

**COUNTRY CLUB VILLAGE METROPOLITAN DISTRICT
Adams County, Colorado**

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEAR ENDED DECEMBER 31, 2021

**COUNTRY CLUB VILLAGE METROPOLITAN DISTRICT
TABLE OF CONTENTS
YEAR ENDED DECEMBER 31, 2021**

| | |
|---|-----------|
| INDEPENDENT AUDITOR'S REPORT | 1 |
| BASIC FINANCIAL STATEMENTS | |
| GOVERNMENT-WIDE FINANCIAL STATEMENTS | |
| STATEMENT OF NET POSITION | 1 |
| STATEMENT OF ACTIVITIES | 2 |
| FUND FINANCIAL STATEMENTS | |
| BALANCE SHEET – GOVERNMENTAL FUNDS | 3 |
| STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS | 4 |
| RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF THE GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES | 5 |
| GENERAL FUND – STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL | 6 |
| NOTES TO BASIC FINANCIAL STATEMENTS | 7 |
| SUPPLEMENTARY INFORMATION | |
| DEBT SERVICE FUND – SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL | 19 |
| OTHER INFORMATION | |
| SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY | 21 |
| SCHEDULE OF ASSESSED VALUATION, MILL LEVY, AND PROPERTY TAXES COLLECTED | 22 |



INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Country Club Village Metropolitan District
Adams County, Colorado

Opinions

We have audited the financial statements of the governmental activities and each major fund of Country Club Village Metropolitan District (the District) as of and for the year ended December 31, 2021, 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 accompanying 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, 2021, and the respective changes in financial position thereof, 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 Responsibility 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 judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we

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

Supplementary and Other Information on pages 21 and 22

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The supplementary information as identified in the table of contents and the other information on pages 21 and 22 (together, the other information) is presented for the purposes of additional analysis and legal compliance 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 information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Fiscal Focus Partners, LLC

Greenwood Village, Colorado
March 7, 2022

BASIC FINANCIAL STATEMENTS

**COUNTRY CLUB VILLAGE METROPOLITAN DISTRICT
STATEMENT OF NET POSITION
DECEMBER 31, 2021**

| | <u>Governmental Activities</u> |
|---------------------------------------|------------------------------------|
| ASSETS | |
| Cash and Investments | \$ 68,180 |
| Cash and Investments - Restricted | 10,837 |
| Receivable - County Treasurer | 2,656 |
| Prepaid Insurance | 2,985 |
| Property Taxes Receivable | <u>398,163</u> |
| Total Assets | <u>482,821</u> |
| DEFERRED OUTFLOWS OF RESOURCES | |
| Costs of Refunding, Net | <u>67,999</u> |
| Total Deferred Outflows of Resources | 67,999 |
| LIABILITIES | |
| Accounts Payable | 5,913 |
| Accrued Interest Payable | 5,843 |
| Noncurrent Liabilities: | |
| Due Within One Year | 125,000 |
| Due in More than One Year | <u>2,080,000</u> |
| Total Liabilities | <u>2,216,756</u> |
| DEFERRED INFLOWS OF RESOURCES | |
| Property Tax Revenue | <u>398,163</u> |
| Total Deferred Inflows of Resources | <u>398,163</u> |
| NET POSITION | |
| Restricted for: | |
| Emergency Reserves | 5,500 |
| Debt Service | 496 |
| Unrestricted | <u>(2,070,095)</u> |
| Total Net Position | <u><u>\$ (2,064,099)</u></u> |

See accompanying Notes to Basic Financial Statements.

