CONESTOGA METROPOLITAN DISTRICT NO. 1
Weld County, Colorado

FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2024

CONESTOGA METROPOLITAN DISTRICT NO. 1

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Independent Auditors' Report

Members of the Board of Directors
Conestoga Metropolitan District No. 1
Severance, Colorado

Opinions
We have audited the accompanying financial statements of the governmental activities and each major fund of Conestoga 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, except for the possible effects of the matter described in the Basis for Qualified Opinions section of our report, 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 thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Qualified Opinions
We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Conestoga Metropolitan District No. 1 and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinions.

Emphasis of Matter

As discussed in Note 11 to the financial statements, the District restated its beginning net position as of January 1, 2024, to properly reflect certain liabilities including accounts payable and accrued interest. Our opinion is not modified with respect to this matter.

Matter Giving Rise to the Qualified Opinion
We were unable to obtain sufficient appropriate audit evidence regarding the beginning fund balances and beginning net position as of January 1, 2024, because supporting documentation was not available due to turnover in the District's accounting contractor. We were unable to satisfy ourselves regarding these opening balances by means of other auditing procedures. Consequently, we were unable to determine whether any adjustments might have been necessary in respect to the beginning fund balance or beginning net position.

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Conestoga Metropolitan District No. 1'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.

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Conestoga Metropolitan District No. 1'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 Conestoga Metropolitan District No. 1's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our qualified opinion on the basic financial statements is 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 Conestoga Metropolitan District No. 1's basic financial statements. The Schedules of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual – Townhomes Fund and Capital Projects Fund are 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 Schedules of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual – Townhomes Fund and Capital Projects Fund are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Haynie

Littleton, Colorado
July 30, 2026

BASIC FINANCIAL STATEMENTS

CONESTOGA METROPOLITAN DISTRICT NO. 1
STATEMENT OF NET POSITION (DEFICIT)
December 31, 2024

	Governmental Activities
ASSETS	
Cash and investments	$ 38,022
Accounts receivable	12,836
Property taxes receivable	276
Receivable from County Treasurer	5,520
Due from other funds	45,531
Due from other entities	6,661
Prepaid expenditures	11,447
Capital assets, net	2,636,764
Total assets	$ 2,757,057
LIABILITIES	
Accounts payable	$ 7,688
Due to other funds	45,531
Due to other entities	10,650
Prepaid fees	3,301
Non-current liabilities:	
Due in more than one year	3,213,136
Total liabilities	3,280,306
NET POSITION (DEFICIT)	
Restricted for:	
Emergency reserves	7,300
Unrestricted	(530,549)
Total net position (deficit)	$ (523,249)

These financial statements should be read only in connection with the accompanying notes to financial statements.

CONESTOGA METROPOLITAN DISTRICT NO. 1
STATEMENT OF ACTIVITIES
Year Ended December 31, 2024

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Governmental Activities
Primary government:					
Governmental activities:					
General government	$ 474,362	$ 131,320	$ -	$ -	$ (343,042)
	$ 474,362	$ 131,320	$ -	$ -	(343,042)
General revenues:					
Intergovernmental					94,843
Miscellaneous					16,629
Total general revenues					111,472
Change in net position					(231,570)
Net position (deficit) - beginning - restated					(291,679)
Net position (deficit) - ending					$ (523,249)

These financial statements should be read only in connection with the accompanying notes to financial statements.

CONESTOGA METROPOLITAN DISTRICT NO. 1
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2024

	General	Townhomes	Capital Projects	Total Governmental Funds
ASSETS				
Cash and investments	$ 38,022	$ -	$ -	$ 38,022
Accounts receivable	4,391	8,445	-	12,836
IGA receivable	276	-	-	276
Receivable from county treasurer	1,050	4,470	-	5,520
Prepaid expenditures	11,447	-	-	11,447
Due from other entities	6,661	-	-	6,661
Due from other funds	-	45,531	-	45,531
Total assets	$ 61,847	$ 58,446	$ -	$ 120,293
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
LIABILITIES				
Accounts payable	$ 5,938	$ 1,750	$ -	$ 7,688
Due to other entities	10,650	-	-	10,650
Due to other funds	45,531	-	-	45,531
Prepaid fees	614	2,687	-	3,301
Total liabilities	62,733	4,437	-	67,170
FUND BALANCES				
Nonspendable:				
Prepaid expenditures	11,447	-	-	11,447
Restricted for:				
Emergencies	7,300	-	-	7,300
Unassigned	(19,633)	54,009	-	34,376
Total fund balances	(886)	54,009	-	53,123
TOTAL LIABILITIES AND FUND BALANCES	$ 61,847	$ 58,446	$ -	
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, net				2,636,764
Long-term liabilities, including developer advance payable and accrued interest, are not due and payable in the current period and, therefore, are not included in the fund financial statements, but are included in the governmental activities in the Statement of Net Position:				
Developer advance- principal and interest				(3,213,136)
Net position of governmental activities				$ (523,249)

