

**Rendezvous Arrow Metropolitan District No. 1**

**Grand County, Colorado**

Financial Statements

Year Ended December 31, 2024

with

Independent Auditor's Report

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# COLORADO CPA COMPANY

## Independent Auditor's Report

Board of Directors  
Rendezvous Arrow Metropolitan District No. 1  
Grand County, Colorado

### ***Opinions***

We have audited the accompanying financial statements of the governmental activities and each major fund of Rendezvous Arrow Metropolitan District No. 1 (the "District"), as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of Rendezvous Arrow Metropolitan District No. 1 as of December 31, 2024, 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 Arrow Metropolitan District No. 1's basic financial statements. The supplemental information as listed in the table of contents is presented for the purpose of additional analysis and is 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 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  
December 2, 2025

**Rendezvous Arrow Metropolitan District No. 1**  
**Balance Sheet/Statement of Net Position**  
**Governmental Funds**  
**December 31, 2024**

	General Fund	Capital Projects Fund	Funds Total	Adjustments	Statement of Net Position
<b>Assets</b>					
Cash and investments - unrestricted	\$ 1,964	\$ -	\$ 1,964	\$ -	\$ 1,964
Cash and investments - restricted	-	1,119,954	1,119,954	-	1,119,954
Receivable from County Treasurer	16	-	16	-	16
Receivable from District Nos. 2-8	1,350	-	1,350	-	1,350
Property taxes receivable - next year	10,198	-	10,198	-	10,198
Capital assets not being depreciated	-	-	-	4,012,546	4,012,546
Total assets	<u>\$ 13,528</u>	<u>\$ 1,119,954</u>	<u>\$ 1,133,482</u>	4,012,546	5,146,028
<b>Liabilities</b>					
Accounts payable	\$ 3,329	\$ 358,005	\$ 361,334	-	361,334
Retention payable	-	19,446	19,446	-	19,446
Long-term liabilities:					
Due within more than one year	-	-	-	5,476,061	5,476,061
Total liabilities	<u>3,329</u>	<u>377,450</u>	<u>380,780</u>	5,476,061	5,856,841
<b>Deferred inflows of resources</b>					
Deferred property taxes	<u>10,198</u>	-	<u>10,198</u>	-	<u>10,198</u>
Total deferred inflows of resources	<u>10,198</u>	-	<u>10,198</u>	-	<u>10,198</u>
<b>Fund balances / net position/(deficit)</b>					
Fund balances:					
Restricted:					
Capital Projects	-	742,504	742,504	(742,504)	-
Unassigned	-	-	-	-	-
Total fund balances	<u>-</u>	<u>742,504</u>	<u>742,504</u>	<u>(742,504)</u>	<u>-</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 13,527</u>	<u>\$ 1,119,954</u>	<u>\$ 1,133,482</u>		
<b>Net position/(deficit):</b>					
Restricted for:					
Capital Projects				742,504	742,504
Unrestricted				(1,463,515)	(1,463,515)
Total net position/(deficit)				<u>\$ (721,011)</u>	<u>\$ (721,011)</u>

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

**Rendezvous Arrow Metropolitan District No. 1**  
**Statement of Revenues, Expenditures and Changes in Fund Balances/Statement of Activities**  
**Governmental Funds**  
**For the Year Ended December 31, 2024**