**COUNTRY CLUB VILLAGE METROPOLITAN DISTRICT
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2021**

| FUNCTIONS/PROGRAMS | Program Revenues | | | Net Revenue (Expenses) and Change in Net Position | |
|--|------------------|----------------------------|--|--|----------------------------|
| | Expenses | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Governmental Activities |
| Primary Government: | | | | | |
| Governmental Activities: | | | | | |
| General Government | \$ 131,940 | \$ - | \$ - | \$ - | \$ (131,940) |
| Interest and Related Costs on Long-Term Debt | 88,935 | - | - | - | (88,935) |
| Total Governmental Activities | \$ 220,875 | \$ - | \$ - | \$ - | (220,875) |
| GENERAL REVENUES | | | | | |
| Property Taxes | | | | | 348,875 |
| Specific Ownership Taxes | | | | | 35,559 |
| Net Investment Income | | | | | 1,705 |
| Total General Revenues | | | | | 386,139 |
| CHANGE IN NET POSITION | | | | | 165,264 |
| Net Position - Beginning of Year | | | | | (2,229,363) |
| NET POSITION - END OF YEAR | | | | | \$ (2,064,099) |

See accompanying Notes to Basic Financial Statements.

**COUNTRY CLUB VILLAGE METROPOLITAN DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2021**

| ASSETS | General | Debt Service | Total Governmental Fund |
|--|----------------|-----------------|-------------------------------|
| Cash and Investments | \$ 68,180 | \$ - | \$ 68,180 |
| Cash and Investments - Restricted | 5,500 | 5,337 | 10,837 |
| Receivables from County Treasurer | 1,254 | 1,402 | 2,656 |
| Prepaid Insurance | 2,985 | - | 2,985 |
| Property Taxes Receivable | 188,013 | 210,150 | 398,163 |
| Total Assets | \$ 265,932 | \$ 216,889 | \$ 482,821 |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES | | | |
| LIABILITIES | | | |
| Accounts Payable | \$ 5,513 | \$ 400 | \$ 5,913 |
| Total Liabilities | 5,513 | 400 | 5,913 |
| DEFERRED INFLOWS OF RESOURCES | | | |
| Property Tax Revenue | 188,013 | 210,150 | 398,163 |
| Total Deferred Inflows of Resources | 188,013 | 210,150 | 398,163 |
| FUND BALANCES | | | |
| Nonspendable: | | | |
| Prepaid Expenses | 2,985 | - | 2,985 |
| Restricted for: | | | |
| Emergencies (TABOR) | 5,500 | - | 5,500 |
| Debt Service | - | 6,339 | 6,339 |
| Assigned to: | | | |
| Subsequent Year's Expenditures | 8,629 | - | 8,629 |
| Unassigned: | | | |
| General Government | 55,292 | - | 55,292 |
| Total Fund Balances | 72,406 | 6,339 | 78,745 |
| Total Liabilities, Deferred Inflows of Resources, and Fund Balances | \$ 265,932 | \$ 216,889 | |

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

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

Costs of Refunding, Net

67,999

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

Bonds Payable

(2,205,000)

Accrued Bond Interest

(5,843)

Net Position of Governmental Activities

\$ (2,064,099)

See accompanying Notes to Basic Financial Statements.

**COUNTRY CLUB VILLAGE METROPOLITAN DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2021**

| | General | Debt Service | Total Governmental Funds |
|---|------------|-----------------|--------------------------------|
| REVENUES | | | |
| Property Taxes | \$ 164,739 | \$ 184,136 | \$ 348,875 |
| Specific Ownership Tax | 16,791 | 18,768 | 35,559 |
| Net Investment Income | 807 | 898 | 1,705 |
| Total Revenues | 182,337 | 203,802 | 386,139 |
| EXPENDITURES | | | |
| Current: | | | |
| Accounting | 17,132 | - | 17,132 |
| Auditing | 4,900 | - | 4,900 |
| County Treasurer's Fee | 2,483 | 2,775 | 5,258 |
| Dues and Membership | 531 | - | 531 |
| District Management | 7,001 | - | 7,001 |
| Insurance and Bonds | 3,278 | - | 3,278 |
| Legal Services | 6,270 | - | 6,270 |
| Landscape Maintenance | 90,000 | - | 90,000 |
| Miscellaneous | 345 | - | 345 |
| Debt Service: | | | |
| Bond Principal - Series 2020 | - | 125,000 | 125,000 |
| Bond Interest - Series 2020 | - | 74,094 | 74,094 |
| Paying Agent/Trustee Fees | - | 400 | 400 |
| Total Expenditures | 131,940 | 202,269 | 334,209 |
| EXCESS OF REVENUES OVER (UNDER) EXPENDITURES | 50,397 | 1,533 | 51,930 |
| Fund Balances - Beginning of Year | 22,009 | 4,806 | 26,815 |
| FUND BALANCES - END OF YEAR | \$ 72,406 | \$ 6,339 | \$ 78,745 |

See accompanying Notes to Basic Financial Statements.

