

**Mount Vernon Country Club Metropolitan District
(Jefferson County, Colorado)**

FINANCIAL STATEMENTS

with Independent Auditor's Report

December 31, 2021

Mount Vernon Country Club Metropolitan District

TABLE OF CONTENTS

December 31, 2021

Independent auditor’s report..... I

Management’s discussion and analysis (MD&A) III

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 statement of revenues, expenditures and changes in fund balances of
governmental funds to the statement of activities 5

Statement of net position - proprietary funds 6

Statement of revenues, expenses and changes in net position - proprietary funds 7

Statement of cash flows - proprietary funds 8

Notes to financial statements 10

Required supplementary information

Statement of revenues, expenditures and change in fund balance
- budget and actual - general fund 25

Statement of revenues, expenditures and change in fund balance
- budget and actual - transportation fund 26

Statement of revenues, expenditures and change in fund balance
- budget and actual - conservation trust fund 27

Statement of revenues, expenditures and change in fund balance
- budget and actual – fire mitigation fund 28

Supplementary information

Statement of revenues, expenditures and change in fund balance
- budget and actual - proprietary fund - recreational clubhouse facility 29


Reconciliation of actual (budgetary basis) to statement of revenues, expenditures and
change in net position - proprietary fund - recreational clubhouse facility 30


Statement of revenues, expenditures and change in fund balance
- budget and actual – proprietary fund - water fund 31

Reconciliation of actual (budgetary basis) to statement of revenues, expenditures and
change in net position - proprietary fund – water fund 32



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Independent Auditor's Report

Members of the Board of Directors
Mount Vernon Country Club Metropolitan District

Opinion

We have audited the accompanying financial statements of the governmental activities, business-type activities, and the major funds of Mount Vernon Country Club Metropolitan 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 financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, and the major funds of Mount Vernon Country Club Metropolitan District, as of December 31, 2021 and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Mount Vernon Country Club Metropolitan 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 Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Mount Vernon Country Club Metropolitan 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 judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Mount Vernon Country Club Metropolitan District's ability to continue as a going concern for a reasonable period of time.

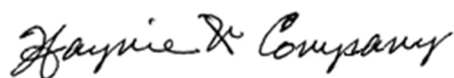
We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis and budgetary schedules, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise Mount Vernon Country Club Metropolitan District's financial statements as a whole. The supplementary information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the 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 financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the 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 financial statements as a whole.



Littleton, Colorado
July 28, 2022

**Mount Vernon Country Club Metropolitan District
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2021**

The discussion and analysis of Mount Vernon Country Club Metropolitan District's (District) financial performance provides an overall review of the District's financial activities for the year ended December 31, 2021. The intent of this discussion and analysis is to look at the District's financial performance as a whole. Readers should review the information presented here in conjunction with the basic financial statements and the notes to financial statements to enhance their understanding of the District's financial performance.

Financial Highlights

- Assets of the District exceeded its liabilities and deferred inflows at the close of the fiscal year by \$5,164,543 (net position).
- The District's total net position increased by \$1,007,524 over the prior fiscal year.
- Operating revenues increased \$1,773,243 from the prior year. This is primarily due to an increase in food and beverage revenues, membership social dues and initiation fees primarily due to the rebounding from the COVID-19 pandemic. Governmental fund revenues increased \$71,464 as a result of an increase in the sales tax collected and rental income.

Overview of the Financial Statements

The District's basic financial statements included in this report are those of a special-purpose government engaged in both governmental and business-type activities, providing water, roads and drainage, land management, fire mitigation, transportation and parks and recreation services. The statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

The Government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to private-sector business.

The *Statement of Net Position* presents information on all of the District's assets, deferred outflows of resources, liabilities and deferred inflows of resources, with the net difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The *Statement of Activities* presents information showing how the District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., earned compensation).

Fund financial statements present the grouping of related accounts that are used to maintain control over resources that have been segregated for specific activities or objectives. The District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Mount Vernon Country Club Metropolitan District
MANAGEMENT'S DISCUSSION AND ANALYSIS
(continued)**

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financial decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental fund and governmental activities.

The District maintains four governmental funds: 1) the general fund, 2) the transportation fund, 3) the conservation trust fund and 4) the fire mitigation fund. The general fund is the District's primary operating fund, the transportation fund is considered a special revenue fund used to account for sales tax proceeds received from the State of Colorado and the expenditures for which those funds are spent, the conservation trust fund is considered a special revenue fund used to account for the District's lottery proceeds received from the State of Colorado and the expenditures for which those funds are spent and the fire mitigation fund is considered a special revenue fund used to account for proprietary member fees and State grants and the expenditures for which those funds are spent.

Proprietary funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The District maintains two proprietary funds: 1) Recreational Clubhouse Facility Fund and 2) Water Fund. The Recreational Clubhouse Facility Fund is used to account for the revenues and expenditures related to the services provided to the District's residents and club members for social and recreational activities. The Water Fund is used to account for the revenues and expenses related to the water services that are provided to the proprietary members of the District. The services provided in both of these funds are reported as business-type activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail.

The *Notes to the financial statements* provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of Mount Vernon Country Club Metropolitan District, assets exceeded liabilities and deferred inflows by \$5,164,543 at the close of the most recent fiscal year.

**Mount Vernon Country Club Metropolitan District
MANAGEMENT'S DISCUSSION AND ANALYSIS
(continued)**

**Statement of Net Position - All Funds
December 31,**

	2021	2020
Current and other assets	\$ 3,095,384	\$ 1,561,536
Capital assets, net	5,072,166	5,285,013
Total assets	8,167,550	6,846,549
Long-term liabilities	1,647,470	1,692,142
Other liabilities	1,073,624	837,310
Total liabilities	2,721,094	2,529,452
Deferred inflows of resources	281,913	160,128
Net position		
Net investment in capital assets	3,479,664	3,657,871
Restricted	461,407	262,625
Unrestricted	1,223,472	236,473
Net position	\$ 5,164,543	\$ 4,156,969

Net investment in capital assets (land; infrastructure; buildings and grounds; furniture, fixtures, and equipment; recreational facility; wastewater treatment facility; and the water system) as of December 31, 2021 and 2020, less any related debt used to acquire those assets represent net position of the District related to capital assets used to provide services to citizens and Clubhouse members; consequently, it is *not* available for future spending.

Governmental Activities

Governmental activities before transfers and operating contributions increased net position in 2021 by \$594,372 compared to an increase before transfers and operating contributions in 2020 of \$493,848. The increase in the change in net position was primarily the result in the increase on sales of land parcels in 2021.

Business-type Activities

The business-type activities (Recreational Clubhouse Facility and Water Fund) before transfers increased net position in 2021 by \$410,002 compared to a decrease before transfers in 2020 of \$528,792.

**Mount Vernon Country Club Metropolitan District
MANAGEMENT'S DISCUSSION AND ANALYSIS
(continued)**

**Statement of Activities - All Funds
For the Year Ended December 31,**

	<u>2021</u>	<u>2020</u>
Revenues:		
Program revenues		
Charges for services	\$ 4,595,690	\$2,822,447
Operating grants and contributions	3,200	8,500
Capital grants and contributions	131,567	111,193
General revenues		
Property taxes	255,153	157,517
Proprietary member fees	187,145	182,250
Proprietary member trash	26,880	26,770
Sales taxes	73,354	49,912
Other taxes	19,532	11,919
Interest and other revenue	86,278	55,167
Gain on sale of assets	449,000	413,499
Total revenues	<u>5,827,799</u>	<u>3,839,174</u>
Expenses:		
General government	364,585	341,014
Transportation	26,163	33,100
Fire mitigation	14,793	28,570
Recreational Clubhouse facility	4,034,494	3,062,852
Water	314,480	324,440
Interest on debt obligations	65,710	75,642
Total expenses	<u>4,820,225</u>	<u>3,865,618</u>
Decrease in net position	1,007,574	(26,444)
Net position - beginning	<u>4,156,969</u>	<u>4,183,413</u>
Net position - ending	<u>\$ 5,164,543</u>	<u>\$4,156,969</u>

**Mount Vernon Country Club Metropolitan District
MANAGEMENT'S DISCUSSION AND ANALYSIS
(continued)**

Budgetary Highlights

The District prepares its budget on the modified accrual basis of accounting to recognize the fiscal impact of capital outlay and debt repayment in addition to operations and nonoperating revenue and expenses and contributions. Depreciation is not reflected in the budget since it does not affect funds available.