	General Fund	Capital Projects Fund	Funds Total	Adjustments	Statement of Activities
<b>Expenditures</b>					
Capital expansion	\$ -	\$ 4,007,275	\$ 4,007,275	\$ (4,007,275)	\$ -
Directors fees	1,800	-	1,800	-	1,800
Dues and memberships	488	-	488	-	488
Engineering	-	5,271	5,271	(5,271)	-
Insurance	8,114	-	8,114	-	8,114
Legal fees	359,334	-	359,334	-	359,334
Management fees	-	-	-	-	-
Miscellaneous	13,718	-	13,718	-	13,718
Repairs and maintenance:					
Bus shelters	-	-	-	-	-
Community trails	-	-	-	-	-
Open space & forest	-	-	-	-	-
Retaining walls	-	-	-	-	-
Roads	-	-	-	-	-
Snow removal	-	-	-	-	-
Street signs	-	-	-	-	-
Software	2,329	-	2,329	-	2,329
Treasurer's fees	248	-	248	-	248
Utilities	20	-	20	-	20
Debt service:					
Developer advance interest	-	-	-	69,149	69,149
Total expenditures/expenses	386,051	4,012,546	4,398,597	(3,943,397)	455,200
<b>General revenues</b>					
Property taxes	4,957	-	4,957	-	4,957
Specific ownership taxes	225	-	225	-	225
Interest income and miscellaneous	2,500	-	2,500	-	2,500
Total general revenues	7,682	-	7,682	-	7,682
<b>Excess (deficiency) of revenues over expenditures</b>	(378,369)	(4,012,546)	(4,390,915)	3,943,397	(447,518)
<b>Other financing sources (uses)</b>					
Developer advances	295,233	4,829,265	5,124,498	(5,124,498)	-
Transfer (to)/from other funds	74,215	(74,215)	-	-	-
Net other financing sources (uses)	369,448	4,755,050	5,124,498	(5,124,498)	-
<b>Net changes in fund balances</b>	(8,921)	742,504	733,583	(733,583)	
<b>Change in net position</b>				(447,518)	(447,518)
<b>Fund balances / net position/(deficit)</b>					
Beginning of year	8,921	-	8,921	(282,414)	(273,493)
End of year	\$ -	\$ 742,504	\$ 742,504	\$ (1,463,515)	\$ (721,011)

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

**Rendezvous Arrow Metropolitan District No. 1**  
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual  
General Fund  
For the Year Ended December 31, 2024

	Original and Final Budget	Actual	Variance - Favorable (Unfavorable)
<b>Expenditures</b>			
Directors fees	\$ -	\$ 1,800	\$ (1,800)
Dues and memberships	-	488	(488)
Insurance	500	8,114	(7,614)
Legal fees	55,000	359,334	(304,334)
Management fees	-	-	-
Miscellaneous	200	13,718	(13,518)
Repairs and maintenance:			
Bus shelters	2,000	-	2,000
Community trails	2,000	-	2,000
Open space & forest	10,000	-	10,000
Retaining walls	1,500	-	1,500
Roads	4,500	-	4,500
Snow removal	30,000	-	30,000
Street signs	2,000	-	2,000
Software	-	2,329	(2,329)
Treasurer's fees	-	248	(248)
Utilities	2,500	20	2,480
Contingency and emergency reserve	10,000	-	10,000
Total expenditures/expenses	<u>120,200</u>	<u>386,051</u>	<u>(265,851)</u>
<b>General revenues</b>			
Property taxes	4,958	4,957	(1)
Specific ownership taxes	-	225	225
Interest income and miscellaneous	-	2,500	2,500
Total general revenues	<u>4,958</u>	<u>7,682</u>	<u>2,724</u>
<b>Excess (deficiency) of revenues over expenditures and net changes in fund balance</b>	<b>(115,242)</b>	<b>(378,369)</b>	<b>(263,127)</b>
<b>Other financing sources (uses)</b>			
Developer advances	120,000	295,233	175,233
Transfer (to)/from other funds	-	74,215	74,215
Net other financing sources (uses)	<u>120,000</u>	<u>369,448</u>	<u>249,448</u>
<b>Net changes in fund balance</b>	<b>4,758</b>	<b>(8,921)</b>	<b>(13,679)</b>
<b>Fund balances</b>			
Beginning of year	<u>283</u>	<u>8,921</u>	<u>8,638</u>
End of year	<u>\$ 5,041</u>	<u>\$ -</u>	<u>\$ (5,041)</u>

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

## Rendezvous Arrow Metropolitan District No. 1

Notes to the Financial Statements  
For the Year Ended December 31, 2024

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### Note 1 – Definition of Reporting Entity

#### Definition of Reporting Entity

Rendezvous Arrow Metropolitan District No. 1 (the “District”), a quasi-municipal corporation and political subdivision of the State of Colorado, was organized on November 14, 2007, 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 is governed by an elected Board of Directors.