**COUNTRY CLUB VILLAGE METROPOLITAN DISTRICT
 RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCES OF THE GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
 YEAR ENDED DECEMBER 31, 2021**

| | |
|--|------------|
| Net Change in Fund Balances - Governmental Funds | \$ 51,930 |
| <p>Amounts reported for governmental activities in the statement of activities are different because:</p> | |
| <p>Long-term debt (e.g., bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds.</p> | |
| Principal payment | 125,000 |
| <p>Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.</p> | |
| Accrued Interest on Bonds - Change in Liability | 332 |
| Amortization of Cost of Refunding | (11,998) |
| | 165,264 |
| Change in Net Position of Governmental Activities | \$ 165,264 |

See accompanying Notes to Basic Financial Statements.

**COUNTRY CLUB VILLAGE METROPOLITAN DISTRICT
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2021**

| | Original and Final Budget | Actual Amounts | Variance with Final Budget Positive (Negative) |
|---|---------------------------------|-------------------|---|
| REVENUES | | | |
| Property Taxes | \$ 162,765 | \$ 164,739 | \$ 1,974 |
| Specific Ownership Tax | 11,394 | 16,791 | 5,397 |
| Net Investment Income | 255 | 807 | 552 |
| Total Revenues | <u>174,414</u> | <u>182,337</u> | <u>7,923</u> |
| EXPENDITURES | | | |
| Accounting | 30,000 | 17,132 | 12,868 |
| Auditing | 5,000 | 4,900 | 100 |
| Contingency | 5,059 | - | 5,059 |
| County Treasurer's Fee | 2,441 | 2,483 | (42) |
| Dues and Membership | 500 | 531 | (31) |
| District Management | 9,000 | 7,001 | 1,999 |
| Insurance and Bonds | 3,000 | 3,278 | (278) |
| Legal Services | 9,000 | 6,270 | 2,730 |
| Landscape Maintenance | 90,000 | 90,000 | - |
| Miscellaneous | 1,000 | 345 | 655 |
| Total Expenditures | <u>155,000</u> | <u>131,940</u> | <u>23,060</u> |
| EXCESS OF REVENUES OVER (UNDER) EXPENDITURES | 19,414 | 50,397 | 30,983 |
| Fund Balance - Beginning of Year | <u>23,352</u> | <u>22,009</u> | <u>(1,343)</u> |
| FUND BALANCE - END OF YEAR | <u>\$ 42,766</u> | <u>\$ 72,406</u> | <u>\$ 29,640</u> |

See accompanying Notes to Basic Financial Statements.

**COUNTRY CLUB VILLAGE METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 1 DEFINITION OF REPORTING ENTITY

Country Club Village Metropolitan District (the District), a quasi-municipal corporation and political subdivision of the State of Colorado, was organized by order and decree of the District Court for Adams County, Colorado on November 9, 2005, and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The District operates under an amended and restated Service Plan approved by the City of Westminster. The District's service area is located in Adams County, Colorado. The District was established to provide for construction and financing for street, safety control, water, sanitation, storm drainage and park and recreation facilities and improvements.

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.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Government-Wide and Fund Financial Statements

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

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

**COUNTRY CLUB VILLAGE METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-Wide and Fund Financial Statements (Continued)

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.

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. The major sources of revenue susceptible to accrual are property taxes and investment income. All other revenue items are considered to be measurable and available only when cash is received by the District. Expenditures, other than interest on long-term obligations, are recorded when the liability is incurred or the long-term obligation due.