Capital Assets

The District's capital assets as of December 31, 2021 and 2020 were as follows:

	December 31,	
	2021	2020
Land	\$ 501,434	\$ 501,434
Infrastructure	617,946	475,986
Building and grounds	9,035,444	9,071,682
Furniture, fixtures and equipment	1,762,426	1,735,520
Water system	1,966,650	1,892,140
Total assets	13,883,900	13,676,762
Accumulated depreciation	(8,811,734)	(8,391,749)
Net capital assets	\$ 5,072,166	\$ 5,285,013

Additional information relating to the District's capital assets activity can be found in Note 4 of this report.

Debt Administration

As of December 31, 2021, the District had total debt obligations (including capital leases) of \$1,647,470, of which \$37,052 is classified as current.

Additional detail on the District's debt is in Note 5 to the financial statements.

Economic Factors and Next Year's Budget

The District anticipates moderate growth in 2022. The Recreational Clubhouse Facility revenue budget is optimistic due to wedding and banquet revenue increases along with increases in dues and certain fees. In addition, expenditures in personnel and other expenses have been, and continue to be, under strict control. The budget is created with total budgeted revenues covering budgeted operation/maintenance expenses and debt retirement payments.

The 2022 mill levy for the District was decreased to 52.800 to cover the General Obligations Bonds and Interest payments. Even though the 2022 mill levy was decreased, 2022 tax revenue for the District is budgeted to increase compared to 2021 due to property valuation increases.

**Mount Vernon Country Club Metropolitan District
MANAGEMENT'S DISCUSSION AND ANALYSIS
(continued)**

Requests for Information

This financial report is designed to provide a general overview of the District's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

District General Manager
Mount Vernon Country Club Metropolitan District
24933 Clubhouse Circle
Golden, Colorado 80401

BASIC FINANCIAL STATEMENTS

MOUNT VERNON COUNTRY CLUB METROPOLITAN DISTRICT
STATEMENT OF NET POSITION
December 31, 2021

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and investments	\$ 1,246,912	\$ 1,008,233	\$ 2,255,145
Accounts receivable	9,303	84,585	93,888
Due from other funds	235,667	91,166	326,833
Inventories	-	51,162	51,162
Prepaid expenses and deposits	17,272	68,092	85,364
Property taxes receivable	186,874	95,039	281,913
Receivable from Corporation	1,079	-	1,079
Capital assets, net of depreciation	713,373	4,358,793	5,072,166
Total assets	2,410,480	5,757,070	8,167,550
LIABILITIES			
Accounts payable	12,723	77,167	89,890
Accrued expenses	-	190,449	190,449
Accrued interest payable	-	5,072	5,072
Due to other funds	51,835	274,998	326,833
Unearned revenues - dues	2,922	38,933	41,855
Deposits	6,400	413,125	419,525
Noncurrent liabilities			
Due within one year	-	37,052	37,052
Due in more than one year	54,968	1,555,450	1,610,418
Total liabilities	128,848	2,592,246	2,721,094
DEFERRED INFLOWS OF RESOURCES			
Deferred property tax revenue	186,874	95,039	281,913
Total deferred inflows of resources	186,874	95,039	281,913
NET POSITION			
Net investment in capital assets	713,373	2,766,291	3,479,664
Restricted	366,368	95,039	461,407
Unrestricted	1,015,017	208,455	1,223,472
Total net position	\$ 2,094,758	\$ 3,069,785	\$ 5,164,543

The accompanying Notes to Financial Statements are an integral part of these statements.

MOUNT VERNON COUNTRY CLUB METROPOLITAN DISTRICT
STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2021

Functions/Programs:	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental activities:							
General government	\$ 364,585	\$ -	\$ 3,200	\$ -	\$ (361,385)	\$ -	\$ (361,385)
Transportation	26,163	-	-	-	(26,163)	-	(26,163)
Conservation trust	-	-	-	1,567	1,567	-	1,567
Fire mitigation	14,793	-	-	-	(14,793)	-	(14,793)
Interest on debt obligations	3,584	-	-	-	(3,584)	-	(3,584)
Total governmental activities	409,125	-	3,200	1,567	(404,358)	-	(404,358)
Business-type activities:							
Recreational clubhouse	4,034,494	4,312,434	-	-	-	277,940	277,940
Water	314,480	283,256	-	130,000	-	98,776	98,776
Interest on debt obligations	62,126	-	-	-	-	(62,126)	(62,126)
Total business-type activities	4,411,100	4,595,690	-	130,000	-	314,590	314,590
General revenues:							
Taxes:							
Property taxes					160,020	95,133	255,153
Specific ownership taxes					19,532	-	19,532
Sales taxes					73,354	-	73,354
Other income					85,048	-	85,048
Proprietary member fees					187,145	-	187,145
Proprietary member trash					26,880	-	26,880
Interest					951	279	1,230
Gain on sale of assets					449,000	-	449,000
Transfer (to) from other funds					(16,814)	16,814	-
Total general revenues					985,116	112,226	1,097,342
Change in net position					580,758	426,816	1,007,574
Net position - beginning of year					1,514,000	2,642,969	4,156,969
Net position - end of year					\$ 2,094,758	\$ 3,069,785	\$ 5,164,543

The accompanying Notes to Financial Statements are an integral part of these statements.

**MOUNT VERNON COUNTRY CLUB METROPOLITAN DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2021**

	General Fund	Transportation Fund	Conservation Trust Fund	Fire Mitigation Fund	Total
ASSETS					
Cash and investments	\$ 895,857	\$ 256,678	\$ 16,014	\$ 78,363	\$ 1,246,912
Accounts receivable	3,865	5,438	-	-	9,303
Due from other funds	235,667	-	-	-	235,667
Prepaid expenditures	17,272	-	-	-	17,272
Property tax receivable	186,874	-	-	-	186,874
Receivable from Corporation	1,079	-	-	-	1,079
Total assets	<u>\$ 1,340,614</u>	<u>\$ 262,116</u>	<u>\$ 16,014</u>	<u>\$ 78,363</u>	<u>\$ 1,697,107</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
LIABILITIES					
Accounts payable	\$ 12,723	\$ -	\$ -	\$ -	\$ 12,723
Deposits	6,400	-	-	-	6,400
Unearned revenues	2,922	-	-	-	2,922
Due to other funds	48,610	-	-	3,225	51,835
	<u>70,655</u>	<u>-</u>	<u>-</u>	<u>3,225</u>	<u>73,880</u>
DEFERRED INFLOWS OF RESOURCES					
Deferred property tax revenue	186,874	-	-	-	186,874
Total deferred inflows of resources	<u>186,874</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>186,874</u>
FUND BALANCES					
Nonspendable - prepaid expenditures	17,272	-	-	-	17,272
Restricted by legislation	13,100	-	16,014	-	29,114
Restricted for transportation improvements	-	262,116	-	-	262,116
Restricted for fire mitigation improvements	-	-	-	75,138	75,138
Assigned for emergencies	1,052,713	-	-	-	1,052,713
Total fund balances	<u>1,083,085</u>	<u>262,116</u>	<u>16,014</u>	<u>75,138</u>	<u>1,436,353</u>
Total deferred inflows of resources and fund balances	<u>\$ 1,340,614</u>	<u>\$ 262,116</u>	<u>\$ 16,014</u>	<u>\$ 78,363</u>	
Amount reported for governmental activities in the statement of net position are different because:					
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds					713,373
Long-term obligations are not due and payable in the current period and, therefore, are not in the funds					
Director investor loans payable					(54,968)
Net position of governmental activities					<u>\$ 2,094,758</u>

The accompanying Notes to Financial Statements are an integral part of these statements.

