

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

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEAR ENDED DECEMBER 31, 2021

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INDEPENDENT AUDITOR'S REPORT

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

Opinions

We have audited the 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, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the District as of December 31, 2021, and the respective changes in financial position thereof, and the respective budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risk of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

Supplementary and Other Information

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 (together, the information) as identified in the table of contents is presented for the purposes of additional analysis and legal compliance and is not a required part of the basic financial statements.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Fiscal Focus Partners, L.L.C.

Greenwood Village, Colorado
June 29, 2022

BASIC FINANCIAL STATEMENTS

THE VILLAGE AT WINTER PARK RESORT METROPOLITAN DISTRICT NO. 1
STATEMENT OF NET POSITION
DECEMBER 31, 2021

	<u>Governmental Activities</u>
ASSETS	
Cash and Investments	\$ 176,143
Cash and Investments - Restricted	19,282
Due from District No. 2	1,277
Due from District No. 3	350
Prepaid Insurance	5,682
Capital Assets	
Net of Accumulated Depreciation	2,138,056
Total Assets	2,340,790
LIABILITIES	
Accounts Payable	7,261
Loan Interest Payable	4,831
Noncurrent Liabilities:	
Due Within One Year	136,000
Due in More Than One Year	1,884,000
Total Liabilities	2,032,092
NET POSITION	
Net Investment in Capital Assets	118,056
Restricted for:	
Emergencies	4,100
Debt Service	11,100
Unrestricted	175,442
Total Net Position	\$ 308,698

See accompanying Notes to Basic Financial Statements.

THE VILLAGE AT WINTER PARK RESORT METROPOLITAN DISTRICT NO. 1
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2021

FUNCTIONS/PROGRAMS	Program Revenues				Net Revenues (Expenses) and Change in Net Position
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Primary Government:					
Governmental Activities:					
General Government	\$ 287,423	\$ -	\$ 135,418	\$ -	\$ (152,005)
Interest and Related Costs on Long-Term Debt	<u>204,131</u>	<u>-</u>	<u>115,589</u>	<u>-</u>	<u>(88,542)</u>
Total Governmental Activities	<u><u>\$ 491,554</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 251,007</u></u>	<u><u>\$ -</u></u>	<u><u>(240,547)</u></u>
GENERAL REVENUES					
Interest Income					63
Total General Revenues					<u>63</u>
CHANGE IN NET POSITION					
Net Position - Beginning of Year					549,182
NET POSITION - END OF YEAR					
					<u><u>\$ 308,698</u></u>

See accompanying Notes to Basic Financial Statements.

THE VILLAGE AT WINTER PARK RESORT METROPOLITAN DISTRICT NO. 1
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2021

	General	Debt Service	Total Governmental Funds
ASSETS			
Cash and Investments	\$ 176,143	\$ -	\$ 176,143
Cash and Investments - Restricted	4,100	15,182	19,282
Due from District No. 2	689	588	1,277
Due from District No. 3	189	161	350
Prepaid Insurance	<u>5,682</u>	<u>-</u>	<u>5,682</u>
Total Assets	<u><u>\$ 186,803</u></u>	<u><u>\$ 15,931</u></u>	<u><u>\$ 202,734</u></u>
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts Payable	\$ 7,261	\$ -	\$ 7,261
Total Liabilities	<u>7,261</u>	<u>-</u>	<u>7,261</u>
FUND BALANCES			
Nonspendable:			
Prepaid Expenses	5,682	-	5,682
Restricted for:			
Emergency Reserves	4,100	-	4,100
Debt Service	-	15,931	15,931
Assigned to:			
Subsequent Year's Expenditures	29,623	-	29,623
Unassigned:			
Total Fund Balances	<u>140,137</u>	<u>-</u>	<u>140,137</u>
	<u><u>179,542</u></u>	<u><u>15,931</u></u>	<u><u>195,473</u></u>
Total Liabilities and Fund Balances	<u><u>\$ 186,803</u></u>	<u><u>\$ 15,931</u></u>	
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	2,138,056		
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	(2,020,000)		
Accrued Interest on Loan Payable	(4,831)		
Net Position of Governmental Activities	<u><u>\$ 308,698</u></u>		

