

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

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEAR ENDED DECEMBER 31, 2024

**NATIONAL RESORT METROPOLITAN DISTRICT
TABLE OF CONTENTS
YEAR ENDED DECEMBER 31, 2024**

INDEPENDENT AUDITOR'S REPORT	I
BASIC FINANCIAL STATEMENTS	
GOVERNMENT-WIDE FINANCIAL STATEMENTS	
STATEMENT OF NET POSITION	1
STATEMENT OF ACTIVITIES	2
FUND FINANCIAL STATEMENTS	
BALANCE SHEET – GOVERNMENTAL FUNDS	3
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS	4
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF THE GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES	5
GENERAL FUND – STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL	6
NOTES TO BASIC FINANCIAL STATEMENTS	7
SUPPLEMENTARY INFORMATION	
DEBT SERVICE FUND – SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL	20
CAPITAL PROJECTS FUND - HDH – SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL	21
CAPITAL PROJECTS FUND - GC – SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL	22
OTHER INFORMATION	
SUMMARY OF ASSESSED VALUATION, MILL LEVY AND PROPERTY TAXES COLLECTED	24

INDEPENDENT AUDITOR'S REPORT

Board of Directors
National Resort Metropolitan District
Weld County, Colorado

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of the National Resort Metropolitan District (the District) as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the District, as of December 31, 2024, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

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

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

Supplementary Information

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

Other Information

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

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

DMC Auditing and Consulting, LLC

Bailey, Colorado
November 5, 2025

BASIC FINANCIAL STATEMENTS

**NATIONAL RESORT METROPOLITAN DISTRICT
STATEMENT OF NET POSITION
DECEMBER 31, 2024**

	Governmental Activities
ASSETS	
Cash and Investments	\$ 23,756
Cash and Investments - Restricted	42,230
PIF Receivable	44,969
Prepaid Insurance	450
Receivable from County Treasurer	50
Property Tax Receivable	10,620
Capital Assets:	
Capital Assets, Net of Depreciation	28,647,540
Total Assets	<u>28,769,615</u>
LIABILITIES	
Accounts Payable	59,851
Due to Raindance MD No. 1	646,108
Accrued Interest Payable	53,934
Noncurrent Liabilities:	
Due Within One Year	2,000,000
Due in More Than One Year	11,417,644
Total Liabilities	<u>14,177,537</u>
DEFERRED INFLOWS OF RESOURCES	
Property Tax Revenue	10,620
Total Deferred Inflows of Resources	<u>10,620</u>
NET POSITION	
Net Investment in Capital Assets	17,339,878
Restricted for:	
Emergency Reserve	600
Unrestricted	<u>(2,759,020)</u>
Total Net Position	<u><u>\$ 14,581,458</u></u>

See accompanying Notes to Basic Financial Statements.

**NATIONAL RESORT METROPOLITAN DISTRICT
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2024**

		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	\$ 1,195,313	\$ -	\$ -	\$ -	\$ (1,195,313)
Interest on Long-Term Debt and Related Costs	940,214	-	-	-	(940,214)
Total Governmental Activities	<u>\$ 2,135,527</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	(2,135,527)
GENERAL REVENUES					
Property Taxes					16,736
Specific Ownership Taxes					606
PIF - Golf Lot Premiums					125,000
PIF - Retail Sales					221,317
Other Revenue					428
Total General Revenues					<u>364,087</u>
CHANGES IN NET POSITION					(1,771,440)
Net Position - Beginning of Year					<u>16,352,898</u>
NET POSITION - END OF YEAR					<u>\$ 14,581,458</u>

See accompanying Notes to Basic Financial Statements.

