

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

**FINANCIAL STATEMENTS AND**  
**SUPPLEMENTARY INFORMATION**

**YEAR ENDED DECEMBER 31, 2022**

**COUNTRY CLUB VILLAGE METROPOLITAN DISTRICT  
TABLE OF CONTENTS  
YEAR ENDED DECEMBER 31, 2022**

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



## 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, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the 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, 2022, 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.

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**Fiscal Focus Partners, LLC**

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## **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 Free Partners, LLC*

Arvada, Colorado  
March 29, 2023

## **BASIC FINANCIAL STATEMENTS**

DRAFT. NO ASSURANCE IS PROVIDED ON THESE FINANCIAL STATEMENTS.

**COUNTRY CLUB VILLAGE METROPOLITAN DISTRICT  
STATEMENT OF NET POSITION  
DECEMBER 31, 2022**

	Governmental Activities
<b>ASSETS</b>	
Cash and Investments	\$ 69,447
Cash and Investments - Restricted	47,314
Prepaid Insurance	3,165
Property Taxes Receivable	398,169
Total Assets	518,095
 <b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Costs of Refunding, Net	56,692
Total Deferred Outflows of Resources	56,692
 <b>LIABILITIES</b>	
Accounts Payable	6,693
Accrued Interest Payable	5,512
Due to County	9,515
Noncurrent Liabilities:	
Due Within One Year	130,000
Due in More than One Year	1,950,000
Total Liabilities	2,101,720
 <b>DEFERRED INFLOWS OF RESOURCES</b>	
Property Tax Revenue	398,169
Total Deferred Inflows of Resources	398,169
 <b>NET POSITION</b>	
Restricted for:	
Emergency Reserves	6,200
Debt Service	30,580
Unrestricted	(1,961,882)
Total Net Position	\$ (1,925,102)

See accompanying Notes to Financial Statements.

**COUNTRY CLUB VILLAGE METROPOLITAN DISTRICT  
STATEMENT OF ACTIVITIES  
YEAR ENDED DECEMBER 31, 2022**

FUNCTIONS/PROGRAMS Primary Government: Governmental Activities: General Government Interest and Related Costs on Long-Term Debt  Total Governmental Activities	Expenses	Charges for Services	Program Revenues Operating Grants and Contributions	Capital Grants and Contributions	Net Revenue (Expenses) and Change in Net Position
	\$ 210,059	\$ -	\$ -	\$ -	\$ (210,059)
	<u>84,636</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(84,636)</u>
	<u>\$ 294,695</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(294,695)</u>
<b>GENERAL REVENUES</b>					
Property Taxes					397,266
Specific Ownership Taxes					29,754
Net Investment Income					6,672
Total General Revenues					<u>433,692</u>
<b>CHANGE IN NET POSITION</b>					
Net Position - Beginning of Year					138,997
					<u>(2,064,099)</u>
<b>NET POSITION - END OF YEAR</b>					<u>\$ (1,925,102)</u>

See accompanying Notes to Financial Statements.

**COUNTRY CLUB VILLAGE METROPOLITAN DISTRICT  
BALANCE SHEET – GOVERNMENTAL FUNDS  
DECEMBER 31, 2022**

	General	Debt Service	Total Governmental Fund
<b>ASSETS</b>			
Cash and Investments	\$ 69,447	\$ -	\$ 69,447
Cash and Investments - Restricted	6,200	41,114	47,314
Prepaid Insurance	3,165	-	3,165
Property Taxes Receivable	211,221	186,948	398,169
Total Assets	\$ 290,033	\$ 228,062	\$ 518,095
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>			
<b>LIABILITIES</b>			
Accounts Payable	\$ 6,693	\$ -	\$ 6,693
Due to County	4,493	5,022	9,515
Total Liabilities	11,186	5,022	16,208
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Property Tax Revenue	211,221	186,948	398,169
Total Deferred Inflows of Resources	211,221	186,948	398,169
<b>FUND BALANCES</b>			
Nonspendable:			
Prepaid Expenses	3,165	-	3,165
Restricted for:			
Emergencies (TABOR)	6,200	-	6,200
Debt Service	-	36,092	36,092
Unassigned:			
General Government	58,261	-	58,261
Total Fund Balances	67,626	36,092	103,718
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 290,033	\$ 228,062	

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 56,692

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 (2,080,000)  
Accrued Bond Interest (5,512)

Net Position of Governmental Activities \$ (1,925,102)

See accompanying Notes to Financial Statements.