MOUNT VERNON COUNTRY CLUB METROPOLITAN DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
For the Year Ended December 31, 2021

	General Fund	Transportation Fund	Conservation Trust Fund	Fire Mitigation Fund	Total
Revenues					
Property taxes	\$ 160,020	\$ -	\$ -	\$ -	\$ 160,020
Specific ownership taxes	19,532	-	-	-	19,532
Sales taxes	-	73,354	-	-	73,354
Corral	16,482	-	-	-	16,482
Lottery proceeds	-	-	1,567	-	1,567
Proprietary member fees	123,000	25,658	-	38,487	187,145
Proprietary member trash	26,880	-	-	-	26,880
Interest income	788	122	8	33	951
Other income	61,446	-	-	7,120	68,566
Total revenues	408,148	99,134	1,575	45,640	554,497
Expenditures					
General government	345,229	-	-	-	345,229
Interest	4,130	-	-	-	4,130
Transportation	-	26,163	-	-	26,163
Fire mitigation	-	-	-	14,793	14,793
Capital outlay	85,740	-	-	-	85,740
Total expenditures	435,099	26,163	-	14,793	476,055
Excess of revenues over (under) expenditures	(26,951)	72,971	1,575	30,847	78,442
Other financing sources (uses)					
Operating contributions	3,200	-	-	-	3,200
Transfers from (to) other funds	(12,764)	(4,050)	-	-	(16,814)
District investor loan repayments	(45,032)	-	-	-	(45,032)
District investor loan proceeds	35,000	-	-	-	35,000
Proceeds from sale of assets	449,000	-	-	-	449,000
Total other financing sources (uses)	429,404	(4,050)	-	-	425,354
Net change in fund balance	402,453	68,921	1,575	30,847	503,796
Fund balance - beginning of year	680,632	193,195	14,439	44,291	932,557
Fund balance - end of year	\$ 1,083,085	\$ 262,116	\$ 16,014	\$ 75,138	\$ 1,436,353

The accompanying Notes to Financial Statements are an integral part of these statements.

**MOUNT VERNON COUNTRY CLUB METROPOLITAN DISTRICT
RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2021**

Net change in fund balance of governmental funds \$ 503,796

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

Governmental funds report capital outlays as expenditures.
However, in the statement of activities the cost of those assets
is allocated over their estimated useful lives and reported as
depreciation expense.

Capital outlay	85,740
Depreciation expense	(19,356)
	85,740
	(19,356)

The issuance of long-term debt provides current financial resources
to governmental funds, while the repayment of principal of long-term
debt consumes the current financial resources of governmental funds.
Neither transaction, however, has any effect on net position.
The net effect of these differences in the treatment of long-term debt
is as follows:

Participant advances	(35,000)
Participant repayments	45,032

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

Net change in accrued interest on direct investor loans	546
	546

Change in net position of governmental activities **\$ 580,758**

The accompanying Notes to Financial Statements are an integral part of these statements.

MOUNT VERNON COUNTRY CLUB METROPOLITAN DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
December 31, 2021
With Comparative Totals for 2020

	Recreational Clubhouse Facility	Water Fund	Total	2020 Total
ASSETS				
Cash and investments	\$ 755,802	\$ 252,431	\$ 1,008,233	\$ 248,260
Accounts receivable	81,925	2,660	84,585	153,646
Due from other funds	91,078	88	91,166	74,281
Inventories	51,162	-	51,162	52,431
Prepaid expenses and deposits	62,080	6,012	68,092	43,016
Property tax receivable	74,634	20,405	95,039	-
Capital assets, net	3,433,309	925,484	4,358,793	4,818,637
Total assets	4,549,990	1,207,080	5,757,070	5,390,271
LIABILITIES				
Overdraft	-	-	-	16,668
Accounts payable	71,352	5,815	77,167	115,398
Accrued expenses	190,449	-	190,449	57,252
Accrued interest payable	4,314	758	5,072	-
Due to other funds	232,530	42,468	274,998	262,043
Unearned revenues - dues	36,249	2,684	38,933	27,840
Deposits	413,125	-	413,125	236,552
Noncurrent liabilities				
Due within one year	31,052	6,000	37,052	197,526
Due in more than one year	1,280,450	275,000	1,555,450	1,320,983
Total liabilities	2,259,521	332,725	2,592,246	2,234,262
DEFERRED INFLOWS OF RESOURCES				
Deferred property tax revenue	74,634	20,405	95,039	-
Total deferred inflows of resources	74,634	20,405	95,039	-
NET POSITION				
Net investment in capital assets	2,121,807	644,484	2,766,291	3,300,128
Restricted for debt service	74,634	20,405	95,039	-
Unrestricted	19,394	189,061	208,455	(144,119)
Total net position	\$ 2,215,835	\$ 853,950	\$ 3,069,785	\$ 3,156,009

The accompanying Notes to Financial Statements are an integral part of these statements.

MOUNT VERNON COUNTRY CLUB METROPOLITAN DISTRICT
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
For the Year Ended December 31, 2021
With Comparative Totals for 2020

	Recreational Clubhouse Facility	Water Fund	Total	2020 Total
Operating revenues				
Activities and recreation	\$ 19,435	\$ -	\$ 19,435	\$ 3,395
Membership social dues	1,114,112	-	1,114,112	1,076,879
Initiation fees	232,804	-	232,804	123,300
Food and beverage sales	1,985,801	-	1,985,801	769,815
Food related other income	428,720	-	428,720	131,969
Pool fees	38,650	-	38,650	8,772
Racquets	72,514	-	72,514	74,794
Service charges	-	218,160	218,160	193,558
Capital reserve fees	-	65,096	65,096	63,380
Wellness	8,943	-	8,943	8,740
Other income and late fees	411,455	-	411,455	367,845
Total operating revenues	4,312,434	283,256	4,595,690	2,822,447
Operating expenses				
Activities and recreation	16,464	-	16,464	4,571
Food and beverage	796,947	-	796,947	369,961
Payroll and related benefits	1,898,908	43,600	1,942,508	1,408,836
Pool operations	36,556	-	36,556	18,722
Tennis courts	32,032	-	32,032	18,427
Water costs	-	207,530	207,530	177,054
Wellness operations	9,694	-	9,694	12,498
Facility maintenance	252,681	-	252,681	258,090
Membership	17,110	-	17,110	49,820
General and administrative	635,394	-	635,394	485,124
Depreciation	337,586	63,043	400,629	402,256
Total operating expenditures	4,033,372	314,173	4,347,545	3,205,359
Operating income (loss)	279,062	(30,917)	248,145	(382,912)
Nonoperating revenues (expenses)				
Interest income	181	98	279	1,695
Interest expense	(52,719)	(9,407)	(62,126)	(75,642)
Loan issuance costs	-	-	-	(87,905)
Loss on disposal of assets	-	-	-	(94,028)
Income (loss) before operating transfers	226,524	(40,226)	186,298	(638,792)
Other financing sources				
County treasurer fees	(1,122)	(307)	(1,429)	-
Operating transfers in	16,814	-	16,814	15,752
Property taxes	74,708	20,425	95,133	-
Tap fees revenue	-	130,000	130,000	110,000
Total other financing sources	90,400	150,118	240,518	125,752
Change in net position	316,924	109,892	426,816	(513,040)
Net position - beginning of year	1,898,911	744,058	2,642,969	3,156,009
Net position - end of year	\$ 2,215,835	\$ 853,950	\$ 3,069,785	\$ 2,642,969

The accompanying Notes to Financial Statements are an integral part of these statements.