**NATIONAL RESORT METROPOLITAN DISTRICT
BALANCE SHEET –
GOVERNMENTAL FUNDS
DECEMBER 31, 2024**

	General	Debt Service	Capital Projects - HDH	Capital Projects - GC	Total Governmental Funds
ASSETS					
Cash and Investments	\$ 23,756	\$ -	\$ -	\$ -	\$ 23,756
Cash and Investments - Restricted	600	10	41,620	-	42,230
Receivable from County Treasurer	50	-	-	-	50
PIF Receivable	-	44,969	-	-	44,969
Due from Raindance MD No. 1	4,160	-	-	-	4,160
Prepaid Insurance	450	-	-	-	450
Property Tax Receivable	10,620	-	-	-	10,620
Total Assets	<u>\$ 39,636</u>	<u>\$ 44,979</u>	<u>\$ 41,620</u>	<u>\$ -</u>	<u>\$ 126,235</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES					
Accounts Payable	\$ 3,458	\$ -	\$ 23,351	\$ 33,042	\$ 59,851
Due to Raindance MD No. 1	-	-	564,799	85,469	650,268
Total Liabilities	<u>3,458</u>	<u>-</u>	<u>588,150</u>	<u>118,511</u>	<u>710,119</u>
DEFERRED INFLOWS OF RESOURCES					
Deferred Property Tax	10,620	-	-	-	10,620
Total Deferred Inflows of Resources	<u>10,620</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,620</u>
FUND BALANCES					
Nonspendable:					
Prepaid Expenditure	450	-	-	-	450
Restricted for:					
Emergency Reserves	600	-	-	-	600
Debt Service	-	44,979	-	-	44,979
Unassigned	24,508	-	(546,530)	(118,511)	(640,533)
Total Fund Balances	<u>25,558</u>	<u>44,979</u>	<u>(546,530)</u>	<u>(118,511)</u>	<u>(594,504)</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 39,636</u>	<u>\$ 44,979</u>	<u>\$ 41,620</u>	<u>\$ -</u>	

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.

28,647,540

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

Accrued Interest Payable

(53,934)

Loans Payable

(8,750,000)

Developer Advance and Accrued Interest Payable

(4,667,644)

Net Position of Governmental Activities

\$ 14,581,458

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, 2024**

	General	Debt Service	Capital Projects HDH	Capital Projects GC	Total Governmental Funds
REVENUES					
Property Taxes	\$ 16,736	\$ -	\$ -	\$ -	\$ 16,736
Specific Ownership Taxes	606	-	-	-	606
Other Revenue	428	-	-	-	428
PIF - Golf Lot Premiums	-	125,000	-	-	125,000
PIF - Retail Sales	-	221,317	-	-	221,317
Total Revenues	17,770	346,317	-	-	364,087
EXPENDITURES					
Current:					
Banking Fees	-	57	-	-	57
County Treasurer's Fee	257	-	-	-	257
Insurance	128	-	-	-	128
Legal	11,757	-	-	-	11,757
Miscellaneous	1,727	-	-	-	1,727
Website	600	-	-	-	600
Debt Service:					-
Repay Developer Advance - Capital	-	-	84,640	-	84,640
Loan Interest - 2023 Series	-	771,404	-	-	771,404
Loan Principal - 2023 Series	-	1,000,000	-	-	1,000,000
Capital Projects:					-
Capital Outlay	-	-	889,225	269,773	1,158,998
Total Expenditures	14,469	1,771,461	973,865	269,773	3,029,568
OTHER FINANCING SOURCES (USES)					
Developer Advance	22,252	1,470,097	954,536	151,262	2,598,147
Transfers In (Out)	-	(21,751)	21,751	-	-
Total Other Financing Sources	22,252	1,448,346	976,287	151,262	2,598,147
NET CHANGE IN FUND BALANCES	25,553	23,202	2,422	(118,511)	(67,334)
Fund Balances - Beginning of Year	5	21,777	(548,952)	-	(527,170)
FUND BALANCES - END OF YEAR	\$ 25,558	\$ 44,979	\$ (546,530)	\$ (118,511)	\$ (594,504)

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, 2024**

Net Change in Fund Balances - Total Governmental Funds	\$ (67,334)
--	-------------

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	1,158,998
Depreciation Expense	(1,180,787)

The issuance of long-term debt (e.g. loans, 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 Principal Payment	1,000,000
Developer Advance	(2,598,147)
Repay Developer Advance	84,640

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 on Loan - Change in Liability	10,614
Accrued Interest Payable on Developer Advance - Change in Liability	(179,424)

Changes in Net Position of Governmental Activities	<u>\$ (1,771,440)</u>
--	-----------------------

**NATIONAL RESORT METROPOLITAN DISTRICT
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2024**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Property Taxes	\$ 16,736	\$ 16,736	\$ -
Specific Ownership Taxes	669	606	(63)
Interest Income	100	-	(100)
Other Revenue	-	428	428
Total Revenues	<u>17,505</u>	<u>17,770</u>	<u>265</u>
EXPENDITURES			
Contingency	16,659	-	16,659
County Treasurer's Fee	251	257	(6)
Insurance	-	128	(128)
Legal	-	11,757	(11,757)
Miscellaneous	-	1,727	(1,727)
Website	-	600	(600)
Total Expenditures	<u>16,910</u>	<u>14,469</u>	<u>2,441</u>
EXCESS OF REVENUES OVER EXPENDITURES	595	3,301	2,706
OTHER FINANCING SOURCES (USES)			
Developer Advance	-	22,252	22,252
Total Other Financing Sources	<u>-</u>	<u>22,252</u>	<u>22,252</u>
NET CHANGE IN FUND BALANCE	595	25,553	24,958
Fund Balance - Beginning of Year	<u>5</u>	<u>5</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 600</u>	<u>\$ 25,558</u>	<u>\$ 24,958</u>

See accompanying Notes to Basic Financial Statements.