The District was established in conjunction with Rendezvous Arrow Metropolitan District No. 2 (“District No. 2”) and Rendezvous Arrow Metropolitan District No. 3 (“District No. 3”). The Consolidated First Amended and Restated Service Plan (2023) modifies, replaces, restates and supersedes the Consolidated Service Plan (2007) that governed District Nos. 1-3, and also includes Rendezvous Arrow Metropolitan District No. 4 (“District No. 4”), Rendezvous Arrow Metropolitan District No. 5 (“District No. 5”), Rendezvous Arrow Metropolitan District No. 6 (“District No. 6”), Rendezvous Arrow Metropolitan District No. 7 (“District No. 7”), and Rendezvous Arrow Metropolitan District No. 8 (“District No. 8”) (collectively with the District and District Nos. 2-3, the “Districts”). The primary purpose of the Districts is to finance the construction of Public Improvements for the use and benefit of all anticipated inhabitants and taxpayers of the Districts, including both residential and non-residential development, and to provide for the operation and maintenance of Public Improvements that are not dedicated to, accepted by, or otherwise conveyed to the Town of Winter Park or another public entity. The Districts shall have the power and authority to provide covenant enforcement and design review services subject to the limitations set forth in the Special District Act. The Districts will impose and collect a tax mill levy and/or fees and may use other legally available revenues to pay debt service costs and operation and maintenance expenses incurred for Public Improvements until such obligations are discharged.

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.

## Rendezvous Arrow Metropolitan District No. 1

Notes to the Financial Statements  
For the Year Ended December 31, 2024

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### 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*”.

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 and developer advances.

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.

## Rendezvous Arrow Metropolitan District No. 1

Notes to the Financial Statements  
For the Year Ended December 31, 2024

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

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.

*Capital Projects Fund* – The Capital Projects Fund is used to account for all financial resources that are restricted, committed or assigned to expenditures for capital outlays, including the acquisition or construction of capital facilities and other assets.

#### 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's General Fund and Capital Projects Fund actual expenditures exceeded appropriated amounts due to higher than anticipated acceptance of prior operating costs under the Advance and Reimbursement Agreement (Operations and Maintenance) (see Note 5) and capital improvements, which may be a violation of State Budget Law. The District's Board of Directors plans to hold a public hearing in 2025 to amend the 2024 budgets.

## Rendezvous Arrow Metropolitan District No. 1

Notes to the Financial Statements  
For the Year Ended December 31, 2024

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### 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, 2024, 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 no items that qualify for reporting in this category.

#### 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 Arrow Metropolitan District No. 1

Notes to the Financial Statements  
For the Year Ended December 31, 2024

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### 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.

The District's capital improvements represent construction in process and are not being depreciated.

#### 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.

#### 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 Arrow Metropolitan District No. 1

Notes to the Financial Statements  
For the Year Ended December 31, 2024

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### 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 Arrow Metropolitan District No. 1**

Notes to the Financial Statements  
For the Year Ended December 31, 2024

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**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.

**Note 3 – Cash and Investments**

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

Statement of net position:

Cash and investments - unrestricted	\$ 1,964
Cash and investments - restricted	<u>1,119,954</u>
Total	<u>\$ 1,121,918</u>

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

Deposits with financial institutions	<u>\$ 1,121,918</u>
Total	<u>\$ 1,121,918</u>

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 Arrow Metropolitan District No. 1

Notes to the Financial Statements  
For the Year Ended December 31, 2024

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### 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, 2024, the District's cash deposit account had a bank balance of \$1,122,090 and a carrying balance of \$1,121,918, held with an institution insuring up to \$250,000. The District had \$782,090 collateralized under PDPA as of December 31, 2024.

#### *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, 2024, 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, 2024, the District had no investments.

**Rendezvous Arrow Metropolitan District No. 1**

Notes to the Financial Statements  
For the Year Ended December 31, 2024

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**Note 3 – Cash and Investments (continued)**

Restricted Cash and Investments

As of December 31, 2024, a portion of cash and investments were restricted for future capital projects.