MOUNT VERNON COUNTRY CLUB METROPOLITAN DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended December 31, 2021
With Comparative Totals for 2020

	Recreational Clubhouse Facility	Water Fund	Total	2020 Total
Cash flows from operating activities				
Cash received from customers	\$ 4,462,046	\$ 283,222	\$ 4,745,268	\$ 2,929,596
Cash payments to employees for services	(1,898,908)	-	(1,898,908)	(1,328,012)
Cash payments to suppliers for goods and services	(1,654,374)	(265,516)	(1,919,890)	(1,543,646)
Net cash provided by operating activities	<u>908,764</u>	<u>17,706</u>	<u>926,470</u>	<u>57,938</u>
Cash flows from noncapital financing activities				
Transfers from other fund	16,814	-	16,814	15,752
Net cash provided by noncapital financing activities	<u>16,814</u>	<u>-</u>	<u>16,814</u>	<u>15,752</u>
Cash flows from capital and related financing activities				
Acquisition of capital assets	(46,888)	(74,510)	(121,398)	(315,671)
County treasurer fees	(1,122)	(307)	(1,429)	-
Proceeds from refunding loan	-	-	-	1,618,000
Due to other funds	(179,507)	116,661	(62,846)	58,916
Loan issuance costs	-	-	-	(87,905)
Tap fees	-	130,000	130,000	110,000
Principal paid on debt	(29,640)	(5,000)	(34,640)	(1,509,367)
Property taxes	74,708	20,425	95,133	-
Interest paid on debt	(52,719)	(9,407)	(62,126)	(75,642)
Net cash provided by (used) in capital and related financing activities	<u>(235,168)</u>	<u>177,862</u>	<u>(57,306)</u>	<u>(201,669)</u>
Cash flows from investing activities				
Interest	181	98	279	1,695
Net cash provided by investing activities	<u>181</u>	<u>98</u>	<u>279</u>	<u>1,695</u>
Net change in cash and cash equivalents	690,591	195,666	886,257	(126,284)
Cash and cash equivalents - beginning of year	<u>65,211</u>	<u>56,765</u>	<u>121,976</u>	<u>248,260</u>
Cash and cash equivalents - end of year	<u>\$ 755,802</u>	<u>\$ 252,431</u>	<u>\$ 1,008,233</u>	<u>\$ 121,976</u>

The accompanying Notes to Financial Statements are an integral part of these statements.

MOUNT VERNON COUNTRY CLUB METROPOLITAN DISTRICT

**STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS**

(continued)

For the Year Ended December 31, 2021

	Recreational Clubhouse Facility	Water Fund	Total	2020 Total
Reconciliation of operating loss to net cash provided by operating activities				
Operating income (loss)	\$ 279,062	\$ (30,917)	\$ 248,145	\$ (382,912)
Adjustments to reconcile operating income to net cash provided by operating activities				
Depreciation	337,586	63,043	400,629	402,256
(Increase) decrease in:				
Accounts receivable	92,636	1,847	94,483	(25,422)
Inventories	(13,020)	-	(13,020)	14,289
Prepaid expenses	(26,049)	(6,012)	(32,061)	6,985
Increase (decrease) in:				
Overdraft	-	-	-	(16,668)
Accounts payable	35,138	(8,357)	26,781	(65,012)
Accrued expenses	146,521	-	146,521	(13,324)
Accrued interest	(86)	(17)	(103)	5,175
Unearned revenues	27,322	(1,881)	25,441	(14,348)
Deposits	29,654	-	29,654	146,919
Net cash provided by operating activities	\$ 908,764	\$ 17,706	\$ 926,470	\$ 57,938

The accompanying Notes to Financial Statements are an integral part of these statements.

Mount Vernon Country Club Metropolitan District
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

Note 1 – Definition of Reporting Entity

Mount Vernon Country Club Metropolitan District (the District), a political subdivision incorporated under the State of Colorado, is governed pursuant to the provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The District's service area is located in Jefferson County, Colorado. The District was established on February 1, 1992 to provide water, roads and drainage, land management, fire mitigation, and parks and recreation services within and outside of its boundaries.

Substantially all of the assets and liabilities of Mount Vernon Country Club, a non-profit corporation (the Corporation), were conveyed to the District in 1992. The assets included a recreation clubhouse facility consisting of a restaurant, bar, tennis courts, pro shop, swimming pool and snack bar, along with meeting rooms and three residential units owned by the Corporation as housing for employees. Other assets conveyed by the Corporation include 1,000 acres of open space within the District, the water supply system serving the District residents, roads, rights of way and easements appurtenant to the water system. The liabilities transferred included outstanding loans associated with the water system and land as well as normal obligations incurred in the operation of the assets conveyed to the District. All assets and liabilities transferred were recorded on the books and records of the District at the net book value recorded on the Corporation's books and records at the date of transfer.

Due to the obligations of the Corporation to its proprietary members, certain restrictions exist in the conveyances by the Corporation to the District regarding the sale of real property, the water tap moratorium and enforcement of the Corporation's governing documents. A reversionary interest is provided for in the event conditions are violated.

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

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

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 (i.e., the statement of net position and the statement of activities) report information on all of the activities of the District. The effect of interfund activity has been removed from these statements. Governmental activities, which are normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

Mount Vernon Country Club Metropolitan District
NOTES TO FINANCIAL STATEMENTS
(continued)
December 31, 2021

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

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 the governmental funds and proprietary funds. Major individual governmental and proprietary funds are reported as separate columns in the fund financial statements.

Measurement focus, basis of accounting and financial statement presentation

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period.

Property taxes are recognized as revenues in the year for which they are levied. Grants are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Interest associated with the current fiscal period is considered to be susceptible to accrual and so has been recognized as revenues of the current fiscal period. 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, generally 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.

Mount Vernon Country Club Metropolitan District
NOTES TO FINANCIAL STATEMENTS
(continued)
December 31, 2021

The transportation fund is a special revenue fund used to account for the District's sales tax proceeds received from the State of Colorado and proprietary member fees for the purpose of financing, constructing, operating and maintaining streets, transportation and safety protection improvements, including parking lots located at District facilities and amenities.

The conservation trust fund is a special revenue fund used to account for the District's lottery proceeds received from the State of Colorado and the capital improvements or maintenance for recreational purposes for which those funds are spent.

The fire mitigation fund is a special revenue fund used to account for the District's proprietary member fees and State grants for fire mitigation expenses of the open spaces within the District.

The District reports the following major proprietary funds:

The recreational clubhouse facility is used to charge District residents and club members for social and recreational activities provided to them. All revenues and expenses related to these activities are accounted for in this fund. All revenues of the recreational clubhouse facility are considered operating revenues except for interest income and gains on disposals of capital assets which are considered non-operating revenues.

The water fund is used to charge District residents monthly fees for services not paid for with property taxes. All service charges and related expenses and assets are accounted for in this fund.

The proprietary funds distinguish between operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Operating revenues consist of charges to customers for services provided. Operating expenses include the cost of services, administrative expenses and depreciation of capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses or capital contributions.

Comparative data for 2020 is provided in the proprietary fund statements for analysis purposes only.

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

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 two bank accounts. 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.

Mount Vernon Country Club Metropolitan District
NOTES TO FINANCIAL STATEMENTS
(continued)
December 31, 2021

Cash equivalents

For purposes of the Statement of Cash Flows, the District considers cash deposits and highly liquid investments with original maturities of three months or less from the date of acquisition, to be cash equivalents.

Accounts receivable and allowance for uncollectible accounts

Accounts receivable is reported net of an allowance for uncollectible accounts of \$79,076 at December 31, 2021.

Inventories

Inventories consist of foods, beverage and other items used in the clubhouse recreational facility. Inventories are carried at the lower of cost or net realizable value, using the first in, first out method.

Property taxes

Property taxes are levied by the District's Board of Directors. The levy is based on assessed valuations determined by the County Assessor generally as of January 1 of each year. The levy is normally set by December 15 by certification to the County Commissioners to put the tax lien on the individual's properties as of January 1 of the following year. The County Treasurer collects the determined taxes during the ensuing calendar year. The taxes are payable by April or if in equal installments, at the taxpayer's election, February and June.

Delinquent taxpayers are notified in August and generally sales of the tax liens on delinquent properties are held in November or December. The County Treasurer remits the taxes collected monthly to the District.