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, 2021

	General	Debt Service	Total Governmental Funds
REVENUES			
Interest Income	\$ 53	\$ 10	\$ 63
Intergovernmental Revenue - District No. 2	106,293	90,729	197,022
Intergovernmental Revenue - District No. 3	29,125	24,860	53,985
Total Revenues	<u>135,471</u>	<u>115,599</u>	<u>251,070</u>
EXPENDITURES			
General and Administration:			
Accounting	27,290	-	27,290
Auditing	5,550	-	5,550
Dues and Licenses	966	-	966
Insurance and Bonds	7,918	-	7,918
Legal Services	40,417	-	40,417
Website	1,100	-	1,100
Debt Service:			
Loan Issue Costs	-	145,390	145,390
Loan Interest - Series 2021	-	31,809	31,809
Loan Principal - Series 2021	-	80,000	80,000
Bank Fees	-	123	123
Total Expenditures	<u>83,241</u>	<u>257,322</u>	<u>340,563</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES			
	52,230	(141,723)	(89,493)
OTHER FINANCING SOURCES (USES)			
Loan Proceeds	-	2,100,000	2,100,000
Payment to Refunding Escrow Agent	-	(1,951,373)	(1,951,373)
Total Other Financing Sources (Uses)	<u>-</u>	<u>148,627</u>	<u>148,627</u>
NET CHANGE IN FUND BALANCES			
Fund Balances - Beginning of Year	<u>127,312</u>	<u>9,027</u>	<u>136,339</u>
FUND BALANCES - END OF YEAR			
	<u>\$ 179,542</u>	<u>\$ 15,931</u>	<u>\$ 195,473</u>

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, 2021**

Net Change in Fund Balances - Governmental Funds	\$	59,134
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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	(204,182)
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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 Issuance - Series 2021	(2,100,000)
Refund Loan - Series 2012	1,925,000
Loan Principal Payment - Series 2021	80,000

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	<u>(436)</u>
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Changes in Net Position of Governmental Activities	<u>\$ (240,484)</u>
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**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, 2021

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Interest Income	\$ 200	\$ 200	\$ 53	\$ (147)
Intergovernmental Revenue - District No. 2	103,262	103,262	106,293	3,031
Intergovernmental Revenue - District No. 3	28,347	28,347	29,125	778
Total Revenues	131,809	131,809	135,471	3,662
EXPENDITURES				
Accounting	24,000	30,000	27,290	2,710
Auditing	5,600	5,600	5,550	50
Dues and Licenses	1,051	1,051	966	85
Insurance and Bonds	7,500	8,000	7,918	82
Legal Services	30,000	45,000	40,417	4,583
Website	3,000	3,000	1,100	1,900
Contingency	8,849	22,349	-	22,349
Total Expenditures	80,000	115,000	83,241	31,759
NET CHANGE IN FUND BALANCES				
	51,809	16,809	52,230	35,421
Fund Balances - Beginning of Year	123,510	127,312	127,312	-
FUND BALANCES - END OF YEAR	\$ 175,319	\$ 144,121	\$ 179,542	\$ 35,421

See accompanying Notes to Basic Financial Statements.

THE VILLAGE AT WINTER PARK RESORT METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021

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, 2021

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-Wide and Fund Financial Statements (Continued)

The statement of activities demonstrates the degree to which the direct and indirect expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Depreciation is computed and recorded as an operating expense. Expenditures for capital outlay are shown as increases in assets and repayment of long-term obligations 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. 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, 2021

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budgets

In accordance with the State Budget Law, the District's Board of Directors holds public hearings in the fall each year to approve the budget and appropriate the funds for the ensuing year. The appropriation is at the total fund expenditures 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, 2021.

