

CAÑON CITY AREA METROPOLITAN
RECREATION AND PARK DISTRICT

FINANCIAL STATEMENTS

December 31, 2019



Logan and Associates, LLC
CERTIFIED PUBLIC ACCOUNTANTS

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Members of the Board of Directors
Cañon City Area Metropolitan Recreation and Park District
Cañon City, Colorado

INDEPENDENT AUDITOR'S REPORT

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities and each major fund of the Cañon City Area Metropolitan Recreation and Park District (the "District") as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities and each major fund of the Cañon City Area Metropolitan Recreation and Park District as of December 31, 2019, and the respective changes in financial position and cash flows, where applicable, for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, and budgetary comparison schedules on pages i – vi and on pages 22 - 24 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the GASB 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements as a whole. The accompanying supplementary information is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements.

The supplementary 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 supplementary information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Logan and Associates, LLC

Aurora, Colorado
April 6, 2020

CAÑON CITY AREA METROPOLITAN RECREATION AND PARK DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

This discussion and analysis is intended to be an easily readable analysis of the Cañon City Area Metropolitan Recreation and Park District's financial activities based on current known facts, decisions or conditions. This analysis focuses on the fiscal year ended December 31, 2019 and should be read in conjunction with the financial statements

REPORT LAYOUT

Besides the Management's Discussion and Analysis (MD&A), the report consists of government-wide statements, fund financial statements and the notes to the financial statements. The first two statements are condensed and present a government-wide view of the District's finances. Within this view, all District operations are categorized and reported as either governmental or business-type activities. Governmental activities include the general fund, conservation trust fund, and capital projects fund. The District's business-type activities include the program activities fund and pool enterprise fund operations. These government-wide statements are designed to be more corporate-like in that all activities are consolidated into a total for the District.

BASIC FINANCIAL STATEMENTS

- The statement of net position focuses on resources available for future operations. In simple terms, this statement presents a snap-shot view of the District's assets and deferred outflows of resources, if any, and liabilities and deferred inflows of resources, if any, with the net difference reported as net position. The net position is further separated into net investment in capital assets, restricted amounts for specific purposes and unrestricted amounts. All activities are reported on the accrual basis of accounting.
- The statement of activities focuses on gross and net costs of the District's programs and the extent to which such programs rely upon general revenues. This statement summarizes and simplifies the user's analysis to determine the extent to which programs are self-supporting and/or subsidized by other revenues.
- Fund financial statements focus separately on the governmental funds and business-type funds. Governmental funds report assets, deferred outflows of resources, liabilities and deferred inflows of resources with the difference characterized as fund balance. The District's business-type funds include a statement of net position, a statement of revenues, expenses and changes in fund net position, along with a statement of cash flows.
- The notes to the financial statements provide additional disclosures required by governmental accounting standards and provide information to assist the reader in understanding the District's financial condition.

The MD&A is intended to explain the significant changes in financial position and differences in operation between the current and prior year. Significant changes from the prior year are explained in the following narrative.

DISTRICT AS A WHOLE

GOVERNMENT-WIDE FINANCIAL STATEMENTS

Comparisons in this section discuss and analyze significant differences between the fiscal year 2018 and 2019. A condensed version of the statement of net position at December 31, 2018 and 2019 follows:

Net Position at Year-End

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Cash/Investments	\$ 796,190	\$ 738,860	\$ 267,718	\$ 256,274
Other Assets	843,707	769,386	2,176	7,181
Capital Assets, Net	<u>3,732,457</u>	<u>3,788,117</u>	<u>21,826</u>	<u>17,215</u>
Total Assets	<u>5,372,354</u>	<u>5,296,363</u>	<u>291,720</u>	<u>280,670</u>
Current Liabilities	68,413	69,333	11,792	16,176
Long Term Liabilities	<u>9,200</u>	<u>7,805</u>	<u>287</u>	<u>898</u>
Total Liabilities	<u>77,613</u>	<u>77,138</u>	<u>12,079</u>	<u>17,074</u>
Deferred inflows of resources				
Property Taxes	<u>734,820</u>	<u>734,820</u>	<u>-</u>	<u>-</u>
Net Position:				
Net investment in capital assets	3,732,457	3,788,117	21,826	17,215
Restricted for Tabor	30,000	30,000	-	-
Restricted for parks projects	84,154	63,053	-	-
Unrestricted	<u>639,991</u>	<u>603,235</u>	<u>257,815</u>	<u>246,381</u>
Total Net Position	<u>\$ 4,486,602</u>	<u>\$ 4,484,405</u>	<u>\$ 279,641</u>	<u>\$ 263,596</u>

Financial Analysis

In 2019 the District constructed a batting cage at Rouse Park, and purchased a new mule (ATV) and skid steer to augment its aging equipment. The District removed the waterslide at the Icabone Pool due to its age and condition. A climbing wall feature was added to the facility.