Property taxes, net of estimated uncollectible taxes, are recorded initially as deferred inflows of resources in the year they are levied and measurable. The property tax revenues are recorded as revenue in the year they are available or collected.

Prepaid expenses and other deferred charges

Prepaid expenses and other deferred charges are amounts paid in the current year for expenses related to subsequent years.

Unearned revenues

The District reports unearned revenue in the government-wide statement of net position and in the fund financial statements. Unearned revenues arise when potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Unearned revenues also arise when resources are received by the District before it has a legal claim to them. In subsequent periods, when both revenue recognition criteria are met, or when the District has a legal claim to the resources, the liabilities for unearned revenue is removed from the statement of net position and revenue is recognized.

Mount Vernon Country Club Metropolitan District
NOTES TO FINANCIAL STATEMENTS
(continued)
December 31, 2021

The unearned revenues recognized at December 31, 2021 represent membership dues and district fees that have been paid in advance for the recreational clubhouse facility, water fund and general fund which have not been billed for the time period for which they are due.

Sales taxes

The District imposed a sales tax at a rate not to exceed 2% upon every transaction in the District effective January 1, 2018, for the purpose of financing, constructing, operating and maintaining streets, transportation and safety protection improvements, including parking lots located at District facilities and amenities.

Capital assets

Capital assets include land, buildings and grounds, furniture, fixtures and equipment, recreational facilities, the wastewater treatment facility and infrastructure assets acquired after January 1, 2004, reported in the applicable governmental or business-type activity columns in the government-wide financial statements. Infrastructure assets consist of roads, bridges, curbs and gutters, streets and sidewalks, drainage systems and lighting systems.

Capital assets are defined by the District as those assets with an initial, individual cost of \$1,000 or greater and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation or at the donor's cost.

The District's intangible assets include land use rights, water rights, rights of way and easements appurtenant to the water system. Such intangible assets have an indefinite useful life, are not amortized, and are classified as capital assets in accordance with GASB 51, *Accounting and Financial Reporting for Intangible Assets*. Land use rights are included in Land in the governmental activities section of capital assets in Note 4. Purchased water rights in connection with the Robert Lewis Ditch and rights of way and easements appurtenant to the water system are included in the Water fund: Water system in the business activities section of capital assets in Note 4.

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 following estimated economic useful lives:

	<u>Years</u>
Building	20-40
Wastewater treatment system	20-40
Recreational facility	5-15
Furniture, fixtures and equipment	5-15

Mount Vernon Country Club Metropolitan District
NOTES TO FINANCIAL STATEMENTS
(continued)
December 31, 2021

Capital leases

The District entered into a lease-purchase agreement for a recreational facility equipment purchase for the kitchen that expires in 2023. The assets and liabilities under the lease-purchase agreement are recorded at the lower of the present value of the minimum lease payments or the fair values of the assets. The assets are being depreciated over the estimated economic useful lives. The assets and the related liabilities are recorded in the proprietary fund in which the assets are being used and from which the liabilities will be paid. The lease is subject to annual appropriations.

Interfund transfers

Quasi-external transactions are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenses initially made from it that are properly applicable to another fund, are recorded as expenses in the reimbursing fund and as reductions as expenses in the fund that is reimbursed. During 2021, the general fund transferred \$16,814 to the recreational clubhouse facility fund from the allowable 10% of property taxes collected for general expenditures, the transportation fund transferred \$4,050 to the general fund for expenses.

Fund equity

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 spending constraints:

Non-spendable fund balance – The portion of fund balance that cannot be spent because it is either not in spendable form (such as inventory) or is legally or contractually required to be maintained intact. At December 31, 2021, the District had a nonspendable fund balance of \$17,272 which represents prepaid expenditures for the ensuing fiscal year and it therefore not in a spendable form.

Restricted fund balance – The portion of fund balance constrained to being used for a specific purpose by external parties (such as grantors or bondholders), constitutional provisions or enabling legislation. At December 31, 2021, the District had \$13,100 restricted by legislation for emergencies, \$262,116 for transportation improvements in the transportation fund, \$16,014 for the conservation trust fund and \$75,138 for fire mitigation in the fire mitigation fund.

Restricted Net Position – The portion of Net Position constrained to being used for a specific purpose by external parties (such as grantors or bondholders). At December 31, 2021, the District had \$74,634 restricted for debt service in the recreational clubhouse facility and \$20,405 restricted for debt service in the water fund.

Committed fund balance – The portion of fund balance constrained for specific purposes according to limitations imposed by the District’s highest level of decision making authority, the Board of Directors, prior to the end of the current fiscal year. The constraint may be removed or changed only through formal action of the Board of Directors.

Mount Vernon Country Club Metropolitan District
NOTES TO FINANCIAL STATEMENTS
(continued)
December 31, 2021

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. At December 31, 2021, the Board had assigned \$1,052,713 for emergencies.

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

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

Budgets

In accordance with the Local Government Budget Law of Colorado, the District's Board of Directors holds a public hearing in the fall each year to approve the budget and appropriate the funds for the ensuing year. The appropriation is at the total fund expenditures level and lapses at year-end. The District's Board of Directors can modify the budget by line item within the total appropriation without notification. The total appropriation can only be modified upon completion of notification and publication requirements.

The District amended its General Fund Budget subsequent to year end.

Use of estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires that District management make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

Note 3 – Cash and Investments

Cash and investments are reflected on the December 31, 2021 Statement of Net Position as follows:

Cash and investments	<u>\$ 2,255,145</u>
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Cash and investments as of December 31, 2021 consist of the following:

Deposits with financial institutions	\$ 215,997
Cash on hand	1,300
Investments	<u>2,037,848</u>
Total cash and investments	<u>\$ 2,255,145</u>

At December 31, 2021, the District's cash deposits had bank balances of \$241,009 and carrying balance of \$215,997.

Mount Vernon Country Club Metropolitan District
NOTES TO FINANCIAL STATEMENTS
(continued)
December 31, 2021

Deposits with financial institutions

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulators. Amounts on deposit in excess of federal insurance levels must be collateralized. As of December 31, 2021, the federal insurance limit was \$250,000. 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.

Custodial credit risk – deposits

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District's cash deposit and investment policy adopts state statutes regarding custodial credit risk for deposits. As of December 31, 2021, the District's bank balances and carrying balances were federally insured for the full balance.

Investments

The District's investment policy adopts state statutes regarding investments.

The District primarily limits its investments to local government investments pools, which are believed to have minimal credit risk, minimal interest rate risk and no foreign currency risk. Additionally, the District is not subject to concentration risk disclosure requirements or subject to custodial credit risk for investments that are in the possession of another party. Colorado revised statutes limit investment maturities to five years or less unless formally approved by the Board of Directors. Such actions are generally associated with a debt service reserve or sinking fund requirements.

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

- Obligations of the United States, certain U.S. government agency securities and securities of the World Bank
- 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

Mount Vernon Country Club Metropolitan District
NOTES TO FINANCIAL STATEMENTS
(continued)
December 31, 2021

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

<u>Investment</u>	<u>Maturity</u>	<u>Amount</u>
Colorado Local Government Liquid Asset Trust	Weighted average under 60 days	\$2,037,848

COLOTRUST

The District invested in the Colorado Local Government Liquid Asset Trust (Colotrust), an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all State statutes governing Colotrust. Colotrust operates similarly to a money market fund and each share is equal in value to \$1.00. Colotrust offers two portfolios, COLOTRUST PRIME AND COLOTRUST PLUS+. Both portfolios may invest in U.S. Treasury securities and repurchase agreements collateralized by U.S. Treasury securities. COLOTRUST PLUS+ may also invest in certain obligations of U.S. government agencies, highest rated commercial paper and any security allowed under CRS 24-75-601. A designated custodial bank serves as a custodian for Colotrust’s portfolios pursuant to a custodian agreement. The custodian acts as a safekeeping agent for Colotrust’s investment portfolios and provides services as the depository in connection with direct investments and withdrawals. The custodian’s internal records segregate investments owned by Colotrust. Colotrust is rated AAAM by S&P Global Ratings. Colotrust records its investments at fair value and the District records its investment in Colotrust using the net asset value method. There are no unfunded commitments, the redemption frequency is daily and there is no redemption notice period.