**Note 4 – Capital Assets**

The following is an analysis of changes in capital assets for the year ended December 31, 2024:

<u>Governmental Activities</u>	<u>Balance 01/01/2024</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 12/31/2024</u>
Capital assets not being depreciated:				
Construction in Process	\$ -	\$ 4,012,546	\$ -	\$ 4,012,546
Total capital assets not being depreciated	<u>\$ -</u>	<u>\$ 4,012,546</u>	<u>\$ -</u>	<u>\$ 4,012,546</u>

During the year, the District received advances from Arrowhead Winter Park Investors, LLC under the Advance and Reimbursement Agreement (Capital Expenses) (see Note 5) in the amount of \$2,080,085 which were used to pay vendors for construction costs. Additionally, the District used \$2,749,180 of funds received from other related parties outside of the Advance and Reimbursement Agreement (Capital Expenses) to fund construction costs (see Note 7).

The construction costs which were capitalized in 2024 have not yet been certified by an independent engineer.

**Rendezvous Arrow Metropolitan District No. 1**

Notes to the Financial Statements  
For the Year Ended December 31, 2024

**Note 5 – Long-Term Obligations**

The following is an analysis of changes in long-term obligations for the year ended December 31, 2024:

Governmental activities:	Balances 01/01/2024	Additions	Repayments	Balances 12/31/2024	Current Portion
<b>Developer advances:</b>					
Advance and Reimbursement Agreement (Operations and Maintenance):					
Principal	\$ -	\$ 295,233	\$ -	\$ 295,233	\$ -
Accrued interest	-	10,742	-	10,742	-
Total	-	305,975	-	305,975	-
Advance and Reimbursement Agreement (Capital Expenses):					
Principal	250,092	4,829,265	-	5,079,357	-
Accrued interest	32,322	58,407	-	90,729	-
Total	282,414	4,887,672	-	5,170,086	-
Total developer advances and total long-term obligations	282,414	5,193,647	-	5,476,061	-

The details of the Districts long-term obligation are as follows:

Advance and Reimbursement Agreement (Operations and Maintenance)

On July 18, 2024, the District and Arrowhead Winter Park Investors, LLC (the “Developer”) entered into an agreement to establish the terms and conditions for reimbursement of advances for operating costs advanced to the District by the Developer through December 31, 2024, unless terminated earlier by the District and Developer. The agreement automatically renews for an additional one-year period at the end of 2024 and at the end of each fiscal year thereafter, provided that the agreement and obligation of the District to reimburse the Developer expires July 18, 2064. In the event the District has not reimbursed the Developer for any advances by this date, any amount of principal and accrued interest outstanding shall be deemed to be forever discharged and satisfied in full.

The District shall use the advanced funds for the payment of operating expenses, as such costs are budgeted and appropriated as District expenditures. It is acknowledged that the Developer has made advanced to the District in the amount of \$295,233 prior to the execution of this agreement. The District shall repay advances at a rate of 8% per annum, with interest accruing as of the date of each advance made to the District. Repayments shall be first applied to interest, then principal owed, in chronological order in accordance with the date each advance is made.

**Rendezvous Arrow Metropolitan District No. 1**

Notes to the Financial Statements  
For the Year Ended December 31, 2024

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**Note 5 – Long-Term Obligations**

Advance and Reimbursement Agreement (Operations and Maintenance) (continued)

The payment obligations under the agreement shall be subject to annual appropriation by the Board in its sole discretion. The terms and conditions of the agreement shall not be construed as a multiple-fiscal year direct or indirect district debt or other financial obligation within the meaning of Article X, Section 20 of the Colorado Constitution, and shall be subject to the terms and conditions of and subordinate to, the issuance of any bonds, loans, notes, intergovernmental agreements or other similar debt instruments and any refundings thereof. Failure by the District to repay the amounts due hereunder as a result of insufficient funds shall not constitute a default, nor subject the District to any claims and/or causes of action by the Developer, including mechanic's liens, arising out of the District's nonperformance of its payment obligation.