GOVERNMENTAL ACTIVITIES

A condensed statement of activities for the governmental activities for the years ending December 31, 2019 and 2018 follows:

	<u>Governmental Activities</u>	
	<u>2019</u>	<u>2018</u>
Program revenues		
Charges for services	\$ 26,038	\$ 25,901
Operating grants and contributions	158,202	136,656
Capital grants and contributions	6,000	-
General revenues		
Property taxes	735,860	723,767
Specific ownership taxes	125,088	121,219
Unrestricted investment earnings	22,887	21,609
Other	17,691	12,372
Total Revenues	<u>1,091,766</u>	<u>1,041,524</u>
Expenses		
General government	581,812	500,801
Parks and recreation	448,658	527,866
Interest on long-term debt	-	3,376
Total Expenses	<u>1,030,470</u>	<u>1,032,043</u>
Change in net position before transfers	61,296	9,481
Transfers	(59,100)	(20,000)
Net position, beginning of year	<u>4,484,406</u>	<u>4,494,925</u>
Net position, end of year	<u>\$ 4,486,602</u>	<u>\$ 4,484,406</u>

Financial Analysis

Property tax revenue increased \$12,093 in 2019 compared to 2018, and other revenues \$5,319 year to year due mostly to an increase in contributions

In 2019 the intergovernmental transfers to the pool fund increased by \$49,100 from 2018 to help offset the decrease in pool revenues caused by an increased number of closure days due to inclement weather and mechanical issues.

The increase in general government expenses was predominately due to higher expenditures on wages, benefits and insurance.

BUSINESS -TYPE ACTIVITIES

A condensed statement of activities for the business-type activities for the years ending December 31, 2019 and 2018 follows:

	Business-Type Activities	
	2019	2018
Operating Revenues		
Charges for services	\$ 384,760	\$ 423,221
Operating Grants and Contributions	13,873	-
Other Revenues		
Other	11,429	12,544
Unrestricted investment earnings	4,598	3,578
Total Revenues	414,660	439,343
Expenses		
Program activities	344,945	336,403
Pool	112,770	120,293
Total Expenses	457,715	456,696
Increase/(Decrease) in net position before transfers	(43,055)	(17,353)
Transfers	59,100	20,000
Change in net position	16,045	2,647
Net position, beginning of year	263,596	260,949
Net position, end of year	\$ 279,641	\$ 263,596

Financial Analysis

The Programs Activity Fund transferred \$10,000 to the General Fund in 2019. This transfer partially reimbursed the General Fund for lighting and field maintenance expenses related to sports activities. Pool operating revenue decreased from \$77,250 in 2018 to \$52,685 in 2019, mainly due to closures caused by inclement weather and mechanical room issues during the season. In 2019, \$29,100 was transferred from the Conservation Trust Fund and \$40,000 from the General Fund (both governmental funds) to the Pool Enterprise Fund (a business activity fund) to help cover the costs to maintain and operate the pool.

**FUND FINANCIAL STATEMENT ANALYSIS
GENERAL FUND**

The general fund is the major operating fund of the District, providing most of the resources for the District's operations. Revenues of the general fund totaled \$ 914,486 for the year ended December 31, 2019 compared to \$895,442 for the year ended December 31, 2018. Expenditures of the general fund were \$ 937,444 for 2019 compared to \$1,095,291 for 2018. The following table reflects a summarization of revenues and expenditures for the general fund:

	<u>2019</u>	<u>2018</u>
Revenues		
Property taxes	\$735,860	\$723,767
Specific ownership taxes	125,088	121,219
Other	<u>53,538</u>	<u>50,456</u>
Total revenues	<u>914,486</u>	<u>895,442</u>
Expenditures		
General government	478,867	492,326
Parks and trails	402,994	430,932
Capital Outlay	55,583	27,333
Debt service	<u>0</u>	<u>144,700</u>
Total expenditures	<u>937,444</u>	<u>1,095,291</u>
Excess (deficiency) of revenues over expenditures	(22,958)	(199,849)
Net Transfers	<u>50,000</u>	<u>130,050</u>
Net change in fund balance	27,042	(69,799)
Fund balance, beginning of year	<u>462,599</u>	<u>532,398</u>
Fund balance, end of year	<u>\$489,641</u>	<u>\$462,599</u>

Financial Analysis

The increase in total general fund revenues from 2018 to 2019 is \$19,044 due to additional property taxes and other revenue, most notably in rebates and dividends. The decrease in total expenditures for the general fund were in large part due to the District no longer having to make lease-purchase payments for the Ash Street property, removing the debt service expenditures in 2019.

