,438,560	-	40.00	\$ 697,542	\$ 699,056	100.22%
2012	13,412,360*	-	40.00	\$ 536,494	\$ 536,494	100.00%
2013	13,498,560	-	50.00	\$ 674,928	\$ 686,046	101.65%
2014	12,042,030	-	50.00	\$ 602,102	\$ 590,426	98.06%
2015	12,107,000	-	50.00	\$ 605,355	\$ 605,355	100.00%
2016	13,070,320	-	50.00	\$ 653,516	\$ 653,515	100.00%
2017	13,843,230	-	50.00	\$ 697,162	\$ 697,162	100.00%
2018	16,276,430	-	50.00	\$ 813,823	\$ 825,603	101.45%
2019	17,496,440	-	50.00	\$ 874,822	\$ 867,542	99.17%
2020	23,279,450	-	50.00	\$ 1,163,973	\$ 1,164,099	100.01%
2021	24,842,760	-	50.00	\$ 1,242,288	\$ 1,237,725	99.63%
2022	30,903,890	-	50.00	\$ 1,545,195	\$ 1,534,868	99.33%
Estimated for calendar year ending December 31, 2023:						
	\$ 31,801,880	-	50.00	\$ 1,590,100		

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

** Includes additional mill levy for refunds and abatements of 2.504 mills*