These financial statements should be read only in connection with the accompanying notes to financial statements

CONESTOGA METROPOLITAN DISTRICT NO. 1
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (DEFICIT)
GOVERNMENTAL FUNDS
Year Ended December 31, 2024

	General	Townhomes	Capital Projects	Total Governmental Funds
REVENUES				
Operations & maintenance fees	$ -	$ 125,325	$ -	$ 125,325
Intergovernmental revenue - District No. 2	50,953	-	-	50,953
Intergovernmental revenue - District No. 3	30,992	-	-	30,992
Intergovernmental revenue - District No. 4	11,697	-	-	11,697
Intergovernmental revenue - District No. 5	1,200	-	-	1,200
ARC fees	725	525	-	1,250
Transfer fees	2,175	750	-	2,925
Covenant violation fees	1,820	-	-	1,820
Developer advance	-	-	1,069,964	1,069,964
Interest/miscellaneous	13,544	3,085	-	16,629
Total Revenues	113,107	129,685	1,069,964	1,312,756
EXPENDITURES				
Operating & Maintenance				
Landscaping	$ 29,051	$ 26,525	$ -	$ 55,576
Hardscapes	-	3,866	-	3,866
Utilities	183	-	-	183
Repairs and replacement	1,979	2,367	-	4,346
Facilities management	2,368	2,368	-	4,736
Administration				
Accounting	10,740	10,740	-	21,480
Billing expense	2,304	2,056	-	4,360
District management	10,740	10,740	-	21,480
Elections	16	-	-	16
Insurance	11,655	-	-	11,655
Legal	31,134	-	-	31,134
Office, dues, and other	2,812	-	-	2,812
ARC reviews	6,888	2,296	-	9,184
District website	1,180	-	-	1,180
Covenant enforcement	5,568	5,568	-	11,136
Property transfer	712	237	-	949
Non-potable water fees	-	4,847	-	4,847
Transfer to district no. 2	9,989	-	-	9,989
Contingency	258	-	-	258
Capital improvements	-	-	1,069,964	1,069,964
Total Expenditures	127,577	71,610	1,069,964	1,269,151
CHANGES IN FUND BALANCES	(14,470)	58,075	-	43,605
FUND BALANCES - BEGINNING OF YEAR	13,584	(4,066)	-	9,518
FUND BALANCES (DEFICIT) - END OF YEAR	$ (886)	$ 54,009	$ -	$ 53,123

These financial statements should be read only in connection with the accompanying notes to financial statements

CONESTOGA METROPOLITAN DISTRICT NO. 1
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
Year Ended December 31, 2024

Amounts reported for governmental activities in the Statement of Activities are different because:		
Net changes in fund balances - Total governmental funds	$	43,605
Governmental funds report capital outlays as expenditures. In the Statement of Activities capital outlay is not reported as an expenditure. This amount represents net capital outlay for the current period.		
Capital outlay		1,069,964
Depreciation		(72,772)
Some expenses reported in the Statement of Activities do not require the use of financial resources and, therefore, are not reported as expenditures in governmental funds:		
De added to principal		(1,069,964)
Net change in accrued interest on long-term liabilities		(202,403)
Change in net position of governmental activities	$	(231,570)

These financial statements should be read only in connection with the accompanying notes to financial statements.