Advance and Reimbursement Agreement (Capital Expenses)

On July 18, 2024, the District and the Developer entered into an agreement to establish the terms and conditions for reimbursement of advances for Certified District Eligible Costs of Public Improvements (as defined in the agreement) financed and constructed by the Developer or for which the Developer advances funds to the District to finance and construct. The District is authorized, but shall not be obligated, to accept any Public Improvements and/or District Eligible Costs for reimbursement. The Maximum Advance Amount is \$30,000,000.

The agreement shall terminate upon mutual agreement of the Parties, provided, however, if not earlier terminated, any obligation of the District to reimburse the Developer expires July 18, 2064. If any amount of principal or interest for any Advances or Certified District Eligible Cost remains unpaid at that date, any amount of principal and interest outstanding on such date shall be deemed to be forever discharged and satisfied in full, and upon such discharge, the Developer will have no recourse to the District for the payment of any amount of principal of and interest remaining unpaid hereunder.

Events of default include default in the performance or observance of any of the covenants, agreements, or conditions set forth within the agreement by the District or the Developer.

It is acknowledged that the Developer has made advances to the District in the amount of \$59,446.30 prior to the execution of this agreement. Advances bear interest at a rate of 8% per annum from the date such costs are incurred by the Developer. The District shall repay Advances and/or Certified District Eligible Costs approved by the District from the proceeds of loans or bonds issued by the District, and/or other legally available funds of the District not otherwise required for operations, maintenance, capital improvements, and debt service costs and other expenses of the District.

The payment obligations under the agreement shall be subject to annual appropriation by the Board in its sole discretion. The terms and conditions of the agreement shall not be construed as a multiple-fiscal year direct or indirect district debt or other financial obligation within the meaning of Article X, Section 20 of the Colorado Constitution.

**Rendezvous Arrow Metropolitan District No. 1**

Notes to the Financial Statements  
For the Year Ended December 31, 2024

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**Note 5 – Long-Term Obligations**

Debt Authorization

Under the Consolidated First Amended and Restated Service Plan (2023), the Districts shall not issue Debt for Public Improvement purposes in excess of \$227,805,000 without Town approval.

**Note 6 – Fund Balances and Net Position/(Deficit)**

Fund Balances

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

Fund balance - restricted for:	
Capital projects	\$ 742,504
Fund balance - unassigned	<u>-</u>
Total fund balance	<u><u>\$ 742,504</u></u>

The restricted fund balance in the Capital Projects Fund is restricted for the financing of future public improvements.

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.

**Rendezvous Arrow Metropolitan District No. 1**

Notes to the Financial Statements  
For the Year Ended December 31, 2024

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**Note 6 – Fund Balances and Net Position/(Deficit) (continued)**

Net Position/(Deficit)

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

Net position - restricted for:	
Capital projects	\$ 742,504
Net position/(deficit) - unrestricted	<u>(1,463,515)</u>
Total net position/(deficit)	<u><u>\$ (721,011)</u></u>

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 7 – Related Party Transactions**

Members of the Board of Directors of the District are employees, owners or associated with the Developer, and may have conflicts of interest in dealing with the District. Any potential conflicts have been filed in accordance with Colorado Law.

The Developer and its affiliates have provided certain operational funds and will provide other operational funds to the District in addition to the Advance and Reimbursement Agreement (Operations and Maintenance) (see Note 5) resulting in operational payables to these entities as of December 31, 2024. There are no formal agreements in place related to the repayment of these amounts. Certain amounts received from these entities were applied to other balances through financial statement reclassifications.