The District reports the following major governmental funds:

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

The Debt Service Fund accounts for the resources accumulated and payments made for principal and interest on long-term debt of the governmental funds.

**COUNTRY CLUB VILLAGE METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budgets

In accordance with the State Budget Law, the District's Board of Directors holds public hearings in the fall each year to approve the budget and appropriate the funds for the ensuing year. The appropriation is at the total fund expenditures 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.

Pooled Cash and Investments

The District follows the practice of pooling cash and investments 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.

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 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 inflow of resources in the year they are levied and measurable. The unearned property tax revenues are recorded as revenue in the year they are available or collected.

Cost of Bond Refunding

In the government-wide financial statements, the deferred cost of bond refunding is being amortized using the interest method over the life of the refunded debt. The amortization amount is a component of interest expense and the unamortized deferred cost is reflected as a deferred outflow of resources.

**COUNTRY CLUB VILLAGE METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred Inflow/Outflow of Resources

In addition to assets, the statement of net position reports 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 and so will not be recognized as an outflow of resources (expense/expenditure) until that time. The District has one item that qualifies for reporting in this category. Accordingly, the item, *Costs of Refunding*, is deferred and recognized as an outflow of resources in the period that the amount is incurred.

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The District has one item that qualifies for reporting in this category. Accordingly, the item, *deferred property tax revenue* is deferred and recognized as an inflow of resources in the period that the amount becomes available.

Equity

Net Position

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

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

Net Investment in Capital Assets – this component of net position consists of capital assets, net of accumulated depreciation, and reduced by the outstanding balances of any debt that is attributable to the acquisition, construction or improvement of those assets. If there are significant unspent debt proceeds at year end, the portion of the debt attributable to the unspent proceeds is not included in this component.

Restricted – this component of net position consists of assets that are restricted for use as imposed by external parties such as creditors, grantors or contributors, or as imposed by laws or regulations of other governments, or as imposed through constitutional provisions or enabling legislation.

Unrestricted – the component of net position that does not meet the definitions above.

**COUNTRY CLUB VILLAGE METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Equity (Continued)

Fund Balance

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

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

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

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

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

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

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

**COUNTRY CLUB VILLAGE METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 3 CASH AND INVESTMENTS

Cash and investments as of December 31, 2021, are classified in the accompanying financial statements as follows:

Statement of Net Position:

| | | |
|-----------------------------------|----|----------------------|
| Cash and Investments | \$ | 68,180 |
| Cash and Investments - Restricted | | 10,837 |
| Total Cash and Investments | \$ | <u><u>79,017</u></u> |

Cash and investments as of December 31, 2021, consist of the following:

| | | |
|--------------------------------------|----|----------------------|
| Deposits with Financial Institutions | \$ | 8,293 |
| Investments | | 70,724 |
| Total Cash and Investments | \$ | <u><u>79,017</u></u> |

Deposits with Financial Institutions

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

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

At December 31, 2021, the District's cash deposits had a bank balance of \$15,743 and a carrying balance of \$8,293.

Investments

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

The District generally limits its concentration of investments to those noted with an asterisk (*) below, which are believed to have minimal credit risk, minimal interest rate risk and no foreign currency risk. Additionally, the District is not subject to concentration risk disclosure requirements or investment custodial credit risk requirements for investments that are in the possession of another party.

Colorado revised statutes limit investment maturities to five years or less unless formally approved by the Board of Directors. Such actions are generally associated with a debt service reserve or sinking fund requirements.