CONESTOGA METROPOLITAN DISTRICT NO. 1
STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE (DEFCIT)
BUDGET AND ACTUAL
GENERAL FUND
Year Ended December 31, 2024

	Budgeted Amount Original	YTD Actual	Variance Favorable (Unfavorable)
REVENUES			
Operating advance	$ 91,386	$ -	$ (91,386)
Intergovernmental revenue - District No. 2	52,126	50,953	(1,173)
Intergovernmental revenue - District No. 3	31,736	30,992	(744)
Intergovernmental revenue - District No. 4	11,978	11,697	(281)
Intergovernmental revenue - District No. 5	1,228	1,200	(28)
ARC fees	4,500	725	(3,775)
Transfer fees	3,000	2,175	(825)
Covenant violation fees	-	1,820	1,820
Interest/miscellaneous	500	13,544	13,544
Total Revenues	196,454	113,107	(82,847)
EXPENDITURES			
Operating & Maintenance			-
Landscaping	20,500	29,051	(8,551)
Hardscapes	8,000	-	8,000
Storm structure maintenance	2,000	-	2,000
Utilities	2,200	183	2,017
Repairs and replacement	5,250	1,979	3,271
Facilities management	10,440	2,368	8,072
Administration			-
Accounting	32,100	10,740	21,360
Audit	7,800	-	7,800
Billing expense	-	2,304	(2,304)
District management	40,200	10,740	29,460
District engineer	3,500	-	3,500
Elections	-	16	(16)
Insurance	13,000	11,655	1,345
Legal	13,500	31,134	(17,634)
Office, dues, and other	5,000	2,812	2,188
Constituent communications	7,500	-	7,500
ARC reviews	4,500	6,888	(2,388)
District website	1,166	1,180	(14)
Covenant enforcement	5,250	5,568	(318)
Property transfer	6,000	712	5,288
Transfer to district no. 2	-	9,989	(9,989)
Contingency	5,000	258	4,742
Total Expenditures	192,906	127,577	65,329
NET CHANGE IN FUND BALANCE	3,548	(14,470)	(17,518)
FUND BALANCE - BEGINNING OF YEAR	4,856	13,584	8,728
FUND BALANCE (DEFICIT) - END OF YEAR	$ 8,404	$ (886)	$ (9,290)

These financial statements should be read only in connection with the accompanying notes to financial statements.

NOTES TO BASIC FINANCIAL STATEMENTS

1. DEFINITION OF REPORTING ENTITY

Conestoga Metropolitan District No. 1 (the "District") is a quasi-municipal political subdivision of the State of Colorado organized in 2017 concurrently with four other Districts. Conestoga District Nos. 1-5 (“the Districts”) were organized to provide for the construction and financing of street, safety control and landscaping improvements. The Districts’ service area is located entirely within the Town of Ault in Weld County, Colorado, commonly known as “Conestoga”. District No. 1 is the “Coordinating District” and is expected to coordinate the financing, construction and maintenance of all public improvements. District Nos. 2-5, as “Financing Districts”, are expected to contain residential development, include future development and provide revenue to support the Districts’ activities. As such, the District obtained financing for reimbursing and acquiring public improvement projects. District Nos. 2 – 5 (“Taxing Districts”) are responsible for providing the funding and tax base needed to support the Coordinating District and service debt. The revenue from property taxes levied by the Taxing Districts are pledged to District No. 1 for operations and District No. 2 for debt service.

The District follows the Governmental Accounting Standards Board (GASB) accounting pronouncements which provide guidance for determining which governmental activities, organizations and functions should be included within the financial reporting entity. GASB pronouncements set forth the financial accountability of a governmental organization's elected governing body as the basic criterion for including a possible component governmental organization in a primary government's legal entity. Financial accountability includes, but is not limited to, appointment of a voting majority of the organization's governing body, ability to impose its will on the organization, a potential for the organization to provide specific financial benefits or burdens and fiscal dependency.

The District is not financially accountable for any other organization, nor is the District a component unit of any other primary governmental entity.

The District has no employees and all operations and administrative functions are contracted.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Government-Wide and Fund Financial Statements — The government-wide financial statements (i.e. the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the government. Eliminations have been made to minimize the double counting of internal activities. These statements include all of the activities of the District. Governmental activities are normally supported by taxes and intergovernmental revenues. The statement of net position reports all of the financial and capital resources of the District. The difference between the assets and the liabilities and deferred inflows of resources is reported as net position.

The statement of activities demonstrates the degree to which 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) fees and 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. Revenues that are not classified as program revenues, including all taxes, are reported as general revenues.

Separate financials are provided for governmental funds.

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 the related cash flow.