Amounts payable to Developer affiliates include:	Balances 01/01/2024	Receipts	Repayments	Reclassifications	Balances 12/31/2024
Due to Arrowhead Development Company, LLC	\$ 118,092	\$ -	\$ -	\$ (118,092)	\$ -
Due to Koelbel & Company	-	400,000	-	(400,000)	-
Due to Rendezvous Colorado, LLC	132,000	923,000	-	(1,055,000)	-
Due to Rendezvous Homes, LLC	-	1,176,088	-	(1,176,088)	-
Total	<u>\$ 250,092</u>	<u>\$ 2,499,088</u>	<u>\$ -</u>	<u>\$ (2,749,180)</u>	<u>\$ -</u>

## Rendezvous Arrow Metropolitan District No. 1

Notes to the Financial Statements  
For the Year Ended December 31, 2024

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### **Note 7 – Related Party Transactions (continued)**

#### Management Services Agreement

On May 31, 2023, the District and K&C Management, LLC (affiliate of the Developer, the “Manager”) entered into a management services agreement whereby the Manager will provide general operational and property management services to the District through December 31, 2023. The agreement is automatically renewed for an additional one year term annually unless otherwise terminated by either party with 30 days written notice. For the first two years, the District shall not be responsible to, and the Manager shall not receive, compensation for management services. After two years, District and the Manager may thereafter annually analyze the compensation to be paid to the Manager for the management services performed and may, upon amendment to the agreement, adjust the compensation to be paid as deemed appropriate by the Parties. The failure of the District and the Manager to effect any such adjustment shall not be deemed a termination of the agreement. The District does not intend hereby to create a multiple-fiscal year direct or indirect debt or other financial obligation whatsoever. The performance of those obligations of the District under the agreement requiring budgeting and appropriation of funds are subject to annual budgeting and appropriations. No management fees were paid during 2024.

#### Construction Management Services Agreement

On July 18, 2024, the District and Koelbel and Company (affiliate of the Developer) entered into a construction management services agreement whereby Koelbel and Company will provide contracting services to the District through December 31, 2024. The agreement is automatically renewed for an additional one year term annually for a maximum of three periods of automatic renewal, unless otherwise terminated by either party with written notice of non-renewal no less than sixty (60) days prior to January 1st of the ensuing year. Each such renewal shall be subject to the District’s annual budget and appropriation for the anticipated Work Order(s) for the ensuing year. Compensation is negotiated by execution of work orders for the scope of work on each project, and any changes to the compensation will be agreed to with a new work order or change order. The work order entered into on July 18, 2024 specifies a construction management fee of 4% of total costs paid to the District’s contractors engaged to complete the public improvements within and without the boundaries of the District. No construction management fees were paid in 2024.

### **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, 2024. 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.

**Rendezvous Arrow Metropolitan District No. 1**

Notes to the Financial Statements  
For the Year Ended December 31, 2024

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**Note 8 – Risk Management (continued)**

The District pays annual premiums to the Pool for liability, property and public officials liability coverage. In the event aggregated losses incurred by the Pool exceed amounts recoverable from reinsurance contracts and funds accumulated by the Pool, the Pool may require additional contributions from the Pool members. Any excess funds which the Pool determines are not needed for purposes of the Pool may be returned to the members pursuant to a distribution formula.

**Note 9 – Agreements with Other Governments**

Town IGA

To implement the Service Plan, the Districts have signed an intergovernmental agreement (“IGA”) with the Town of Winter Park (the “Town”). The IGA outlines the Town’s oversight of the construction of public improvements within the Districts. Certain public improvements may be dedicated to and accepted by the Town for operations and maintenance, and any public improvements which are not conveyed to the and accepted by the Town or other public entity for operations and maintenance shall be owned and/or operated, maintained, repaired and replaced by the Districts.

Operations Financing IGA

On July 18, 2024, the District and District Nos. 2-8 entered into an Operations Financing Intergovernmental Agreement (“Operations Financing IGA”) that establishes the shared management structure between the Districts, whereby District No. 1 is the Service District and Districts Nos. 2-8 are the Taxing Districts. The Service District will provide administrative/management services for the Taxing Districts, and the Taxing Districts will levy an operating mill levy to pay their respective portion of the allocated administrative/management costs.