The District spent \$28,250 more on capital outlay in 2019 -purchasing new equipment.

General fund revenues exceeded budgeted amounts by \$44,436 for 2019 in large part due to an increase in specific ownership taxes, rebates and dividends, and refunds of expenditure. Total fund expenditures were below budgeted amounts by \$98,532, partially due to lower expenditures for the Arkansas Riverwalk, part-time wages, and some utilities. Although the District budgeted funds for a potential ballot question, no election was held.

CAPITAL ASSETS

The District's investment in capital assets, net of accumulated depreciation, for its governmental and business type activities totaled \$3,754,283 at December 31, 2019 compared to \$3,805,332 at December 31, 2018.

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Land	\$1,781,421	\$1,781,421	\$6,000	\$6,000
Intangibles	14,100	14,100	-	-
Buildings	406,480	427,685	2,449	3,674
Improvements	1,390,505	1,451,526	13,377	7,541
Equipment	139,951	113,385	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Subtotal	<u>3,732,457</u>	<u>3,788,117</u>	<u>21,826</u>	<u>17,215</u>
Capital Assets Net	<u><u>\$3,732,457</u></u>	<u><u>\$3,788,117</u></u>	<u><u>\$21,826</u></u>	<u><u>\$17,215</u></u>

The District's change in capital assets in governmental activities resulted from depreciation and the purchase of additional equipment, including a skid steer and ATV and installing a batting cage at Rouse Park.

For the business type activities, the change resulted from the purchase of a climbing wall for the pool after the waterslide was removed.

FINANCIAL CONTACT

The District's financial statements are designed to present users (citizens, taxpayers, customers, and creditors) with a general overview of the District's finances, and to demonstrate the District's accountability. If you have questions about the report or need additional financial information, please contact the District's Director of Finance at 575 Ash Street, Cañon City, Colorado 81212.

BASIC FINANCIAL STATEMENTS

CAÑON CITY AREA METROPOLITAN RECREATION AND PARK DISTRICT

STATEMENT OF NET POSITION
December 31, 2019

	GOVERNMENTAL ACTIVITIES	BUSINESS TYPE ACTIVITIES	TOTAL
ASSETS			
Cash and Investments	\$ 796,190	\$ 267,718	\$ 1,063,908
Receivables			
County Treasurer	10,244	-	10,244
Other	-	2,176	2,176
Property Taxes	808,139	-	808,139
Deposits	222	-	222
Prepaid Expenses	25,102	-	25,102
Capital Assets, Not Depreciated	1,795,521	6,000	1,801,521
Capital Assets, Depreciated Net of Accumulated Depreciation	<u>1,936,936</u>	<u>15,826</u>	<u>1,952,762</u>
TOTAL ASSETS	<u>5,372,354</u>	<u>291,720</u>	<u>5,664,074</u>
LIABILITIES			
Accounts Payable	20,961	7,701	28,662
Accrued Salaries and Benefits	19,104	3,804	22,908
Customer Deposits	750	-	750
Noncurrent Liabilities			
Due in One Year	27,598	287	27,885
Due in More Than One Year	<u>9,200</u>	<u>287</u>	<u>9,487</u>
TOTAL LIABILITIES	<u>77,613</u>	<u>12,079</u>	<u>89,692</u>
DEFERRED INFLOW OF RESOURCES			
Deferred Property Tax Revenue	<u>808,139</u>	<u>-</u>	<u>808,139</u>
NET POSITION			
Net Investment in Capital Assets	3,732,457	21,826	3,754,283
Restricted for Emergencies	30,000	-	30,000
Restricted for Parks and Recreation	84,154	-	84,154
Unrestricted	<u>639,991</u>	<u>257,815</u>	<u>897,806</u>
TOTAL NET POSITION	<u>\$ 4,486,602</u>	<u>\$ 279,641</u>	<u>\$ 4,766,243</u>

The accompanying notes are an integral part of the financial statements.