**COUNTRY CLUB VILLAGE METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Investments (Continued)

Colorado statutes specify investment instruments meeting defined rating and risk criteria in which local governments may invest which include:

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

As of December 31, 2021, the District had the following investments:

| <u>Investment</u> | <u>Maturity</u> | <u>Amount</u> |
|---|-----------------------------------|---------------|
| Colorado Surplus Asset Fund Trust (CSAFE) | Weighted-Average Under 60 Days | \$ 70,724 |

CSAFE

The District invested in the Colorado Surplus Asset Fund Trust (CSAFE) (the Trust), which is an investment vehicle established by state statute for local government entities to pool surplus assets. The State Securities Commissioner administers and enforces all State statutes governing the Trust. The Trust is similar to a money market fund, with each share valued at \$1.00. CSAFE may invest in U.S. Treasury securities, repurchase agreements collateralized by U.S. Treasury securities, certain money market funds and highest rated commercial paper. A designated custodial bank serves as custodian for CSAFE's portfolio pursuant to a custodian agreement. The custodian acts as safekeeping agent for CSAFE's investment portfolio and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by CSAFE. CSAFE is rated AAAM by Standard & Poor's. CSAFE records its investments at amortized cost and the District records its investments in CSAFE at net value using the amortized cost method. There are no unfunded commitments, the redemption frequency is daily and there is no redemption notice period.

**COUNTRY CLUB VILLAGE METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 4 LONG-TERM OBLIGATIONS

The following is an analysis of changes in the District's long-term obligations for the year ended December 31, 2021:

| | Balance - December 31, 2020 | Additions | Retirements | Balance - December 31, 2021 | Due Within One Year |
|--|-----------------------------------|-------------|-------------------|-----------------------------------|------------------------|
| Governmental Activities: 2020 Notes from Direct Borrowings and Direct Placements | \$ 2,330,000 | \$ - | \$ 125,000 | \$ 2,205,000 | \$ 125,000 |
| Total Debt | <u>\$ 2,330,000</u> | <u>\$ -</u> | <u>\$ 125,000</u> | <u>\$ 2,205,000</u> | <u>\$ 125,000</u> |

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

\$2,475,000 General Obligation Limited Tax Refunding Bonds, Series 2020, dated August 7, 2020, with interest of 3.18%. Interest is payable semiannually on June 1 and December 1, and principal payable annually on December 1. There is no reserve or surplus requirement on the 2020 Bonds. The 2020 Bonds are subject to optional redemption at any date prior to maturity, at the option of the District on December 1, 2027 and on any interest payment date thereafter, with a redemption premium of a percentage of the principal amount so redeemed, as follows:

| <u>Date of Redemption</u> | <u>Redemption Premium</u> |
|--|---------------------------|
| December 1, 2027 and June 1, 2028 | 3.00% |
| December 1, 2028 and June 1, 2029 | 2.00 |
| December 1, 2029 and June 1, 2030 | 1.00 |
| December 1, 2030 and any Interest Payment Date thereafter | 0.00 |

The Bonds are secured by and payable from the Pledged Revenue consisting of monies derived by the District from the following sources, net of any collection costs: 1) the Required Mill Levy, 2) the portion of the Specific Ownership Tax which is collected as a result of the imposition of the Required Mill Levy, and 3) any other legally available monies which the District determines to be treated as Pledged Revenue. Required Mill Levy means an ad valorem mill levy imposed upon all taxable property of the District each year in an amount sufficient to pay the principal, premium if any, and interest on the Bonds as the same become due and payable. The Required Mill Levy is not to exceed 50 mills, and is adjusted for changes in the ratio of actual value to assessed value of property within the District. As of December 31, 2021, the adjusted maximum mill levy is 50 mills.

In the government-wide statements, the District incurred a cost on bond refunding in the amount of \$165,482, which has been deferred and is being amortized over the life of the old debt.

**COUNTRY CLUB VILLAGE METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 4 LONG-TERM OBLIGATIONS (CONTINUED)

The District's long-term obligations relating to the general obligation bonds will mature as follows:

| <u>Year Ending December 31,</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|---------------------------------|---------------------|-------------------|---------------------|
| 2022 | \$ 125,000 | \$ 70,119 | \$ 195,119 |
| 2023 | 130,000 | 66,144 | 196,144 |
| 2024 | 135,000 | 62,010 | 197,010 |
| 2025 | 140,000 | 57,717 | 197,717 |
| 2026 | 145,000 | 53,265 | 198,265 |
| 2027-2031 | 800,000 | 193,980 | 993,980 |
| 2032-2035 | 730,000 | 58,830 | 788,830 |
| Total | <u>\$ 2,205,000</u> | <u>\$ 562,065</u> | <u>\$ 2,767,065</u> |