**NATIONAL RESORT METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024**

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, 2024**

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 and intergovernmental revenues. All other revenue items are considered to be measurable and available only when cash is received by the District. The District has determined that Developer advances are not considered as revenue susceptible to accrual. Expenditures, other than interest on long-term obligations, are recorded when the liability is incurred or the long-term obligation due.

The District reports the following major governmental funds:

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

The 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, 2024.

**NATIONAL RESORT METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property Taxes

Property taxes are levied by the District's Board of Directors. The levy is based on assessed valuations determined by the County Assessor generally as of January 1 of each year. The levy is always set by December 15 by certification to the County Commissioners to put the tax lien on the individual properties as of January 1 of the following year. The County Treasurer collects the determined taxes during the ensuing calendar year. The taxes are payable by April or if in equal installments, at the taxpayer's election, in February and June. Delinquent taxpayers are notified in August and, generally, sale of the tax liens on delinquent properties are held in November or December. The County Treasurer remits the taxes collected monthly to the District.

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

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 asset 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, 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
Equipment and Fixtures	5 to 40 years

**NATIONAL RESORT METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Equity

Net Position

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

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

Fund Balance

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

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

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

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

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

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

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

**NATIONAL RESORT METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deficits

The Capital Projects Funds reported deficits in the fund financial statements as of December 31, 2024. The deficits will be eliminated with the receipt of funds advanced by the Developer in 2025.

NOTE 3 CASH AND INVESTMENTS

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

Statement of Net Position:

Cash and Investments	\$ 23,756
Cash and Investments - Restricted	42,230
Total Cash and Investments	<u>\$ 65,986</u>

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

Deposits with Financial Institutions	\$ 65,986
Total Cash and Investments	<u>\$ 65,986</u>

Deposits with Financial Institutions

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

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

At December 31, 2024, the District's cash deposits had a bank balance and carrying balance of \$65,986.

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, 2024**

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, 2024, the District had no investments.

NOTE 4 CAPITAL ASSETS

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

	Balance at December 31, 2023	Increases	Decreases	Balance at December 31, 2024
Governmental Activities:				
Capital Assets, Not Being Depreciated:				
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:				
Hoedown Hill Facilities	-	4,441,228	-	4,441,228
Golf Course Facilities	13,448,094	7,599,526	-	21,047,620
Equipment & Fixtures	-	4,494,948	-	4,494,948
Total Capital Assets, Being Depreciated	13,448,094	16,535,702	-	29,983,796
Less Accumulated Depreciation for:				
Hoedown Hill Facilities	-	133,221	-	133,221
Golf Course Facilities	155,469	712,548	-	868,017
Equipment & Fixtures	-	335,018	-	335,018
Total Accumulated Depreciation	155,469	1,180,787	-	1,336,256
Total Capital Assets, Being Depreciated, Net	13,292,625	15,354,915	-	28,647,540
Governmental Activities Capital Assets, Net	\$ 28,669,329	\$ 15,354,915	\$ 15,376,704	\$ 28,647,540

Depreciation in the amount of \$1,180,787 was charged to the general government function in the statement of activities.

**NATIONAL RESORT METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024**

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, 2024:

	Balance at December 31, 2023	Additions	Reductions	Balance at December 31, 2024	Due Within One Year
Notes/Loans/Bonds from Direct Borrowings and Direct Placements:					
Loan - Series 2023	\$ 9,750,000	\$ -	\$ 1,000,000	\$ 8,750,000	\$ 2,000,000
Subtotal	9,750,000	-	1,000,000	8,750,000	2,000,000
Other Debts:					
Developer Advance - Operating	207,100	1,492,349	-	1,699,449	-
Developer Advance - Capital	1,536,504	1,105,798	84,640	2,557,662	-
Accrued Interest on:					
Developer Advance - Operating	-	34,607	-	34,607	-
Developer Advance - Capital	231,109	144,817	-	375,926	-
Subtotal	1,974,713	2,777,571	84,640	4,667,644	-
Total Long-Term Obligations	\$ 11,724,713	\$ 2,777,571	\$ 1,084,640	\$ 13,417,644	\$ 2,000,000