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, 2021

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 one item that qualifies for reporting in this category. 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, 2021

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Equity (Continued)

Fund Balance

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

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

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

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

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

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

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

NOTE 3 CASH AND INVESTMENTS

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

Statement of Net Position:

Cash and Investments	\$ 176,143
Cash and Investments - Restricted	19,282
Total Cash and Investments	<u>\$ 195,425</u>

THE VILLAGE AT WINTER PARK RESORT METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

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

Deposits in Financial Institution	\$ 21,402
Investments	174,023
Total Cash and Investments	<u>\$ 195,425</u>

Deposits with Financial Institutions

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

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

At December 31, 2021, the District's cash deposits had a bank balance and a carrying balance of \$21,402.

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, 2021

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Investments (Continued)

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

- . Obligations of the United States, certain U.S. government agency securities and securities of the World Bank
- . 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, 2021, the District had the following investments:

<u>Investment</u>	<u>Maturity</u>	<u>Amount</u>
	Weighted Average	
Colorado Surplus Asset Fund Trust (CSAFE)	Under 60 Days	\$ <u>174,023</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 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 AAAmmf by Fitch Ratings (effective 2/22). 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, 2021

NOTE 4 CAPITAL ASSETS

An analysis of the changes in capital assets for the year ended December 31, 2021, follows:

	Balance at December 31, 2020	Increases	Dedication to Other Governments	Balance at December 31, 2021
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	(297,898)	(36,854)	-	(334,752)
Village Core Infrastructure	(1,224,923)	(155,241)	-	(1,380,164)
Parking Gates	(97,705)	(12,087)	-	(109,792)
Signage	(4,615)	-	-	(4,615)
Total Accumulated Depreciation	(1,625,141)	(204,182)	-	(1,829,323)
Capital Assets, Net	\$ 2,342,238	\$ (204,182)	\$ -	\$ 2,138,056

Depreciation expense in the amount of \$204,182 was charged to functions/programs of the District as general government.

NOTE 5 LONG-TERM OBLIGATIONS

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

	Balance at December 31, 2020	Additions	Reductions	Loan Refunding	Balance at December 31, 2021	Due Within One Year
Note/Loans/Bonds from Direct Borrowing and Direct Placement:						
Series 2012	\$ 1,925,000	\$ -	\$ 1,925,000	\$ -	\$ -	\$ -
Series 2021	-	2,100,000	80,000	-	2,020,000	136,000
Total	\$ 1,925,000	\$ 2,100,000	\$ 2,005,000	\$ -	\$ 2,020,000	\$ 136,000

THE VILLAGE AT WINTER PARK RESORT METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021

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.

On May 21, 2021, the District paid in full the outstanding principal of \$1,925,000 on the Series 2012 Bank Qualified Tax-Free Loan from proceeds of the Series 2021 Tax-Free Loan Refunding Issue.

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

The District entered into a loan agreement with NBH Bank dated May 21, 2021, in the amount of \$2,100,000 (2021 Loan). Proceeds from 2021 Loan were used to (a) refund the outstanding Series 2012 Loan, and (b) fund the Costs of Issuance Fund.

Principal payments are due on December 1 each year. Interest payment are due June 1 and December 1 in varying amounts through December 1, 2041, with the net effective interest rate of 2.87%. The District may prepay the Loan beginning on December 1, 2026, and on any day thereafter at a prepayment price equal to the principal plus accrued and unpaid interest thereon to the date of prepayment, without penalty or premium. The District may prepay the Loan not more than once in any calendar year in a principal amount of up to \$35,000, on an Interest Payment Date.