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 period or soon enough thereafter to pay liabilities of the current fiscal period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Those revenues susceptible to accrual are property taxes and are recognized as revenue by the District. All other revenue items, including developer advances, are considered to be measurable and available only when cash is received by the District.

Expenditures are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of long-term debt and acquisitions under capital leases are reported as other financing sources.

When both restricted and unrestricted resources are available for use, it is the District's policy to apply restricted resources first, then unrestricted resources as they are needed.

The District reports the following major governmental funds:

General Funds – The General Funds are the government's general operating funds. They are used to account for certain financial resources not accounted for and reported in other funds.

Capital Projects Fund - The Capital Project Fund accounts for resources to be used for the acquisition and construction of capital equipment and facilities.

Budget Information — In accordance with the State Budget Law, the District’s Board of Directors holds public hearings in the fall of 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 Capital Projects Fund expenditures exceeded appropriations which may be a violation of state statute. The budget includes each fund on its basis of accounting unless otherwise indicated.

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 normally 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 sales 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 inflows 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.

Cash 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. The District's investments are reported at net asset value (NAV).

Deferred Inflows of Resources - In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The District had no Deferred Inflows of Resources at December 31, 2024.

Fund Balance Classification — The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy based on the extent to which the District is bound to honor constraints on the specific purposes for which spending can occur. Governmental funds report up to five classification 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:

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

Restricted – 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 – 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 – 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 – The residual portion of fund balance that does not meet any of the above 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.

Estimates — The preparation of financial statements in conformity with generally accepted accounting principles in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

3. CASH AND INVESTMENTS

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. As of December 31, 2024, the federal insurance limit was $250,000. The eligible collateral is determined by the PDPA. The 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 equal to 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.

The District had cash deposits of $38,022 at December 31, 2024.

Investments – The District has not adopted a formal investment policy, however, the District follows state statutes regarding investments. As of December 31, 2024, the District had no investments.

4. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2024 was as follows

Governmental activities:	**Balance at December 31, 2023**	**Additions**	**Reductions**	**Balance at December 31, 2024**
Capital assets, not being depreciated:				
Construction in progress	$ -	$ 1,069,964	$ -	$ 1,069,964
Total capital assets, not being depreciated	$ -	$ 1,069,964	$ -	$ 1,069,964
Capital assets, being depreciated:				
Infrastructure	$ 1,784,097	$ -	$ -	$ 1,784,097
Total Capital Assets being depreciated	$ 1,784,097	$ -	$ -	$ 1,784,097
Less: accumulated depreciation				
Infrastructure	$ 144,525	$ 72,772	$ -	$ 217,297
Total accumulated depreciation	$ 144,525	$ 72,772	$ -	$ 217,297
Total capital assets, net	$ 1,639,572	$ 997,192	$ -	$ 2,636,764

All or a majority of the governmental capital assets have been or will be conveyed to another governmental entity for service. In 2024, the District accepted public improvements that were constructed and certified by the Developer. The Town has assumed responsibility for the ongoing repair and maintenance of previous improvements.

5. LONG-TERM LIABILITIES

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 Payable					
Developer Advances	$ 1,633,566	$ 1,069,964	$ -	$ 2,703,530	$ -
Accrued interest - restated	307,203	202,403	-	509,606	-
Total Notes payable	$ 1,940,769	$ 1,272,367	$ -	$ 3,213,136	$ -
Total Long-term liabilities	$ 1,940,769	$ 1,272,367	$ -	$ 3,213,136	$ -

6. DEBT AUTHORIZATION

By election, the District is authorized to issue debt up to $138,500,000; however, the District Service Plan limits the issuance of debt to $9,750,000. All long-term debt is expected to be repaid by limited taxes imposed and collected for no longer than the maximum debt mill levy imposition term of residential properties and at a mill levy no higher than 50 mills. As of December 31, 2024, the District had no remaining authorized but unissued debt.

7. NET POSITION

The District's net position includes three components: net investment in capital assets; restricted and unrestricted.

Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition of the related assets.

Restricted assets which have restrictions placed on the use of the assets through external constraints imposed by creditors (such as through debt covenants), contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation. Net position includes:

Restricted:	
Emergency reserves	$ 7,300
Total restricted net position	$ 7,300

Unrestricted net position consists of the net amount of assets and liabilities. As of December 31, 2024 had unrestricted net position of ($530,549).