Mount Vernon Country Club Metropolitan District
NOTES TO FINANCIAL STATEMENTS
(continued)
December 31, 2021

Note 4 – Capital Assets

Capital asset activity for the year ended December 31, 2021 was as follows:

	Balance at December 31, 2020	Increases	Decreases	Balance at December 31, 2021
<u>Governmental activities</u>				
Capital assets not being depreciated				
Construction in progress	\$ 56,220	\$ -	\$ 56,220	\$ -
Land	501,434	-	-	501,434
Total capital assets not being depreciated	<u>557,654</u>	<u>-</u>	<u>56,220</u>	<u>501,434</u>
Capital assets being depreciated				
Infrastructure	475,986	141,960	-	617,946
Less accumulated depreciation	<u>386,651</u>	<u>19,356</u>	<u>-</u>	<u>406,007</u>
Total capital assets being depreciated, net	<u>89,335</u>	<u>122,604</u>	<u>-</u>	<u>211,939</u>
Total governmental activities capital assets, net	<u>\$ 646,989</u>	<u>\$ (122,604)</u>	<u>\$ 56,220</u>	<u>\$ 713,373</u>
<u>Business-type activities</u>				
Recreational clubhouse facility:				
Capital assets not being depreciated				
Construction in progress	\$ -	\$ 5,832	\$ -	\$ 5,832
Total capital assets not being depreciated	<u>-</u>	<u>5,832</u>	<u>-</u>	<u>5,832</u>
Capital assets being depreciated				
Buildings and grounds	9,015,462	14,150	-	9,029,612
Furniture, fixtures and equipment	1,735,520	26,906	-	1,762,426
Less accumulated depreciation	<u>7,026,975</u>	<u>337,586</u>	<u>-</u>	<u>7,364,561</u>
Total capital assets being depreciated, net	<u>3,724,007</u>	<u>(296,530)</u>	<u>-</u>	<u>3,427,477</u>
Water fund:				
Capital assets not being depreciated				
Construction in progress	-	66,668	-	66,668
Total capital assets not being depreciated	<u>-</u>	<u>66,668</u>	<u>-</u>	<u>66,668</u>
Capital assets being depreciated				
Water system	1,892,140	7,842	-	1,899,982
Less accumulated depreciation	<u>978,123</u>	<u>63,043</u>	<u>-</u>	<u>1,041,166</u>
Total capital assets being depreciated, net	<u>914,017</u>	<u>(55,201)</u>	<u>-</u>	<u>858,816</u>
Total business-type activities capital assets, net	<u>4,638,024</u>	<u>(279,231)</u>	<u>-</u>	<u>4,358,793</u>
Total capital assets, net	<u>\$ 5,285,013</u>	<u>\$ (401,835)</u>	<u>\$ 56,220</u>	<u>\$ 5,072,166</u>

Depreciation expense of \$337,586, \$63,043 and \$19,356 for the year ended December 31, 2021 was charged to the Recreational Clubhouse Facility, Water Fund and Governmental activities, respectively.

Mount Vernon Country Club Metropolitan District
NOTES TO FINANCIAL STATEMENTS
(continued)
December 31, 2021

Note 5 – Long-term Obligations

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

	<u>Balance at December 31, 2020</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance at December 31, 2021</u>	<u>Due Within One Year</u>
<u>General Fund</u>					
Other debt					
Participant advances	\$ 65,000	\$ 35,000	\$ 45,032	\$ 54,968	\$ -
Other debt total	<u>65,000</u>	<u>35,000</u>	<u>45,032</u>	<u>54,968</u>	<u>-</u>
<u>Enterprise Funds</u>					
Loans					
G.O. Taxable Refunding Loan, Series 2020A	1,332,000	-	26,000	1,306,000	27,000
G.O. Tax-Exempt Refunding Loan, Series 2020B	<u>286,000</u>	<u>-</u>	<u>5,000</u>	<u>281,000</u>	<u>6,000</u>
Loans total	<u>1,618,000</u>	<u>-</u>	<u>31,000</u>	<u>1,587,000</u>	<u>33,000</u>
Other debt					
Capital lease - equipment	9,142	-	3,640	5,502	4,052
Other debt total	<u>9,142</u>	<u>-</u>	<u>3,640</u>	<u>5,502</u>	<u>4,052</u>
Total long-term obligations	<u>\$ 1,692,142</u>	<u>\$ 35,000</u>	<u>\$ 79,672</u>	<u>\$ 1,647,470</u>	<u>\$ 37,052</u>

Direct Borrowing Debt:

Capital lease - equipment

In 2019, the District entered into a lease-purchase agreement. The lease-purchase agreement matures on April 23, 2023 and principal and interest payments are due on the 20th of the month with a requirement of twelve payments per year.

Refunding loans

On June 15, 2020, the District issued its \$1,332,000 General Obligation Taxable Refunding Loan, Series 2020A (Series 2020A Loan). The Series 2020A Loan is a general obligation loan of the District and is secured and payable from pledged revenue consisting of ad valorem taxes collected and any other legally available moneys collected by the District as needed for required debt service payments. The Series 2020A Loan was issued for the purpose of i) refunding the pool and recreational facilities lease, (ii) refunding the Series 2013 Note, iii) funding capitalized interest on the Series 2020A Loan and iv) paying the costs of issuing the Series 2020A Loan. Principal payments are due December 1 each year from 2021 through 2049. The Series 2020A Loan currently bears interest at the rate of 3.910%, payable in semi-annual installments on June 1 and December 1, commencing December 1, 2020 through November 30, 2039. On and after December 1, 2039, the interest rate resets to a rate equal to the Des Moines Federal Home Loan Bank rate as defined in the loan agreement.

Mount Vernon Country Club Metropolitan District
NOTES TO FINANCIAL STATEMENTS
(continued)
December 31, 2021

On June 15, 2020, the District issued its \$286,000 General Obligation Tax-Exempt Refunding Loan, Series 2020B (Series 2020B Loan). The Series 2020B Loan is a tax-exempt general obligation loan of the District and is secured and payable from pledged revenue consisting of ad valorem taxes and any other legally available moneys collected by the District as needed for required debt service payments. The Series 2020B Loan was issued for the purpose of i) refunding the Series 2013 Note, ii) funding capitalized interest on the Series 2020B Loan and iii) paying the costs of issuing the Series 2020B Loan. Principal payments are due December 1 each year from 2021 through 2049. The 2020B Loan currently bears interest at the rate of 3.250%, payable in semi-annual installments on June 1 and December 1, commencing December 1, 2020 through November 30, 2039. On and after December 1, 2039, the interest rate resets to a fixed rate equal to 80% of the 2020B taxable rate. The 2020B taxable rate is 3.910% per year and on and after December 1, 2039, the interest rate resets to a rate equal to the Des Moines Federal Home Loan Bank rate as defined in the loan agreement. The District completed the refunding under the Series 2020A and 2020B Loans to restructure the debt and shift the costs from the available operating funds to a separate District Mill Levy.

Events of default under the Series 2020A and 2020B Loans include (i) failure to impose required mill levy or apply required pledged revenues, (ii) failure to pay principal and interest when due, (iii) failure to pay any other amounts due within five business days after the due date, (iv) failure to comply with required reporting requirements, (v) a change in financial or operating conditions that would have a material adverse impact on the District's ability to generate pledged revenues sufficient to pay all amounts when due and (vi) initiation of proceedings to dissolve the District or consolidate the District with another entity or filing of a petition for bankruptcy.

Immediately upon the occurrence and continuance of an event of default, the lender has rights or remedies which includes the right to file a suit for judgment, action or special proceedings.