Authorized Debt

On November 1, 2005, a majority of the qualified electors of the District who voted in the election authorized the issuance of indebtedness in an amount not to exceed \$43,000,000 at an interest rate not to exceed 15% per annum. Remaining authorized but unissued debt at December 31, 2021, is as follows:

| | <u>Authorized November 1, 2005 Election</u> | <u>Authorization Used, Series 2006 Bonds</u> | <u>Remaining at December 31, 2021</u> |
|----------------------------|---|--|---|
| Streets | \$ 7,000,000 | \$ 2,204,400 | \$ 4,795,600 |
| Park and Recreation | 7,000,000 | - | 7,000,000 |
| Water Facilities | 7,000,000 | 581,100 | 6,418,900 |
| Sanitation Facilities | 7,000,000 | 119,100 | 6,880,900 |
| Safety Protection | 7,000,000 | 95,400 | 6,904,600 |
| Operations and Maintenance | 1,000,000 | - | 1,000,000 |
| Refunding of Debt | 7,000,000 | - | 7,000,000 |
| Total | <u>\$ 43,000,000</u> | <u>\$ 3,000,000</u> | <u>\$ 40,000,000</u> |

Pursuant to the Service Plan, the District is permitted to issue bond indebtedness of up to \$3,000,000. The 2020 Refunding Bond transaction did not use any authorized but unused debt.

In the future, the District may issue a portion or all of the remaining authorized but unissued general obligation debt for purposes of providing public improvements to support development as it occurs within the District's service area. The issuance of any additional debt would require an amendment to the District's Service Plan.

**COUNTRY CLUB VILLAGE METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 5 NET POSITION

The District has net position consisting of two components - restricted and unrestricted.

Restricted net position includes assets that are restricted for use either externally imposed by creditors, grantors, contributors, or laws and regulations of other governments or imposed by law through constitutional provisions or enabling legislation.

| | |
|-------------------------------|-----------------|
| Restricted Net Position: | |
| Emergency Reserve | \$ 5,500 |
| Debt Service | 496 |
| Total Restricted Net Position | <u>\$ 5,996</u> |

The District has a deficit in unrestricted net position. The deficit is a result of the District being responsible for the repayment of bonds issued for public improvements which were conveyed to other governmental entities and which costs were removed from the District's financial records.

NOTE 6 RELATED PARTY

A member of the Board of Directors is associated with the Primary Developer within the District, which is Country Club Village Enterprises, LLC, and may have conflicts of interest in dealing with the District.

NOTE 7 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). 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, public officials' liability and workers compensation 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.

**COUNTRY CLUB VILLAGE METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 8 TAX, SPENDING, AND DEBT LIMITATIONS

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

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

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.

In November 2005, the voters of the District authorized the issuance of \$43,000,000 (of which \$7,000,000 is for debt refunding) in debt and approved tax revenue annually to pay such debt. Additionally, the voters authorized taxes to be increased \$100,000 annually, for operations, maintenance, and other expenses without limitation of rate, and exempted all revenue, except property taxes, from TABOR limitations.

The District's management believes it is substantially in compliance with the provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of the provisions, including the interpretation of how to calculate Fiscal Year Spending limits will require judicial interpretation.