8. RELATED PARTY

Several of the Board of Directors are employees, owners or are otherwise associated with the Developer and may have conflicts of interest in dealing with the District. District management believes that all potential conflicts, if any, have been properly disclosed.

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 (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.

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.

10. TAX, SPENDING AND DEBT LIMITATIONS

Article X, Section 20 of the Colorado Constitution, referred to as the Taxpayer's Bill of Rights (TABOR) contains tax spending, revenue and debt limitations which apply to the State of Colorado and all local governments.

Spending and revenue limits are determined based on the prior year's Fiscal Year Spending adjusted for allowable increases based upon inflation and local growth. Fiscal Year Spending is generally defined as expenditures plus reserve increases with certain exceptions. Revenue in excess of the Fiscal Year Spending limit must be refunded unless the voters approve retention of such revenue.

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of Fiscal Year Spending (excluding bonded debt service). Local governments are not allowed to use the Emergency Reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases. All revenues of the District are transferred to District No. 1 pursuant to the IGA; therefore, District No. 1 has established the Emergency Reserves for all Districts within the project.

In November 2017, a majority of District electors authorized the District to collect and spend or retain in a reserve all currently levied taxes and other revenue of the District for 2017 and any year thereafter, without regard to limitations under TABOR.

The Amendment is complex and subject to judicial interpretation. The District believes it is in compliance with the requirements of the amendment. However, the District has made certain interpretations of the amendment's language in order to determine its compliance.

11. RESTATEMENT OF NET POSITION

During fiscal year 2024, the District determined that accounts payable was overstated due to unapproved invoices and accrued interest on developer advances in the prior year that were not reported. Therefore, accounts payable was overstated by $6,006 for the fiscal year ended December 31, 2024. In addition, interest expense and accrued interest on developer advances were understated by $307,203. The effect of correcting that error is shown below.

Net Position (Deficit) at 12.31.23, as originally stated	$ 9,518
Restatement:	
Decrease in accounts payable	6,006
Interest accrued on long-term debt	(307,203)
Net Position (Deficit) at 12.31.24 - as restated	$(291,679)

SUPPLEMENTAL INFORMATION

CONESTOGA METROPOLITAN DISTRICT NO. 1
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE (DEFICIT)
BUDGET AND ACTUAL
TOWNHOME FUND
Year Ended December 31, 2024

	Budgeted Amounts Original & Final	YTD Actual	Variance Favorable (Unfavorable)
REVENUES			
Operations & maintenance fees	$ 125,100	$ 125,325	$ 225
Developer advances	16,867	-	(16,867)
ARC fees	-	525	525
Transfer fees	-	750	750
Miscellaneous	-	3,085	3,085
Total Revenues	141,967	129,685	(12,282)
EXPENDITURES			
Landscaping	86,200	26,525	59,675
Hardscapes	19,000	3,866	15,134
Utilities	8,200	-	8,200
Repairs and replacement	9,500	2,367	7,133
Facilities management	15,660	2,368	13,292
Fee billing	8,800	2,056	6,744
District management	-	10,740	(10,740)
Accounting	-	10,740	(10,740)
ARC reviews	-	2,296	(2,296)
Covenant enforcement	-	5,568	(5,568)
Property transfers	-	237	(237)
Non-potable water use	-	4,847	(4,847)
Total Expenditures	147,360	71,610	75,750
NET CHANGE IN FUND BALANCE	(5,393)	58,075	63,468
FUND BALANCE (DEFICIT) - BEGINNING OF YEAR	2,438	(4,066)	(6,504)
FUND BALANCE - END OF YEAR	$ (2,955)	$ 54,009	$ 56,964

CONESTOGA METROPOLITAN DISTRICT NO. 1
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE
BUDGET AND ACTUAL
CAPITAL PROJECTS FUND
Year Ended December 31, 2024

	Budgeted Amounts Original & Final	Actual	Variance with Final Budget - Positive (Negative)
REVENUES			
Developer Advance		$ 1,069,964	$ -
Total Revenues	-	1,069,964	-
EXPENDITURES			
Capital improvements	$ -	$ 1,069,964	$ -
Total Expenditures	-	1,069,964	-
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	-	-
NET CHANGE IN FUND BALANCE	-	-	-
FUND BALANCE - BEGINNING OF YEAR	-	-	-
FUND BALANCE - END OF YEAR	$ -	$ -	$ -