**COUNTRY CLUB VILLAGE METROPOLITAN DISTRICT  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES – GOVERNMENTAL FUNDS  
YEAR ENDED DECEMBER 31, 2022**

	General	Debt Service	Total Governmental Funds
<b>REVENUES</b>			
Property Taxes	\$ 187,589	\$ 209,677	\$ 397,266
Specific Ownership Tax	14,050	15,704	29,754
Net Investment Income	3,640	3,032	6,672
Total Revenues	205,279	228,413	433,692
<b>EXPENDITURES</b>			
Current:			
Accounting	21,001	-	21,001
Auditing	5,300	-	5,300
Banking fees	211	-	211
County Treasurer's Fee	2,810	3,141	5,951
Dues and Membership	450	-	450
District Management	8,304	-	8,304
Insurance and Bonds	3,048	-	3,048
Legal Services	6,499	-	6,499
Landscape Maintenance	160,000	-	160,000
Election expense	2,436	-	2,436
Debt Service:			
Bond Principal - Series 2020	-	125,000	125,000
Bond Interest - Series 2020	-	70,119	70,119
Paying Agent/Trustee Fees	-	400	400
Total Expenditures	210,059	198,660	408,719
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	(4,780)	29,753	24,973
Fund Balances - Beginning of Year	72,406	6,339	78,745
<b>FUND BALANCES - END OF YEAR</b>	\$ 67,626	\$ 36,092	\$ 103,718

See accompanying Notes to 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, 2022**

Net Change in Fund Balances - Governmental Funds	\$	24,973
<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		331
Amortization of Cost of Refunding		(11,307)
		(11,307)
Change in Net Position of Governmental Activities	\$	138,997

*See accompanying Notes to 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, 2022**

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Property Taxes	\$ 188,013	\$ 188,013	\$ 187,589	\$ (424)
Specific Ownership Tax	13,161	13,161	14,050	889
Net Investment Income	197	197	3,640	3,443
Total Revenues	<u>201,371</u>	<u>201,371</u>	<u>205,279</u>	<u>3,908</u>
<b>EXPENDITURES</b>				
Accounting	20,000	20,000	21,001	(1,001)
Auditing	5,200	5,200	5,300	(100)
Banking Fees	-	-	211	(211)
Contingency	9,930	9,930	-	9,930
County Treasurer's Fee	2,820	2,820	2,810	10
Dues and Membership	550	550	450	100
District Management	7,500	7,500	8,304	(804)
Insurance and Bonds	3,500	3,500	3,048	452
Legal Services	7,500	7,500	6,499	1,001
Landscape Maintenance	150,000	160,000	160,000	-
Election Expense	2,000	2,000	2,436	(436)
Miscellaneous	1,000	1,000	-	1,000
Total Expenditures	<u>210,000</u>	<u>220,000</u>	<u>210,059</u>	<u>9,941</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	(8,629)	(18,629)	(4,780)	13,849
Fund Balance - Beginning of Year	<u>77,369</u>	<u>77,369</u>	<u>72,406</u>	<u>(4,963)</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 68,740</u>	<u>\$ 58,740</u>	<u>\$ 67,626</u>	<u>\$ 8,886</u>

See accompanying Notes to Financial Statements.

**COUNTRY CLUB VILLAGE METROPOLITAN DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**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 FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**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 FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**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.

The District has amended its annual budget for the year ended December 31, 2022.

**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 FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**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 FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**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.

**NOTE 3 CASH AND INVESTMENTS**

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

Statement of Net Position:

Cash and Investments	\$ 69,447
Cash and Investments - Restricted	47,314
Total Cash and Investments	<u>\$ 116,761</u>

**COUNTRY CLUB VILLAGE METROPOLITAN DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 3 CASH AND INVESTMENTS (CONTINUED)**

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

Deposits with Financial Institutions	\$ 16,244
Investments	100,517
Total Cash and Investments	<u>\$ 116,761</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, 2022, the District's cash deposits had a bank balance and a carrying balance of \$16,244.