Participant advances

During 2020, the District entered into advance and reimbursement agreements for repair and maintenance costs with nine residents (Participants) of the District for repairs to the District-owned property located at 25171 Aspen Way. The agreements were executed between October 1, 2020 and December 23, 2020 and were amended in 2021. The total advances received by the District in 2020 from the Participants was \$65,000. The District is to reimburse the Participants for the advances together with an interest rate of 4% per annum. Interest is accrued as of the date each advance is made to the District compounded annually. The District's reimbursement obligation is subordinated to any bonded indebtedness of the District now in existence or hereafter created. Payments by the District shall be first applied to interest and then to principal in chronological order to their effective date. When rental income is received, 5% percent will be deposited in a reserve bank account and the remainder will be divided evenly between the Participants and paid in one lump sum payment on or before December 31 of each year until the advances and interest are paid in full. If there is no rental income due to vacancy or any other reason, the reimbursement payments to the Participants will be suspended until rental income resumes. The reimbursement obligation is not included in the total long-term debt maturity schedule below due to the uncertainty of the estimated repayment of the advances as the advances are dependent on the rental income received by the District

Mount Vernon Country Club Metropolitan District
NOTES TO FINANCIAL STATEMENTS
(continued)
December 31, 2021

During 2021, the District entered into advance and reimbursement agreements for repair and maintenance costs with nine residents (Participants) of the District for repairs to the District-owned property located at 25201 Centennial Trail. The agreements were executed between April 24, 2021 and April 27, 2021. The total advances received by the District from the Participants in 2021 was \$35,000. The District shall reimburse the Participants for the advances together with an interest rate of 4% per annum. Interest is accrued as of the date each advance is made to the District compounded annually. The District's reimbursement obligation is subordinated to any bonded indebtedness of the District now in existence or hereafter created. Payments by the District shall be first applied to interest and then to principal in chronological order to their effective date. When rental income is received, 5% percent will be deposited in a reserve bank account and the remainder will be divided evenly between the Participants and paid in one lump sum annual payment on or before December 31 of each year until the advances plus interest are paid in full. If there is no rental income due to vacancy or any other reason, the reimbursement payments to the Participants will be suspended until rental income resumes.

The reimbursement obligations are not included in the total long-term debt maturity schedule below due to the uncertainty of the estimated repayment of the advances as the advances are dependent on the rental income received by the District.

Long-term debt maturities

Debt maturities for the next five years and to maturity are estimated as follows:

<u>Year ended</u> <u>December 31,</u>	<u>Principal</u>
2022	\$ 37,052
2023	35,450
2024	35,000
2025	36,000
2026	38,000
2027-2049	<u>1,411,000</u>
Total	<u>\$ 1,592,502</u>

Note 6 – Net Position

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

Net investment in capital assets consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of bonds, loans, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Mount Vernon Country Club Metropolitan District
NOTES TO FINANCIAL STATEMENTS
(continued)
December 31, 2021

As of December 31, 2021, the District had a net investment in capital assets as follows:

	Governmental Activities	Business-Type Activities	Total Net Position
Capital assets, net	\$ 713,373	\$ 4,358,793	\$ 5,072,166
Current portion of long-term debt	-	(37,052)	(37,052)
Long-term debt due in more than one year	-	(1,555,450)	(1,555,450)
Net investment in capital assets	<u>\$ 713,373</u>	<u>\$ 2,766,291</u>	<u>\$ 3,479,664</u>

Restricted net position includes assets that are restricted for use either externally imposed by creditors, net 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:

	Governmental Activities	Business- type Activities	Total Restricted Net Position
Restricted for emergencies	\$ 13,100	\$ -	\$ 13,100
Restricted for fire mitigation	75,138	-	75,138
Restricted for parks and recreation	16,014	-	16,014
Restricted for refunding loans	-	95,039	95,039
Restricted for transportation improvements	262,116	-	262,116
Restricted net position	<u>\$ 366,368</u>	<u>\$ 95,039</u>	<u>\$ 461,407</u>

As of December 31, 2021, the District had an unrestricted net position of \$1,223,472.

Note 7 – Pension Plan

Defined contribution money purchase plan

The District has adopted an employees' qualified money purchase plan (Plan) in accordance with Internal Revenue Code Section 401(a). The Plan is administered by American United Life Insurance Company. The Plan is a defined contribution plan with the District contributing an amount equal to 4% of each participant's compensation for the year. Each full-time employee, minimum age of 21, is eligible to become a participant. The District is not liable for further pension benefits in excess of the contributions made to the Plan. Each participant is required to match the District's contribution. The employer and the employees' contributions are fully vested at the date of contribution. Contributions are tax deferred until withdrawn. The required contributions to the Plan for the year ending December 31, 2021 were \$55,530.

Mount Vernon Country Club Metropolitan District
NOTES TO FINANCIAL STATEMENTS
(continued)
December 31, 2021

Note 8 – Risk Management

Except as may be provided in and by the Colorado Governmental Immunity Act, Section 24-10-101, et seq., C.R.S., as may be amended from time to time, the District may be 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 official's 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 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 9 – TABOR Amendment

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.

Enterprises, defined as government-owned businesses authorized to issue revenue bonds and receiving less than 10% of annual revenue in grants from all state and local governments combined, are excluded from the provisions of TABOR. The District's Board of Directors has adopted a resolution establishing an enterprise to operate its water and sanitation activities. The District's management believes its water and sanitation operations qualify for this exclusion.

On May 4, 2004, the registered voters of the District authorized the District to collect, retain and spend all revenue and other funds collected from any source effective January 1, 2004 and continuing thereafter without regard to any expenditure, revenue raising or other limitation contained within Article X, Section 20 of the Colorado Constitution. The voters also authorized the District to continue to levy 21.110 mills each year for operations regardless of any revenue limitation in Section 29-1-301, C.R.S., or other State Law.

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 and qualification as an Enterprise will require judicial interpretation.

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.

This information is an integral part of the accompanying financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

MOUNT VERNON COUNTRY CLUB METROPOLITAN DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
For the Year Ended December 31, 2021

	Budget Amount		Actual	Variance with
	Original	Final		Final Budget -
				Positive
				(Negative)
Revenues				
Corral	\$ 21,450	\$ 21,450	\$ 16,482	\$ (4,968)
Interest	500	500	788	288
Property taxes	160,128	160,128	160,020	(108)
Proprietary member fees	122,400	122,400	123,000	600
Proprietary member - trash	26,928	26,928	26,880	(48)
Rental income	37,000	37,000	-	(37,000)
Specific ownership taxes	11,000	11,000	19,532	8,532
Miscellaneous	3,500	3,500	61,446	57,946
Total revenues	<u>382,906</u>	<u>382,906</u>	<u>408,148</u>	<u>25,242</u>
Expenditures				
General government	400,676	350,000	345,229	4,771
District investor loan repayments	21,200	45,032	45,032	-
District investor loan interest	2,550	4,130	4,130	-
Capital outlay	-	85,740	85,740	-
Total expenditures	<u>424,426</u>	<u>484,902</u>	<u>480,131</u>	<u>4,771</u>
Excess of expenditures over revenues	(41,520)	(101,996)	(71,983)	30,013
Other financing sources (uses)				
District investor loan proceeds	-	35,000	35,000	-
Operating contribution	-	3,200	3,200	-
Transfer (to) from other funds	(16,013)	(12,800)	(12,764)	36
Proceeds from sale of assets	200,000	449,000	449,000	-
Total other financing sources (uses)	<u>183,987</u>	<u>474,400</u>	<u>474,436</u>	<u>36</u>
Net change in fund balance	142,467	372,404	402,453	30,049
Fund balance - beginning of year	611,175	680,632	680,632	-
Fund balance - end of year	<u>\$ 753,642</u>	<u>\$ 1,053,036</u>	<u>\$ 1,083,085</u>	<u>\$ 30,049</u>

MOUNT VERNON COUNTRY CLUB METROPOLITAN DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE
BUDGET AND ACTUAL - TRANSPORTATION FUND