SUPPLEMENTARY INFORMATION

**COUNTRY CLUB VILLAGE METROPOLITAN DISTRICT
DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2021**

| | Original and Final Budget | Actual Amounts | Variance with Final Budget Positive (Negative) |
|---|---------------------------------|-------------------|---|
| REVENUES | | | |
| Property Taxes | \$ 181,931 | \$ 184,136 | \$ 2,205 |
| Specific Ownership Taxes | 12,735 | 18,768 | 6,033 |
| Net Investment Income | 30 | 898 | 868 |
| Other Revenue | 2,000 | - | (2,000) |
| Total Revenues | <u>196,696</u> | <u>203,802</u> | <u>7,106</u> |
| EXPENDITURES | | | |
| County Treasurer's Fee | 2,729 | 2,775 | (46) |
| Bond Principal - Series 2020 | 125,000 | 125,000 | - |
| Bond Interest - Series 2020 | 74,094 | 74,094 | - |
| Paying Agent/Trustee Fees | 1,500 | 400 | 1,100 |
| Miscellaneous | 150 | - | 150 |
| Contingency | 1,027 | - | 1,027 |
| Total Expenditures | <u>204,500</u> | <u>202,269</u> | <u>2,231</u> |
| EXCESS OF REVENUES OVER (UNDER) EXPENDITURES | (7,804) | 1,533 | 9,337 |
| Fund Balance - Beginning of Year | <u>8,295</u> | <u>4,806</u> | <u>(3,489)</u> |
| FUND BALANCE - END OF YEAR | <u>\$ 491</u> | <u>\$ 6,339</u> | <u>\$ 5,848</u> |

OTHER INFORMATION

**COUNTRY CLUB VILLAGE METROPOLITAN DISTRICT
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY
DECEMBER 31, 2021**

\$ 2,475,000 General Obligation Limited
Tax Refunding Bonds
Dated August 7, 2020
Interest Rate 3.18%
Principal Due Annually December 1
Interest Payable June 1 and December 1

| <u>Year Ending December 31,</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|---------------------------------|---------------------|-------------------|---------------------|
| 2022 | \$ 125,000 | \$ 70,119 | \$ 195,119 |
| 2023 | 130,000 | 66,144 | 196,144 |
| 2024 | 135,000 | 62,010 | 197,010 |
| 2025 | 140,000 | 57,717 | 197,717 |
| 2026 | 145,000 | 53,265 | 198,265 |
| 2027 | 150,000 | 48,654 | 198,654 |
| 2028 | 155,000 | 43,884 | 198,884 |
| 2029 | 160,000 | 38,955 | 198,955 |
| 2030 | 165,000 | 33,867 | 198,867 |
| 2031 | 170,000 | 28,620 | 198,620 |
| 2032 | 175,000 | 23,214 | 198,214 |
| 2033 | 180,000 | 17,649 | 197,649 |
| 2034 | 185,000 | 11,925 | 196,925 |
| 2035 | 190,000 | 6,042 | 196,042 |
| | <u>\$ 2,205,000</u> | <u>\$ 562,065</u> | <u>\$ 2,767,065</u> |

**COUNTRY CLUB VILLAGE METROPOLITAN DISTRICT
 SCHEDULE OF ASSESSED VALUATION, MILL LEVY, AND PROPERTY TAXES COLLECTED
 DECEMBER 31, 2021**

| Year Ended December 31, | Prior Year Assessed Valuation for Current Year Property Tax Levy | Mills Levied for | | Total Property Taxes | | Percent Collected to Levied |
|---|---|------------------|--------------|----------------------|------------|-----------------------------------|
| | | General | Debt Service | Levied | Collected | |
| 2017 | \$ 5,961,680 | 16.678 | 33.322 | \$ 298,084 | \$ 295,633 | 99.18% |
| 2018 | 6,512,090 | 18.678 | 31.322 | 325,605 | 323,019 | 99.21 |
| 2019 | 6,875,960 | 22.445 | 27.555 | 343,798 | 337,527 | 98.18 |
| 2020 | 8,529,590 | 26.375 | 23.625 | 356,480 | 349,446 | 98.03 |
| 2021 | 6,893,920 | 23.610 | 26.390 | 344,696 | 348,875 | 101.21 |
| Estimated for the Year Ending December 31, 2022 | \$ 7,963,250 | 23.610 | 26.390 | \$ 398,163 | | |

NOTE: Property taxes shown as collected in any one year include collection of delinquent property taxes or abatements of property taxes assessed in prior years. This presentation does not attempt to identify specific years of assessment.