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 ("Loan"). Principal and interest payments are due semiannually, every June 1 and December 1, in varying amounts through June 1, 2029. Commencing on the closing date until paid in full, the Loan shall bear interest at a fixed rate equal to 7.91% per annum, unless the default rate applies as provided in the agreement. At the option of the District, in its sole discretion, the interest rate borne by the Loan shall be adjusted a single time during the term of the Loan in accordance with the provisions of the agreement.

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>
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>\$ 8,750,000</u>	<u>\$ 1,685,588</u>	<u>\$ 10,435,588</u>

**NATIONAL RESORT METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Loan Details (continued)

The Loan does not have any unused lines of credit.

No assets have been pledged as collateral on Loan.

Events of default occur if the District fails to pay when due any principal or interest on the Loan, fails to observe or perform any other material covenant, agreement, or duty as stated in the loan agreement, or and do not comply with other customary terms and conditions consistent with normal municipal financing as described in the loan agreement.

The Loan does not have a termination provision.

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.

**NATIONAL RESORT METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 6 NET POSITION

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

Net investment in capital assets consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. As of December 31, 2024, the District has a net investment in capital assets as follows:

	Governmental Activities
Net Investment in Capital Assets:	
Capital Assets, Net	\$ 28,647,540
Long-Term Debt Attributable to Capital Assets	<u>(11,307,662)</u>
Net Investment in Capital Assets	<u><u>\$ 17,339,878</u></u>

The restricted net position includes assets that are restricted for use either externally imposed by creditors, grantors, contributors, or laws and regulations of other governments imposed by law through constitutional provisions or enabling legislation. The District had a restricted net position as of December 31, 2024, as follows:

	Governmental Activities
Restricted Net Position:	
Emergencies	<u>\$ 600</u>
Total Restricted Net Position	<u><u>\$ 600</u></u>

As of December 31, 2024, the District had a deficit in unrestricted net position, mainly due to the use of operating advances to fund operating expenses.

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).

**NATIONAL RESORT METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 8 AGREEMENTS (CONTINUED)

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. This includes outstanding developer advances related to the abovementioned improvements and amenities, which accrue simple interest at the rate of six and a half percent (6.5%) per annum. As of December 31, 2024, outstanding advances under the Assignment and Assumption Agreement totaled \$1,536,504 and accrued interest totaled \$330,982.

Infrastructure Acquisition and Reimbursement Agreement

On August 22, 2023, the District entered into the Infrastructure Acquisition and Reimbursement Agreement ("this Agreement") with Raindance Aquatic Investments, LLC (the Developer) as a means by which the District shall reimburse the Developer for Certified District Eligible Costs of Public Infrastructure financed and constructed by the Developer. This agreement does not obligate the Developer to construct any Public Infrastructure, but only governs the terms under which such Public Infrastructure that is constructed by the Developer will be eligible for reimbursement. The District shall tender the Developer, or any other entity as directed by the Developer, the amount of the Certified District Eligible Costs in cash or through one or more reimbursement notes, bonds, or other instruments ("Reimbursement Obligation"). The Developer may elect to defer payment of the Certified District Eligible Costs, in which case such amounts shall continue to be due under this Agreement and shall accrue simple interest at the rate of ten percent (10%) per annum. As of December 31, 2024, outstanding advances under this Agreement totaled \$1,021,158 and accrued interest totaled \$44,944.

Funding and Reimbursement Agreement

On August 22, 2023, the District entered into the Funding and Reimbursement Agreement (the Funding Agreement) with Raindance Aquatic Investments, LLC (the Developer) pursuant to which the Developer agreed to provide funding to the District for the purpose of assisting with the provision of general administrative and operating functions of the District, with the expectation of reimbursement therefore in an amount not to exceed an aggregate of \$75,000 per annum (the Annual Loan Cap) for three years, up to \$225,000 (the Maximum Loan Amount). These funds shall be advanced to the District through December 31, 2025 (the Loan Obligation Termination Date). Thereafter, the Loan Obligation Termination Date will automatically extend for additional one (1) year terms unless the Developer provides written notice to the District of termination.

