

**THE VILLAGE AT WINTER PARK RESORT
METROPOLITAN DISTRICT NO. 1
Grand County, Colorado**

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEAR ENDED DECEMBER 31, 2020

**THE VILLAGE AT WINTER PARK RESORT METROPOLITAN DISTRICT NO. 1
TABLE OF CONTENTS
YEAR ENDED DECEMBER 31, 2020**

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	22
OTHER INFORMATION	
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY	24
SCHEDULE OF ASSESSED VALUATION, MILL LEVY, AND PROPERTY TAXES COLLECTED – FOR DISTRICT NO. 2 AND DISTRICT NO. 3	25



INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
The Village at Winter Park Resort Metropolitan District No. 1
Grand County, Colorado

We have audited the accompanying financial statements of the governmental activities and each major fund of The Village at Winter Park Resort Metropolitan District No. 1 (the District), as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of The Village at Winter Park Resort Metropolitan District No. 1, as of December 31, 2020, and the respective changes in financial position thereof, and the budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

I

Fiscal Focus Partners, LLC

Other Matters

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 opinion on the basic financial statements is not affected by this missing information.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The supplementary and other information as listed in the table of contents is presented for purposes of legal compliance and additional analysis and is not a required part of the basic financial statements. The supplementary and other information on pages 22 and 24 (the 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.

The other information on page 25 has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Fiscal Focus Partners, LLC

Greenwood Village, Colorado
May 14, 2021

BASIC FINANCIAL STATEMENTS

THE VILLAGE AT WINTER PARK RESORT METROPOLITAN DISTRICT NO. 1
STATEMENT OF NET POSITION
DECEMBER 31, 2020

	Governmental Activities
ASSETS	
Cash and Investments	\$ 118,920
Cash and Investments - Restricted	12,311
Due from District No. 2	1,183
Due from District No. 3	325
Prepaid Insurance	7,168
Capital Assets	
Net of Accumulated Depreciation	2,342,238
Total Assets	2,482,145
LIABILITIES	
Accounts Payable	3,568
Loan Interest Payable	4,395
Noncurrent Liabilities:	
Due Within One Year	65,000
Due in More Than One Year	1,860,000
Total Liabilities	1,932,963
NET POSITION	
Net Investment in Capital Assets	417,238
Restricted for:	
Emergencies	4,000
Debt Service	4,632
Unrestricted	123,312
Total Net Position	\$ 549,182

See accompanying Notes to Basic Financial Statements.

THE VILLAGE AT WINTER PARK RESORT METROPOLITAN DISTRICT NO. 1
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2020

FUNCTIONS/PROGRAMS	Expenses	Program Revenues		Capital Grants and Contributions	Net Revenues (Expenses) and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Grants and Contributions	Governmental Activities
Primary Government:					
Governmental Activities:					
General Government	\$ 274,003	\$ -	\$ 131,636	\$ -	\$ (142,367)
Interest and Related Costs on Long-Term Debt	180,796	-	119,147	-	(61,649)
Total Governmental Activities	\$ 454,799	\$ -	\$ 250,783	\$ -	(204,016)
GENERAL REVENUES					
Interest Income					730
SPECIAL ITEMS					
Forgiveness of Debt					4,330,323
Total General Revenues and Special Items					4,331,053
CHANGE IN NET POSITION					
Net Position - Beginning					(3,577,855)
NET POSITION - ENDING					
					\$ 549,182

See accompanying Notes to Basic Financial Statements.

**THE VILLAGE AT WINTER PARK RESORT METROPOLITAN DISTRICT NO. 1
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2020**

	General	Debt Service	Total Governmental Funds
ASSETS			
Cash and Investments	\$ 118,920	\$ -	\$ 118,920
Cash and Investments - Restricted	4,000	8,311	12,311
Due from District No. 2	621	562	1,183
Due from District No. 3	171	154	325
Prepaid Insurance	7,168	-	7,168
Total Assets	\$ 130,880	\$ 9,027	\$ 139,907
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts Payable	\$ 3,568	\$ -	\$ 3,568
Total Liabilities	3,568	-	3,568
FUND BALANCES			
Nonspendable:			
Prepaid Expenses	7,168	-	7,168
Restricted for:			
Emergency Reserves	4,000	-	4,000
Debt Service	-	9,027	9,027
Unassigned:	116,144	-	116,144
Total Fund Balances	127,312	9,027	136,339
Total Liabilities and Fund Balances	\$ 130,880	\$ 9,027	
Amounts reported for governmental activities in the statement of net position are different because:			
Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in the funds.			
Capital Assets, Net			2,342,238
Long-term liabilities, including bonds payable and Developer advances, are not due and payable in the current period and, therefore, are not recorded as liabilities in the funds.			
Loan Payable			(1,925,000)
Accrued Interest on Loan Payable			(4,395)
Net Position of Governmental Activities			\$ 549,182

See accompanying Notes to Basic Financial Statements.