**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.

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

**COUNTRY CLUB VILLAGE METROPOLITAN DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 3 CASH AND INVESTMENTS (CONTINUED)**

**Investments (Continued)**

- . 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, 2022, 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	<u>\$ 100,517</u>

**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 currently offers two portfolios – CSAFE CASH FUND and CSAFE CORE.

CSAFE CASH FUND operates similar to a money market fund, with each share valued at \$1.00. CSAFE CASH FUND may invest in U.S. Treasury securities, repurchase agreements collateralized by U.S. Treasury securities, certain money market funds and highest rated commercial paper, any security allowed under CRS 24-75-601.

CSAFE CORE, a variable Net Asset Value (NAV) Local Government Investment Pool, offers weekly liquidity and is managed to approximate a \$2.00 transactional share price. CSAFE CORE may invest in securities authorized by CRS 24-75-601, including U.S. Treasury securities, repurchase agreements collateralized by U.S. Treasury securities, certain obligations of U.S. government agencies, highest rated commercial paper, and any security allowed under CRS 24-75-601.

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 CASH FUND is rated AAmmf and CSAFE CORE is rated AAaf/S1 by Fitch Ratings. 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 FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**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, 2022:

	Balance - December 31, 2021	Additions	Retirements	Balance - December 31, 2022	Due Within One Year
Governmental Activities: 2020 Notes from Direct Borrowings and Direct Placements	\$ 2,205,000	\$ -	\$ 125,000	\$ 2,080,000	\$ 130,000
Total Debt	<u>\$ 2,205,000</u>	<u>\$ -</u>	<u>\$ 125,000</u>	<u>\$ 2,080,000</u>	<u>\$ 130,000</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, 2022, 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.

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

**COUNTRY CLUB VILLAGE METROPOLITAN DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 4 LONG-TERM OBLIGATIONS (CONTINUED)**

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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
2028-2032	825,000	168,540	993,540
2033-2035	555,000	35,616	590,616
Total	<u>\$ 2,080,000</u>	<u>\$ 491,946</u>	<u>\$ 2,571,946</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, 2022, is as follows:

	<u>Authorized November 1, 2005 Election</u>	<u>Authorization Used, Series 2006 Bonds</u>	<u>Remaining at December 31, 2022</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 FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**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	\$ 6,200
Debt Service	<u>30,580</u>
Total Restricted Net Position	<u><u>\$ 36,780</u></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. Members of the Board of Directors are also associated with a primary vendor of the District, which is Country Club Village Association, and may have conflicts of interest in dealing with the District. The District paid Country Club Village Association \$160,000 during 2022. As of December 31, 2022, there are no additional amounts owed.

**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 FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**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, 2022**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>			
Property Taxes	\$ 210,150	\$ 209,677	\$ (473)
Specific Ownership Taxes	14,710	15,704	994
Net Investment Income	22	3,032	3,010
Total Revenues	224,882	228,413	3,531
<b>EXPENDITURES</b>			
County Treasurer's Fee	3,152	3,141	11
Bond Principal - Series 2020	125,000	125,000	-
Bond Interest - Series 2020	70,119	70,119	-
Paying Agent/Trustee Fees	1,500	400	1,100
Contingency	1,729	-	1,729
Total Expenditures	201,500	198,660	2,840
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	23,382	29,753	6,371
Fund Balance - Beginning of Year	9,372	6,339	(3,033)
<b>FUND BALANCE - END OF YEAR</b>	\$ 32,754	\$ 36,092	\$ 3,338

## **OTHER INFORMATION**

**COUNTRY CLUB VILLAGE METROPOLITAN DISTRICT  
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY  
DECEMBER 31, 2022**

\$ 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>
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
Total	<u>\$ 2,080,000</u>	<u>\$ 491,946</u>	<u>\$ 2,571,946</u>

**COUNTRY CLUB VILLAGE METROPOLITAN DISTRICT  
 SCHEDULE OF ASSESSED VALUATION, MILL LEVY, AND PROPERTY TAXES COLLECTED  
 DECEMBER 31, 2022**

Year Ending 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	
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
2022	7,963,250	23.610	26.390	398,163	397,266	99.77
Estimated for the Year Ending December 31,						
2023	\$ 7,963,380	26.524	23.476	\$ 398,169		

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.