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>
2022	\$ 136,000	\$ 57,974	\$ 193,974
2023	68,000	54,071	122,071
2024	72,000	52,119	124,119
2025	74,000	50,053	124,053
2026	79,000	47,929	126,929
2027-2031	444,000	203,885	647,885
2032-2036	548,000	134,375	682,375
2037-2041	599,000	49,077	648,077
Total	\$ 2,020,000	\$ 649,483	\$ 2,669,483

THE VILLAGE AT WINTER PARK RESORT METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Events of Default

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

- (a) Failure to pay any payment when payment is due, without proper cure or notice;
- (b) Failure to perform or observe any other covenants, agreement, or conditions of the agreement, without proper cure or notice;
- (c) Filing of a petition under the federal bankruptcy laws or other applicable bankruptcy laws;
- (d) Dissolution, insolvency, or liquidation of the Districts, without proper cure or notice;
- (e) Failure to apply pledged revenue as prescribed in Loan Document;
- (f) Refusal to enforce Capital Pledge Agreements (see below)

Capital Pledge Agreements 2021

On May 21, 2021, in connection with the 2021 Loan, the District entered into a Capital Pledge Agreement with District No. 2 and a Capital Pledge Agreement with District No. 3 (collectively, Capital Pledge Agreements), which terminated the original 2012 Capital Pledge Agreements.

District No. 2 and District No. 3 agree that starting in levy year 2021 for collection in 2022 and so long as amounts are due and owing on the Loan, District No. 2 and District No. 3 will each impose the Mandatory Capital Mill Levy upon all taxable property in an amount when combined with the Specific Ownership Tax Revenues from that district as well as Capital Review from the other, will produce ad valorem property tax revenue sufficient to pay the principal of and interest on the Loan.

The District shall, no later than November 10th of each year, commencing November 10, 2021 provide written direction (the Mill Levy Directive) to District No. 2 and District No. 3, stating the number of mills required to be certified in compliance with and in accordance with the terms of the Capital Pledge Agreements. For 2021 collections, Districts No. 2 and No. 3 have levied 30.000 mills, of which 15.637 mills is dedicated to debt service payments.

Mill Levy Allocation Agreement

In connection with the 2021 Loan, a Mill Levy Allocation Agreement was entered into on May 21, 2021, by and between Village at Winter Park Resort Metropolitan District No. 1 (the Issuing District), Village at Winter Park Resort Metropolitan District No. 2 (District No. 2), and Village at Winter Park Resort Metropolitan District No. 3 (District No. 3 and, together with District No. 2, the Financing Districts). The primary purpose of this agreement is for each Financing District to declare and agree that the obligations of each Financing District under its respective Capital Pledge Agreement are fair and equitable in light of the benefits received by the Financing Districts and their current and future residents, occupants, taxpayers and property owners, notwithstanding that the Debt Service Mill Levies of the Financing Districts are not intended nor expected to be equal in terms of number of mills or tax dollars derived from the imposition thereof.

THE VILLAGE AT WINTER PARK RESORT METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Mill Levy Allocation Agreement (Continued)

The financing Districts each acknowledge that the benefits received by the Financing Districts and their current and future residents, occupants, taxpayers, and property owners cannot be measured in exact terms and each Financing District's tax burden will not necessarily be equal in any year, or at all.

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, 2021, the District had authorized but unissued general obligation indebtedness in the following amounts allocated for the following purposes:

PURPOSE	Amount Authorized	Amount Used		Remaining Authorization
		Series 2012	Series 2021	
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	-	2,100,000	47,900,000
Operations and Maintenance	50,000,000	-	-	50,000,000
Total	<u>\$ 450,000,000</u>	<u>\$ 2,400,000</u>	<u>\$ 2,100,000</u>	<u>\$ 445,500,000</u>

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

Pursuant to the Consolidated Service Plan, the maximum required mill levy is 50.000 mills as adjusted for changes in the States assessment ratio. 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. The 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, 2021

NOTE 6 RELATED PARTY

The Developer of the property which constitutes the District is Alterra Mountain Company. 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.

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, 2021, the District had net investment in capital assets as follows:

	<u>Governmental Activities</u>
Net Investment in Capital Assets:	
Capital Assets, Net	\$ 2,138,056
Current Portion of Outstanding Long-Term Obligations	(136,000)
Noncurrent Portion of Outstanding Long-Term Obligations	<u>(1,884,000)</u>
Net Investment in Capital Assets	<u>\$ 118,056</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, 2021, the District had restricted net position as follows:

	<u>Governmental Activities</u>
Restricted Net Position:	
Emergencies	\$ 4,100
Debt Service	<u>11,100</u>
Total Restricted Net Position	<u>\$ 15,200</u>

THE VILLAGE AT WINTER PARK RESORT METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021

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.