**THE VILLAGE AT WINTER PARK RESORT METROPOLITAN DISTRICT NO. 1
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2020**

	General	Debt Service	Total Governmental Funds
REVENUES			
Interest Income	\$ 525	\$ 205	\$ 730
Intergovernmental Revenue - District No. 2	103,292	93,492	196,784
Intergovernmental Revenue - District No. 3	28,344	25,655	53,999
Total Revenues	132,161	119,352	251,513
EXPENDITURES			
General and Administration:			
Accounting	24,046	-	24,046
Auditing	5,550	-	5,550
Dues	951	-	951
Election Expense	2,330	-	2,330
Insurance and Bonds	7,125	-	7,125
Legal Services	29,720	-	29,720
Miscellaneous	97	-	97
Debt Service:			
Bond Principal	-	65,000	65,000
Bond Interest	-	54,526	54,526
Total Expenditures	69,819	119,526	189,345
NET CHANGE IN FUND BALANCES	62,342	(174)	62,168
Fund Balances - Beginning of Year	64,970	9,201	74,171
FUND BALANCES - END OF YEAR	\$ 127,312	\$ 9,027	\$ 136,339

See accompanying Notes to Basic Financial Statements.

**THE VILLAGE AT WINTER PARK RESORT METROPOLITAN DISTRICT NO. 1
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, 2020**

Net Change in Fund balances - Governmental Funds \$ 62,168

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

Governmental funds report capital outlays as expenditures. In the statement of activities, capital outlay is not reported as an expenditure. However, the statement of activities will report as depreciation expense the allocation of the cost of any depreciable asset over the estimated useful life of the asset.

Depreciation (204,184)

The issuance of long-term debt (e.g., bonds, leases) 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. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.

Loan Principal Payment 65,000
Debt Forgiveness 4,330,323

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Accrued Interest on Loan Payable - Change in Liability 149
Accrued Interest on Developer Advance - Change in Liability (126,419)

Changes in Net Position of Governmental Activities \$ 4,127,037

See accompanying Notes to Basic Financial Statements.

**THE VILLAGE AT WINTER PARK RESORT METROPOLITAN DISTRICT NO. 1
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2020**

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Interest Income	\$ 1,400	\$ 794	\$ 525	\$ (269)
Intergovernmental Revenue - District No. 2	100,486	105,144	103,292	(1,852)
Intergovernmental Revenue - District No. 3	27,631	30,129	28,344	(1,785)
Total Revenues	<u>129,517</u>	<u>136,067</u>	<u>132,161</u>	<u>(3,906)</u>
EXPENDITURES				
Accounting	23,100	24,890	24,046	844
Auditing	5,400	5,550	5,550	-
Contingency	4,849	5,688	-	5,688
Dues	1,051	951	951	-
Election Expense	3,000	2,330	2,330	-
Insurance and Bonds	7,500	7,125	7,125	-
Legal Services	23,100	33,300	29,720	3,580
Miscellaneous	0	166	97	69
Total Expenditures	<u>68,000</u>	<u>80,000</u>	<u>69,819</u>	<u>10,181</u>
NET CHANGE IN FUND BALANCE	61,517	56,067	62,342	6,275
Fund Balance - Beginning of Year	<u>71,198</u>	<u>64,970</u>	<u>64,970</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u><u>\$ 132,715</u></u>	<u><u>\$ 121,037</u></u>	<u><u>\$ 127,312</u></u>	<u><u>\$ 6,275</u></u>

See accompanying Notes to Basic Financial Statements.

THE VILLAGE AT WINTER PARK RESORT METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 1 DEFINITION OF REPORTING ENTITY

The District, a quasi-municipal corporation and political subdivision of the state of Colorado, was organized by order and decree of the District Court on May 17, 2006, and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The District's service area is located entirely within the Town of Winter Park in Grand County, Colorado. The District (which serves as the Operating District) was organized in conjunction with The Village at Winter Park Resort Metropolitan District No. 2 and The Village at Winter Park Resort Metropolitan District No. 3 (which serve as the Financing Districts). The District is responsible for management of the construction of all facilities and improvements and for operation and maintenance of all improvements not conveyed to the Town. The Financing Districts provide the funding for infrastructure improvements and the tax base needed to support ongoing operations.