At times, the District advances funds for operational costs to District Nos. 2-8. As of December 31, 2024, receivables from District Nos. 2-8 consist of:

Rendezvous Arrow Metropolitan District No. 2	\$	300
Rendezvous Arrow Metropolitan District No. 3		300
Rendezvous Arrow Metropolitan District No. 4		150
Rendezvous Arrow Metropolitan District No. 5		150
Rendezvous Arrow Metropolitan District No. 6		150
Rendezvous Arrow Metropolitan District No. 7		150
Rendezvous Arrow Metropolitan District No. 8		150
Total	\$	<u>1,350</u>

**Rendezvous Arrow Metropolitan District No. 1**

Notes to the Financial Statements  
For the Year Ended December 31, 2024

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**Note 9 – Agreements with Other Governments (continued)**

Operations Financing IGA (continued)

The occurrence or existence of any one or more of the following events shall be an "Event of Non-Compliance" under the Operations Financing IGA:

- (a) a Taxing District fails or refuses to impose the Operations Levy or to remit the Pledged Revenues as required by the terms of this Agreement;
- (b) any representation or warranty made by any party to this Agreement proves to have been untrue or incomplete in any material respect when made and which untruth or incompleteness would have a material adverse effect upon the other party;
- (c) a party fails in the performance of any other of its covenants in this Agreement, and such failure continues for 60 days after written notice specifying such default and requiring the same to be remedied is given to the defaulting party;
- (d) a Taxing District commences proceedings for dissolution or consolidation with another metropolitan district during the term of this Agreement; or
- (e) (i) a party shall commence any case, proceeding, or other action (A) under any existing or future law of any jurisdiction relating to bankruptcy, insolvency, reorganization, or relief of debtors, seeking to have an order for relief entered with respect to it or seeking to adjudicate it insolvent or a bankrupt or seeking reorganization, arrangement, adjustment, winding up, liquidation, dissolution, composition, or other relief with respect to it or its debts; or (B) seeking appointment of a receiver, trustee, custodian, or other similar official for itself or for any substantial part of its property, or a party shall make a general assignment for the benefit of its creditors; or (ii) there shall be commenced against a party any case, proceeding, or other action of a nature referred to in clause (i) and the same shall remain not dismissed within 90 days following the date of filing; or (iii) there shall be commenced against a party any case, proceeding, or other action seeking issuance of a warrant of attachment, execution, distraint, or similar process against all or any substantial part of its property which results in the entry of an order for any such relief which shall not have been vacated, discharged, stayed, or bonded pending appeal within 90 days from the entry thereof; or (iv) a party shall take action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the acts set forth in clause (i), (ii) or (iii) above; or (v) a party shall generally not, or shall be unable to, or shall admit in writing its inability to, pay its debts as they become due.

Under the Operations Financing IGA, neither the Service District nor the Taxing Districts shall be entitled to terminate the agreement except by mutual written agreement of the Districts.

## Rendezvous Arrow Metropolitan District No. 1

Notes to the Financial Statements  
For the Year Ended December 31, 2024

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### Note 9 – Agreements with Other Governments (continued)

#### Rendezvous Arrow District Facilities and Service Agreement

In addition to the Operations Financing IGA, on July 18, 2024, the District and District Nos. 2-8 entered into a "District Facilities and Service Agreement" that sets forth the rights and obligations of the Taxing Districts to fully fund, and of the Service District to construct, own, or transfer, and to operate and maintain, public facilities and services of the benefit to the Districts. The Service District will provide certain district administration and project administration services for each district and each of the Taxing Districts agree to pay the Service District its allocation management costs for any fiscal year. Unless agreed to otherwise pursuant to a separate agreement between the Service District and Taxing Districts, the Service District shall own, operate and maintain all projects unless and until they are dedicated to the Town or another appropriate governmental entity for perpetual ownership and maintenance.

The occurrence or existence of any one or more of the following events shall be an "Event of Default" under the agreement:

- (a) a Taxing District fails or refuses to apply Pledged Revenues to a Financing Obligation in accordance with a Capital Pledge Agreement, and such failure continues for sixty (60) days after written notice specifying such default and requiring the same to be remedied is given to any of the Parties;
- (b) the Service District fails or refuses to apply Pledged Revenues received by it under a Capital Pledge Agreement to the payment of Project Costs and such failure continues for sixty (60) days after written notice specifying such default and requiring the same to be remedied is given to any of the Parties;
- (c) any representation or warranty made by any Party in this Agreement proves to have been untrue or incomplete in any material respect when made and which untruth or incompleteness would have a material adverse effect upon any other Party;
- (d) any Party fails in the performance of any other of its covenants in this Agreement or a Pledge Agreement, and such failure continues for sixty (60) days after written notice specifying such default and requiring the same to be remedied is given to any of the Parties; or
- (e) (1) any Party shall commence any case, proceeding, or other action (A) under any existing or future law of any jurisdiction relating to bankruptcy, insolvency, reorganization, or relief of debtors, seeking to have an order for relief entered with respect to it or seeking to adjudicate it insolvent or bankrupt or seeking reorganization, arrangement, adjustment, winding up, liquidation, dissolution, composition, or other relief with respect to it or its debts, or (B) seeking appointment of a receiver, trustee, custodian, or other similar official for itself or for any substantial part of its property, or Party shall make a general assignment for the benefit of its creditors; or (2) there shall be commenced against any Party any case, proceeding, or other action of a nature referred to in clause (1) and the same shall remain not dismissed within ninety (90) days following the date of filing; or (3) there shall be commenced against any Party any case, proceeding, or other action seeking issuance of a warrant of attachment, execution, distraint, or similar process against all or any substantial part of its property which results in the entry of an order for any such relief which shall not have been vacated, discharged, stayed, or bonded pending appeal within ninety (90) days from the entry thereof; or (4) any Party shall take action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the acts set forth in clause (1), (2) or (3) above; or (5) any Party shall generally not, or shall be unable to, or shall admit in writing its inability to, pay its debts as they become due.

## **Rendezvous Arrow Metropolitan District No. 1**

Notes to the Financial Statements  
For the Year Ended December 31, 2024

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### **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.

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.

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.

### **Note 11 – Economic Dependency**

The District has not yet established a revenue base sufficient to pay the District’s operational expenditures. Until an independent revenue base is established, continuation of operations in the District will be dependent upon funding by the Developer to advance funds for operations.

**Rendezvous Arrow Metropolitan District No. 1**  
Notes to the Financial Statements  
For the Year Ended December 31, 2024

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**Note 12 – 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:

Fund balances	\$ 742,504
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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.

Capital assets not being depreciated	4,012,546
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Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.

Developer advances and accrued interest payable	<u>(5,476,061)</u>
Net position of governmental activities	<u>\$ (721,011)</u>

**Rendezvous Arrow Metropolitan District No. 1**  
Notes to the Financial Statements  
For the Year Ended December 31, 2024

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**Note 12 – 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:

Net change in fund balances - governmental funds:	\$ 733,583
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Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report capital outlay 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	4,012,546
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Long-term commitments provide current financial resources to governmental funds, while the repayment of the principal of long-term commitments consumes the current financial resources of governmental funds. Also, governmental funds do not report new long-term commitments until paid, while the commitment expense is recorded as a change in net position.

Proceeds from developer advance	(5,124,498)
Change in accrued interest on developer advance payable	<u>(69,149)</u>

Change in net position of governmental activities	<u><u>\$ (447,518)</u></u>
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## Supplemental Information

**Rendezvous Arrow Metropolitan District No. 1**  
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual  
Capital Projects Fund  
December 31, 2024

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	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
<b>Expenditures</b>			
Capital assets acquired	\$ -	\$ 4,012,546	\$ (4,012,546)
Total expenditures/expenses	-	4,012,546	(4,012,546)
<b>General revenues</b>			
Interest income	-	-	-
Total revenues	-	-	-
<b>Excess (deficiency) of revenues over expenditures and net changes in fund balance</b>			
	-	(4,012,546)	(4,012,546)
<b>Other financing source (uses)</b>			
Transfers from District No. 1	-	4,829,265	4,829,265
Transfer to/from other funds	-	(74,215)	(74,215)
Net other financing sources (uses)	-	4,755,050	4,755,050
<b>Net changes in fund balances</b>	-	742,504	742,504
<b>Fund balances</b>			
Beginning of year	-	-	-
End of year	<u>\$ -</u>	<u>\$ 742,504</u>	<u>\$ 742,504</u>