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.

THE VILLAGE AT WINTER PARK RESORT METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021

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.

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, 2021

	Final		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Budget		
REVENUES				
Interest Income	\$ -	\$ -	\$ 10	\$ 10
Intergovernmental Revenue - District No. 2	88,142	88,142	90,729	2,587
Intergovernmental Revenue - District No. 3	24,196	24,196	24,860	664
Total Revenues	112,338	112,338	115,599	3,261
EXPENDITURES				
Debt Service:				
Loan Issue Costs	-	150,000	145,390	4,610
Loan Interest - Series 2021	52,745	35,000	31,809	3,191
Loan Principal - Series 2021	65,000	90,000	80,000	10,000
Bank Fees	-	-	123	(123)
Contingency	-	30,000	-	30,000
Total Expenditures	117,745	305,000	257,322	47,678
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(5,407)	(192,662)	(141,723)	50,939
OTHER FINANCING SOURCES (USES)				
Loan Proceeds	-	2,135,000	2,100,000	(35,000)
Payment to Refunding Escrow Agent	-	(1,951,373)	(1,951,373)	-
Total Other Financing Sources (Uses)	-	183,627	148,627	(35,000)
NET CHANGE IN FUND BALANCE	(5,407)	(9,035)	6,904	15,939
Fund Balance - Beginning of Year	12,404	12,404	9,027	(3,377)
FUND BALANCE - END OF YEAR	<u>\$ 6,997</u>	<u>\$ 3,369</u>	<u>\$ 15,931</u>	<u>\$ 12,562</u>

OTHER INFORMATION

THE VILLAGE AT WINTER PARK RESORT METROPOLITAN DISTRICT NO. 1
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY
DECEMBER 31, 2021

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

Series 2021

Interest Rate: 2.87%

Date: May 21, 2021

Interest Payable June 1 and December 1

Principal Payable December 1

<u>Year Ending December 31</u>	Principal	Interest	Total
2022	\$ 136,000	\$ 57,974	\$ 193,974
2023	68,000	54,071	122,071
2024	72,000	52,119	124,119
2025	74,000	50,053	124,053
2026	79,000	47,929	126,929
2027	81,000	45,662	126,662
2028	86,000	43,337	129,337
2029	88,000	40,869	128,869
2030	93,000	38,343	131,343
2031	96,000	35,674	131,674
2032	102,000	32,919	134,919
2033	104,000	29,992	133,992
2034	110,000	27,007	137,007
2035	113,000	23,850	136,850
2036	119,000	20,607	139,607
2037	123,000	17,191	140,191
2038	129,000	13,661	142,661
2039	133,000	9,959	142,959
2040	140,000	6,142	146,142
2041	74,000	2,124	76,124
Total	\$ 2,020,000	\$ 649,483	\$ 2,669,483

The District has the option to make additional principal payments in an amount of up to \$35,000 on December 1 of each year. The 2022 principal includes this additional amount.

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, 2021

District No. 2

Year Ended <u>December 31,</u>	Prior Year Assessed Valuation for Current Year Tax Levy	Mills Levied		Total Property Taxes		Percent Collected to Levied
		General	Debt Service	Levied	Collected	
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
2021	6,380,140	16.185	13.815	191,404	191,404	100.00
Estimated for the Year Ending December 31,						
2022	\$ 7,912,870	14.363	15.637	\$ 237,386		

District No. 3

Year Ended <u>December 31,</u>	Prior Year Assessed Valuation for Current Year Tax Levy	Mills Levied		Total Property Taxes		Percent Collected to Levied
		General	Debt Service	Levied	Collected	
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
2021	1,751,440	16.185	13.815	52,543	52,543	100.00
Estimated for the Year Ending December 31,						
2022	\$ 2,100,900	14.363	15.637	\$ 63,027		