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

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

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 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.

THE VILLAGE AT WINTER PARK RESORT METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

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. Depreciation is computed and recorded as an operating expense. Expenditures for capital outlay are shown as increases in assets and repayment of Developer advances are recorded as a reduction in liabilities.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized in 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 intergovernmental revenues. All other revenue items are considered to be measurable and available only when cash is received by the District. The District determined that Developer advances are not considered as revenue susceptible to accrual. Expenditures, other than interest on long-term obligations are recorded when the liability is incurred, or the long-term obligation is 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.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

THE VILLAGE AT WINTER PARK RESORT METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

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 and other financing uses level and lapses at year-end. The District's Board of Directors can modify the budget by line item within the total appropriation without notification. The appropriation can only be modified upon completion of notification and publication requirements. The budget includes each fund on its basis of accounting unless otherwise indicated.

The District has amended its annual budget for the year ended December 31, 2020.

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 or investment 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 No. 2 and No. 3's Board of Directors. The levy is based on assessed valuations determined by the County Assessor generally as of January 1 of each year. The levy is normally set by December 15 by certification to the Board of 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, at the taxpayer's election, or in equal installments 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.

Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets (e.g. roads, bridges, sidewalks, and similar items), are reported in the applicable governmental column in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

THE VILLAGE AT WINTER PARK RESORT METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets (Continued)

Capital assets which are anticipated to be conveyed to other governmental entities are recorded as construction in progress and are not included in the calculation of net investment in capital assets.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable.

Depreciation expense has been computed using the straight-line method over the estimated economic useful life:

Infrastructure:	
Village Core Retaining Wall	20 Years
Village Core Infrastructure	20 Years
Parking Gates	10 Years

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 no items that qualify for reporting in this category.

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 no items that qualify for reporting in this category.

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.

THE VILLAGE AT WINTER PARK RESORT METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

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, 2020, are classified in the accompanying financial statements as follows:

Cash and Investments	\$ 118,920
Cash and Investments - Restricted	12,311
Total Cash and Investments	<u>\$ 131,231</u>

THE VILLAGE AT WINTER PARK RESORT METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Cash and investments as of December 31, 2020, consist of the following:

Deposits in Financial Institution	\$ 3,709
Investments	<u>127,522</u>
Total Cash and Investments	<u><u>\$ 131,231</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, 2020, the District's cash deposits had a bank balance and a carrying balance of \$3,709.

Investments

The District has adopted a formal investment policy which follows the 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 or investment custodial risk disclosure 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.

**THE VILLAGE AT WINTER PARK RESORT METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

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
- . 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 and certain reverse repurchase agreements collateralized by certain authorized securities
- . Certain money market funds
- . Guaranteed investment contracts
- * Local government investment pools

As of December 31, 2020, 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	\$ 127,522

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 as determined by amortized cost. There are no unfunded commitments, the redemption frequency is daily, and there is no redemption notice period.

THE VILLAGE AT WINTER PARK RESORT METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 4 CAPITAL ASSETS

An analysis of the changes in capital assets for the year ended December 31, 2020, follows:

	Balance at December 31, 2019	Increases	Dedication to Other Governments	Balance at December 31, 2020
Capital Assets, Being Depreciated:				
Village Core Retaining Wall	\$ 737,069	\$ -	\$ -	\$ 737,069
Village Core Infrastructure	3,104,822	-	-	3,104,822
Parking Gates	120,873	-	-	120,873
Signage	4,615	-	-	4,615
Total Capital Assets, Being Depreciated	3,967,379	-	-	3,967,379
Accumulated Depreciation For:				
Village Core Retaining Wall	(261,044)	(36,854)	-	(297,898)
Village Core Infrastructure	(1,069,681)	(155,242)	-	(1,224,923)
Parking Gates	(85,617)	(12,088)	-	(97,705)
Signage	(4,615)	-	-	(4,615)
Total Accumulated Depreciation	(1,420,957)	(204,184)	-	(1,625,141)
Capital Assets, Net	<u>\$ 2,546,422</u>	<u>\$ (204,184)</u>	<u>\$ -</u>	<u>\$ 2,342,238</u>

Depreciation expense in the amount of \$204,184 was charged to functions/programs of the District as general government.