**NATIONAL RESORT METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 7 AGREEMENTS (CONTINUED)

Funding and Reimbursement Agreement (Continued)

Upon each extension, the Developer agrees to advance the District one or more sums of money up to the Annual Loan Cap, and the Maximum Loan Amount shall be automatically increased accordingly. With respect to each advancement made under this agreement, the accrued interest rate shall be the Municipal Market Data (MMD) "AAA" General Obligation Yield Curve, 30-Year constant maturity, published by Refinitiv at www.tm3.com +325bps, from the date any such advance is made, simple interest. As of December 31, 2024, outstanding advances under the Funding Agreement totaled \$1,699,449 and accrued interest totaled \$34,607.

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.

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.

**NATIONAL RESORT METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 10 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.

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, 2024**

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
REVENUES				
PIF - Golf Lot Premiums	\$ 3,000,000	\$ 125,000	\$ 125,000	\$ -
PIF - Retail Sales	105,000	185,000	221,317	36,317
Total Revenues	3,105,000	310,000	346,317	36,317
EXPENDITURES				
Banking Fees	-	100	57	43
Loan Interest - 2023 Series	400,000	774,900	771,404	3,496
Loan Principal - 2023 Series	1,000,000	1,000,000	1,000,000	-
Total Expenditures	1,400,000	1,775,000	1,771,461	3,539
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	1,705,000	(1,465,000)	(1,425,144)	39,856
OTHER FINANCING SOURCES (USES)				
Developer Advance	-	1,645,000	1,470,097	(174,903)
Transfers To Other Fund	-	(22,000)	(21,751)	249
Total Other Financing Sources (Uses)	-	1,623,000	1,448,346	(174,654)
NET CHANGE IN FUND BALANCE	1,705,000	158,000	23,202	(134,798)
Fund Balance - Beginning of Year	13,750	13,750	21,777	8,027
FUND BALANCE - END OF YEAR	<u>\$ 1,718,750</u>	<u>\$ 171,750</u>	<u>\$ 44,979</u>	<u>\$ (126,771)</u>

**NATIONAL RESORT METROPOLITAN DISTRICT
CAPITAL PROJECTS FUND – HDH
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2024**

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
REVENUES				
Total Revenues	-	-	-	-
EXPENDITURES				
Capital Outlay	-	982,360	889,225	93,135
Repay Developer Advance - Capital	-	84,640	84,640	-
Total Expenditures	-	1,067,000	973,865	93,135
EXCESS OF REVENUES OVER (UNDER)				
EXPENDITURES	-	(1,067,000)	(973,865)	93,135
OTHER FINANCING SOURCES (USES)				
Developer Advance	-	1,045,000	954,536	(90,464)
Transfers From Other Fund	-	22,000	21,751	(249)
Total Other Financing Sources (Uses)	-	1,067,000	976,287	(90,713)
NET CHANGE IN FUND BALANCE	-	-	2,422	2,422
Fund Balance - Beginning of Year	-	-	(548,952)	(548,952)
FUND BALANCE - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (546,530)</u>	<u>\$ (546,530)</u>

**NATIONAL RESORT METROPOLITAN DISTRICT
CAPITAL PROJECTS FUND – GC
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2024**

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
REVENUES				
Total Revenues	-	-	-	-
EXPENDITURES				
Capital Outlay	-	275,000	269,773	5,227
Total Expenditures	-	275,000	269,773	5,227
OTHER FINANCING SOURCES (USES)				
Developer Advance	-	275,000	151,262	(123,738)
Total Other Financing Sources (Uses)	-	275,000	151,262	(123,738)
NET CHANGE IN FUND BALANCE	-	-	(118,511)	(118,511)
Fund Balance - Beginning of Year	-	-	-	-
FUND BALANCE - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (118,511)</u>	<u>\$ (118,511)</u>

OTHER INFORMATION

**NATIONAL RESORT METROPOLITAN DISTRICT
SUMMARY OF ASSESSED VALUATION, MILL LEVY AND PROPERTY TAXES COLLECTED
YEAR ENDED DECEMBER 31, 2024**

Year Ended December 31,	Assessed Valuation	Percent Change	Total Mills Levied		Total Property Taxes		Percent Collected to Levied
			General Operations	Total	Levied	Collected	
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	434,950	9.4%	39.000	39.000	16,963	16,963	100.00 %
2023/2024	429,120	-1.3%	39.000	39.000	16,736	16,736	100.00 %
Estimated for Year Ending December 31, 2025	\$ 272,300	-36.5%	39.000	39.000	\$ 10,620		

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.