For the Year Ended December 31, 2021

	Original and Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Revenues			
Proprietary member fees	\$ 24,480	\$ 25,658	\$ 1,178
Sales taxes	48,000	73,354	25,354
Interest	1,500	122	(1,378)
Total revenues	<u>73,980</u>	<u>99,134</u>	<u>25,154</u>
Expenditures			
Culvert replacement	71,100	-	71,100
General services truck	35,000	-	35,000
Road base Centennial Trail	135,000	-	135,000
Transportation	-	26,163	(26,163)
Total expenditures	<u>241,100</u>	<u>26,163</u>	<u>214,937</u>
Excess of revenues over (under) expenditures	<u>(167,120)</u>	<u>72,971</u>	<u>240,091</u>
Other financing uses			
Transfer to other funds	-	(4,050)	(4,050)
Total other financing uses	<u>-</u>	<u>(4,050)</u>	<u>(4,050)</u>
Net change in fund balance	(167,120)	68,921	236,041
Fund balance - beginning of year	189,498	193,195	3,697
Fund balance - end of year	<u>\$ 22,378</u>	<u>\$ 262,116</u>	<u>\$ 239,738</u>

MOUNT VERNON COUNTRY CLUB METROPOLITAN DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE
BUDGET AND ACTUAL
CONSERVATION TRUST FUND
For the Year Ended December 31, 2021

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
Revenues			
Lottery proceeds	\$ 850	\$ 1,567	\$ 717
Interest	-	8	8
Total revenues	<u>850</u>	<u>1,575</u>	<u>725</u>
Expenditures			
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	850	1,575	725
Fund balance - beginning of year	14,439	14,439	-
Fund balance - end of year	<u>\$ 15,289</u>	<u>\$ 16,014</u>	<u>\$ 725</u>

MOUNT VERNON COUNTRY CLUB METROPOLITAN DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE
BUDGET AND ACTUAL
FIRE MITIGATION FUND
For the Year Ended December 31, 2021

	Original and Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Revenues			
Fire mitigation grant	\$ 42,645	\$ -	\$ (42,645)
Other income	-	7,120	7,120
Proprietary member fees	36,720	38,487	1,767
Interest	600	33	(567)
Total revenues	<u>79,965</u>	<u>45,640</u>	<u>(34,325)</u>
Expenditures			
Fire mitigation	95,290	14,793	80,497
Fire text messaging alert system	700	-	700
Jefferson County Slash	5,040	-	5,040
Total expenditures	<u>101,030</u>	<u>14,793</u>	<u>86,237</u>
Net change in fund balance	(21,065)	30,847	51,912
Fund balance - beginning of year	44,292	44,291	(1)
Fund balance - end of year	<u>\$ 23,227</u>	<u>\$ 75,138</u>	<u>\$ 51,911</u>

SUPPLEMENTARY INFORMATION

MOUNT VERNON COUNTRY CLUB METROPOLITAN DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE
BUDGET AND ACTUAL
RECREATIONAL CLUBHOUSE FACILITY
For the Year Ended December 31, 2021

	Original and Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Activities and recreation	\$ 16,504	\$ 19,435	\$ 2,931
Food and beverage sales	2,294,054	2,414,521	120,467
Other income and late fees	18,000	411,455	393,455
Membership social dues and fees	1,306,265	1,346,916	40,651
Pool fees	20,776	38,650	17,874
Racquets	111,362	72,514	(38,848)
Wellness fees	2,000	8,943	6,943
Interest	-	181	181
Total revenues	<u>3,768,961</u>	<u>4,312,615</u>	<u>543,654</u>
Expenditures			
Accounting and HR	120,000	125,700	(5,700)
Activities and recreation	6,157	16,464	(10,307)
Facility maintenance	34,725	-	34,725
Food and beverage	868,931	796,947	71,984
General and administrative	343,325	509,694	(166,369)
General services	-	91,160	(91,160)
Membership	36,915	17,110	19,805
Payroll	2,114,783	1,898,908	215,875
Pool operations	18,350	36,556	(18,206)
Racquets	15,835	32,032	(16,197)
Utilities	170,070	161,521	8,549
Wellness	3,450	9,694	(6,244)
Debt service			
Principal	26,000	29,640	(3,640)
Interest	52,081	52,719	(638)
Capital outlay	41,000	46,888	(5,888)
Total expenditures	<u>3,851,622</u>	<u>3,825,033</u>	<u>26,589</u>
Excess of revenues over (under) expenditures	<u>(82,661)</u>	<u>487,582</u>	<u>570,243</u>
Other financing sources (uses)			
Property taxes	74,731	74,708	(23)
County treasurer fees	(1,121)	(1,122)	(1)
Transfer from other funds	16,013	16,814	801
Total other financing sources (uses)	<u>89,623</u>	<u>90,400</u>	<u>777</u>
Net change in fund balance	6,962	577,982	571,020
Fund balance - beginning of year	<u>(436,863)</u>	<u>(577,982)</u>	<u>(141,119)</u>
Fund balance - end of year	<u>\$ (429,901)</u>	<u>\$ -</u>	<u>\$ 429,901</u>

**MOUNT VERNON COUNTRY CLUB METROPOLITAN DISTRICT
RECONCILIATION OF ACTUAL (BUDGETARY BASIS) TO STATEMENT OF REVENUES,
EXPENSES AND CHANGE IN NET POSITION
RECREATIONAL CLUBHOUSE FACILITY
For the Year Ended December 31, 2021**

Revenues (budgetary basis)	<u>\$ 4,403,015</u>
Total revenues per Statement of Revenues, Expenses and Change in Net Position	<u>4,403,015</u>
 Expenditures (budgetary basis)	 3,825,033
Depreciation	337,586
Debt principal	(29,640)
Capital outlay	<u>(46,888)</u>
Total expenses per Statement of Revenues, Expenses and Change in Net Position	<u>4,086,091</u>
 Change in net position per Statement of Revenues, Expenses and Change in Net Position	 <u><u>\$ 316,924</u></u>

MOUNT VERNON COUNTRY CLUB METROPOLITAN DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE
BUDGET AND ACTUAL
PROPRIETARY FUND - WATER FUND
For the Year Ended December 31, 2021

	Original and Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Revenues			
Capital reserve fee	\$ 62,460	\$ 65,096	\$ 2,636
Service charges - homeowners	181,050	181,950	900
Service charges - club	36,210	36,210	-
Other income	300	98	(202)
Total revenues	<u>280,020</u>	<u>283,354</u>	<u>3,334</u>
Expenditures			
Water costs	238,945	251,130	(12,185)
Debt service			
Principal	6,000	5,000	1,000
Interest	9,295	9,407	(112)
Capital outlay	125,000	74,510	50,490
Total expenditures	<u>379,240</u>	<u>340,047</u>	<u>39,193</u>
Excess of expenditures over revenues	<u>(99,220)</u>	<u>(56,693)</u>	<u>42,527</u>
Other financing sources (uses)			
Property taxes	20,431	20,425	(6)
County treasurer fees	(306)	(307)	(1)
Tap fee revenues	55,000	130,000	75,000
Total other financing sources (uses)	<u>75,125</u>	<u>150,118</u>	<u>74,993</u>
Net change in fund balance	(24,095)	93,425	117,520
Fund balance - beginning of year	117,361	116,041	(1,320)
Fund balance - end of year	<u>\$ 93,266</u>	<u>\$ 209,466</u>	<u>\$ 116,200</u>

**MOUNT VERNON COUNTRY CLUB METROPOLITAN DISTRICT
RECONCILIATION OF ACTUAL (BUDGETARY BASIS) TO STATEMENT OF REVENUES,
EXPENSES AND CHANGE IN NET POSITION**

WATER FUND

For the Year Ended December 31, 2021

Revenues (budgetary basis)	\$ 433,472
Total revenues per Statement of Revenues, Expenses and Change in Net Position	<u>433,472</u>
Expenditures (budgetary basis)	340,047
Depreciation	63,043
Debt principal	(5,000)
Capital outlay	<u>(74,510)</u>
Total expenses per Statement of Revenues, Expenses and Change in Net Position	<u>323,580</u>
Change in net position per Statement of Revenues, Expenses and Change in Net Position	<u><u>\$ 109,892</u></u>