NOTE 5 LONG-TERM OBLIGATIONS

The District's outstanding long-term obligations at December 31, 2020, were as follows:

	Balance at December 31, 2019	Additions	Reductions	Forgiveness of Debt	Balance at December 31, 2020	Due Within One Year
Note/Loans/Bonds from Direct Borrowing and Direct Placement:						
Series 2012	\$ 1,990,000	\$ -	\$ (65,000)	\$ -	\$ 1,925,000	\$ 65,000
Developer Advances - Capital	3,332,229	-	-	(3,332,229)	-	-
Developer Advance Interest - Capital	871,675	126,419	-	(998,094)	-	-
Total	<u>\$ 6,193,904</u>	<u>\$ 126,419</u>	<u>\$ (65,000)</u>	<u>\$ (4,330,323)</u>	<u>\$ 1,925,000</u>	<u>\$ 65,000</u>

**THE VILLAGE AT WINTER PARK RESORT METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

The detail of the District’s long-term obligations is as follows:

\$2,400,000 Bank Qualified Tax-Free Loan, Series 2012

The District entered into a loan agreement with BBVA Compass Bank dated December 12, 2012, in the amount of \$2,400,000. Principal and interest payment are due June 1 and December 1 in varying amounts through December 1, 2022, with the net effective interest rate of 2.74%. The District has the option to prepay the loan plus prepayment costs. The District may issue additional subordinate debt with the written consent of the Lender. The maximum mill levy imposed by Districts No. 2 and No. 3 for subordinate debt is 50.000 mills and the subordinate debt will be a cash flow obligation. For 2020 collections, Districts No. 2 and No. 3 have levied 30.000 mills, of which 14.253 mills is dedicated to debt service payments.

The District’s long-term obligations will mature as follows:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 65,000	\$ 52,745	\$ 117,745
2022	1,860,000	50,964	1,910,964
Total	<u>\$ 1,925,000</u>	<u>\$ 103,709</u>	<u>\$ 2,028,709</u>

Capital Pledge Agreement

In connection with the Loan, the Districts entered into a Capital Pledge Agreement whereby District No. 2 and District No. 3 agree that through levy year 2020 and so long as amounts are due and owing on the Loan, District No. 2 and District No. 3 will impose a mill levy upon all taxable property in an amount when combined with the Specific Ownership Tax Revenues, will produce ad valorem property tax revenue sufficient to pay the principal of and interest on the Loan. Commencing in levy year 2021 and, if the Loan is not paid in full on the Maturity Date, in each year thereafter until such time as the Loan is fully paid and no amounts remain due and owing under the Loan Agreement, District No. 2 and District No. 3 will be required to impose the Mandatory Capital Levy which is defined as the greater of revenue generated from 65.000 mills, the highest mill levy in effect during the term of the Loan, or the number of mills necessary to generate the same amount of revenue that would have been generated by the imposition of 65.000 mills on the Aggregate Final Certified Assessed Value as of December 2012.

THE VILLAGE AT WINTER PARK RESORT METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Debt Authorization

On May 2, 2006, a majority of the qualified electors of the District authorized the issuance of indebtedness in an amount not to exceed \$500,000,000. As of December 31, 2020, the District had authorized but unissued general obligation indebtedness in the following amounts allocated for the following purposes:

PURPOSE	Amount Authorized	Amount Used Series 2012	Remaining Authorization
Streets	\$ 50,000,000	\$ 2,400,000	\$ 47,600,000
Traffic and Safety Controls	50,000,000	-	50,000,000
Transportation	50,000,000	-	50,000,000
Mosquito Control	50,000,000	-	50,000,000
Waste Disposal	50,000,000	-	50,000,000
Television Relay and Translation	50,000,000	-	50,000,000
Security Services	50,000,000	-	50,000,000
Debt Refunding	50,000,000	-	50,000,000
Developer Reimbursement	50,000,000	-	50,000,000
Operations and Maintenance	50,000,000	-	50,000,000
Total	<u>\$ 500,000,000</u>	<u>\$ 2,400,000</u>	<u>\$ 497,600,000</u>

Pursuant to the Service Plan, the Districts are collectively permitted to issue bond indebtedness of up to \$50,000,000.

Pursuant to the Service Plan, for District No. 2 (residential District), the maximum required mill levy is 50.000 mills. In 2017, the assessment ratio was adjusted from 7.96% to 7.20%, which adjusted the Mill Levy cap to 55.277. In 2019, the assessment ratio was adjusted from 7.20% to 7.15%, which adjusted the Mill Levy cap to 55.664. This mill levy cap does not apply to the District's mill levy for payment of operations and maintenance expenditures.

In the future, the District may issue a portion or all 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 VILLAGE AT WINTER PARK RESORT METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 6 RELATED PARTY

The Developer of the property which constitutes the District is Intrawest/Winter Park Development Corporation. The majority of the members of the Board of Directors are employees or otherwise associated with the Developer and may have conflicts of interest in dealing with the District.

Developer Advance

The District has entered into a Reimbursement Agreement with the Developer as follows:

Infrastructure Acquisition and Reimbursement Agreement

On November 17, 2006, the District and Intrawest/Winter Park Development Corporation (Developer) entered into an Infrastructure Acquisition and Reimbursement Agreement (which was amended and restated on December 28, 2007). The Developer will construct certain Public Infrastructure improvements and will be reimbursed by the District for those improvements that are determined to be "District Eligible Costs". The District will accept Public Infrastructure improvements and become obligated to reimburse for the District eligible costs upon satisfaction of certain terms and conditions of the Agreement, including, but not limited to, receipt of a "Cost Certification" from a CPA, an "Engineer's Certification" by an engineer, proof of sufficient ownership or easement interest, and either conveyance by Bill of Sale to the District or proof of dedication to another qualified governmental entity. Upon acceptance of eligible costs by the District, interest will accrue at 8% per annum from the date of acceptance. During the year ended December 31, 2014, the Developer forgave interest accrued and unpaid through December 31, 2014. Effective January 1, 2015, a new interest rate as determined by the Wall Street Journal Prime Rate, plus 1.00%, was accrued on unpaid balances. The new interest rate will be capped at 8%.

On November 6, 2020, the Developer agreed to waive its right to repayment from all Districts for accepted District Eligible Costs totaling \$4,330,323, which includes \$3,332,229 in principal and \$998,094 in interest. The Developer released all Districts from all obligations and claims, and waives any and all claims of, and remedies for, default or breach of the agreement related to the obligation of any of the Districts to reimburse the Developer for the balance of \$4,330,323 and any other amounts due to the Developer under the agreement as November 6, 2020, including all accrued interest.

Funding and Reimbursement Agreement

On December 8, 2006, the District and the Developer entered into a Funding and Reimbursement Agreement (which was amended and restated on February 29, 2012). The Developer will fund the costs related to the Public Infrastructure and costs in the nature of general operating, administrative and maintenance costs, such as attorneys, engineers, architects, surveyors, district management, accounting, auditing, and insurance. The District will accrue interest at a rate of 8% per annum from the date any such advance is made. As of December 31, 2020, all advances under this agreement have been repaid to the Developer.

THE VILLAGE AT WINTER PARK RESORT METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 7 NET POSITION

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

Net investment in capital assets consist of capital assets, net of accumulated depreciation and reduced by the outstanding balances of bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. As of December 31, 2020, the District had net investment in capital assets as follows:

	Governmental Activities
Net Investment in Capital Assets:	
Capital Assets, Net	\$ 2,342,238
Current Portion of Outstanding Long-Term Obligations	(65,000)
Noncurrent Portion of Outstanding Long-Term Obligations	<u>(1,860,000)</u>
Net Investment in Capital Assets	<u><u>\$ 417,238</u></u>

The restricted component of net position consists of 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. As of December 31, 2020, the District had restricted net position as follows:

	Governmental Activities
Restricted Net Position:	
Emergencies	\$ 4,000
Debt Service	<u>4,632</u>
Total Restricted Net Position	<u><u>\$ 8,632</u></u>

NOTE 8 DISTRICT AGREEMENT

The relationship between the Service District and the Financing Districts was established by execution of a District Facilities Construction and Service Agreement (Master IGA) on November 17, 2006. The Master IGA provides for the Financing Districts to levy the taxes necessary to pay the Service District for the costs of the design, acquisition, installation, and construction of certain public improvements identified in the Consolidated Service Plan.

In exchange, the Service District will construct or cause the construction of the public improvements and provide for their operation and maintenance. Under the intergovernmental agreement, the Service District is also responsible for coordinating the funding and construction of public improvements for the project.

The Financing Districts will provide the primary revenue stream for any bonds or other obligations issued to fund the public improvements.

THE VILLAGE AT WINTER PARK RESORT METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 9 RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; thefts of, damage to, or destruction of assets; errors or omissions; injuries to employees; or acts of God.

The District is a member of the Colorado Special Districts Property and Liability Pool (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.

NOTE 10 TAX, SPENDING AND DEBT LIMITATIONS

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

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

On May 6, 2006, the District voters passed an election question allowing the District to increase property taxes up to \$2,000,000 annually, without limitation of rate, to pay the District's operations, maintenance and other expenses.

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of Fiscal Year Spending (excluding bonded debt service). Local governments are not allowed to use the Emergency Reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases.

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

THE VILLAGE AT WINTER PARK RESORT METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 11 SUBSEQUENT EVENT

\$2,100,000 Tax-Free Loan Refunding Issue, Series 2021

On May 21, 2021, the District entered into a loan agreement with NBH Bank in the amount of \$2,100,000. The purpose of the loan was to pay and redeem the Series 2012 Loan and pay cost of issuance. Principal and interest payments are due June 1 and December 1 in varying amounts beginning December 1, 2021 through December 1, 2041, with a fixed rate of 2.87%. The District has the option to prepay the loan without penalty beginning December 1, 2026.

SUPPLEMENTARY INFORMATION

**THE VILLAGE AT WINTER PARK RESORT METROPOLITAN DISTRICT NO. 1
DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2020**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Interest Income	\$ -	\$ 205	\$ 205
Intergovernmental Revenue - District No. 2	90,952	93,492	2,540
Intergovernmental Revenue - District No. 3	25,010	25,655	645
Total Revenues	<u>115,962</u>	<u>119,352</u>	<u>3,390</u>
EXPENDITURES			
Debt Service:			
Bond Principal	65,000	65,000	-
Bond Interest	54,526	54,526	-
Total Expenditures	<u>119,526</u>	<u>119,526</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	(3,564)	(174)	3,390
Fund Balance - Beginning of Year	<u>7,567</u>	<u>9,201</u>	<u>1,634</u>
FUND BALANCE - END OF YEAR	<u>\$ 4,003</u>	<u>\$ 9,027</u>	<u>\$ 5,024</u>

OTHER INFORMATION

**THE VILLAGE AT WINTER PARK RESORT METROPOLITAN DISTRICT NO. 1
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY
DECEMBER 31, 2020**

\$2,400,000 Bank Qualified Tax-Free Loan, Series 2012 Dated December 12, 2012 Interest at 2.74% Payable June 1 and December 1 Principal Due December 1			
<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 65,000	\$ 52,745	\$ 117,745
2022	1,860,000	50,964	1,910,964
Total	\$ 1,925,000	\$ 103,709	\$ 2,028,709

**THE VILLAGE AT WINTER PARK RESORT METROPOLITAN DISTRICT NO. 1
SCHEDULE OF ASSESSED VALUATION, MILL LEVY, AND PROPERTY TAXES COLLECTED
FOR DISTRICT NO. 2 AND DISTRICT NO. 3
DECEMBER 31, 2020**

District No. 2

Year Ended December 31,	Prior Year Assessed Valuation for Current Year Tax Levy	Mills Levied		Total Property Taxes		Percent Collected to Levied
		General	Debt Service	Levied	Collected	
2016	\$ 4,204,040	8.850	21.150	\$ 126,121	\$ 127,694	101.25%
2017	4,195,000	9.000	21.000	125,850	127,501	101.31
2018	4,846,560	11.685	18.315	145,397	143,701	98.83
2019	4,845,630	12.368	17.632	145,369	145,369	100.00
2020	6,381,250	15.747	14.253	191,438	191,437	100.00
Estimated for the year ending December 31, 2021	\$ 6,380,140	16.185	13.815	\$ 191,404		

District No. 3

Year Ended December 31,	Prior Year Assessed Valuation for Current Year Tax Levy	Mills Levied		Total Property Taxes		Percent Collected to Levied
		General	Debt Service	Levied	Collected	
2016	\$ 1,529,420	8.850	21.150	\$ 45,882	\$ 46,397	101.12%
2017	1,511,740	9.000	21.000	45,353	45,352	100.00
2018	1,604,010	11.685	18.315	48,120	48,120	100.00
2019	1,634,160	12.368	17.632	49,025	49,025	100.00
2020	1,754,700	15.747	14.253	52,641	52,641	100.00
Estimated for the year ending December 31, 2021	\$ 1,751,440	16.185	13.815	\$ 52,543		