CAÑON CITY AREA METROPOLITAN RECREATION AND PARK DISTRICT

STATEMENT OF ACTIVITIES
Year Ended December 31, 2019

FUNCTIONS/PROGRAMS	EXPENSES	CHARGES FOR SERVICES	PROGRAM REVENUES	
			OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS
PRIMARY GOVERNMENT				
Governmental Activities				
General Government	\$ 581,812	\$ 26,038	\$ -	\$ -
Parks and Recreation	448,658	-	158,202	6,000
Total Governmental Activities	1,030,470	26,038	158,202	6,000
Business-Type Activities				
Swimming Pool	112,770	52,712	1,720	-
Program Activities	344,945	332,048	12,153	-
Total Business-Type Activities	457,715	384,760	13,873	-
Total Primary Government	\$ 1,488,185	\$ 410,798	\$ 172,075	\$ 6,000

GENERAL REVENUES
Property Taxes
Specific Ownership Taxes
Interest
Miscellaneous
TRANSFERS

TOTAL GENERAL REVENUES

CHANGE IN NET POSITION

NET POSITION, Beginning

NET POSITION, Ending

The accompanying notes are an integral part of the financial statements.

NET (EXPENSE) REVENUE AND
CHANGE IN NET POSITION

GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTALS
\$ (555,774)	\$ -	\$ (555,774)
(284,456)	-	(284,456)
(840,230)	-	(840,230)
-	(58,338)	(58,338)
-	(744)	(744)
-	(59,082)	(59,082)
(840,230)	(59,082)	(899,312)
735,860	-	735,860
125,088	-	125,088
22,887	4,598	27,485
17,691	11,429	29,120
(59,100)	59,100	-
842,426	75,127	917,553
2,196	16,045	18,241
4,484,406	263,596	4,748,002
<u>\$ 4,486,602</u>	<u>\$ 279,641</u>	<u>\$ 4,766,243</u>

CAÑON CITY AREA METROPOLITAN RECREATION AND PARK DISTRICT

BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2019

	GENERAL FUND	CONSERVATION TRUST FUND	CAPITAL PROJECTS FUND	TOTALS
ASSETS				
Cash and Investments	\$ 494,888	\$ 84,154	\$ 217,148	\$ 796,190
Accounts Receivable - County Treasurer	10,244	-	-	10,244
Property Taxes Receivable	808,139	-	-	808,139
Deposits	222	-	-	222
Prepaid Expenses	25,102	-	-	25,102
TOTAL ASSETS	1,338,595	84,154	217,148	1,639,897
LIABILITIES, DEFERRED INFLOWS AND FUND EQUITY				
LIABILITIES				
Accounts Payable	20,961	-	-	20,961
Accrued Salaries and Benefits	19,104	-	-	19,104
Customer Deposits	750	-	-	750
TOTAL LIABILITIES	40,815	-	-	40,815
DEFERRED INFLOW OF RESOURCES				
Deferred Property Tax Revenue	808,139	-	-	808,139
FUND EQUITY				
Fund Balance				
Nonspendable	25,324	-	-	25,324
Restricted for Emergencies	30,000	-	-	30,000
Restricted for Parks and Recreation	-	84,154	-	84,154
Assigned for Subsequent Years Expenditures	247,240	-	52,400	299,640
Assigned for Capital Projects	-	-	164,748	164,748
Unassigned	187,077	-	-	187,077
TOTAL FUND EQUITY	489,641	84,154	217,148	790,943
TOTAL LIABILITIES, DEFERRED INFLOWS, AND FUND EQUITY	\$ 1,338,595	\$ 84,154	\$ 217,148	\$ 1,639,897

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

Total Fund Balances of Governmental Funds	790,943
Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds.	3,732,457
Long-term liabilities and related items are not due and payable in the current period and are not reported in the funds. These include accrued compensated absences.	(36,798)
Net position of governmental activities	<u>\$ 4,486,602</u>

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The accompanying notes are an integral part of the financial statements.

CAÑON CITY AREA METROPOLITAN RECREATION AND PARK DISTRICT

STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
Year Ended December 31, 2019

	GENERAL FUND	CONSERVATION TRUST FUND	CAPITAL PROJECTS FUND	TOTALS
REVENUES				
Taxes	\$ 860,948	\$ -	\$ -	\$ 860,948
Grants and Contributions	-	-	8,605	8,605
Intergovernmental	-	155,597	-	155,597
Charges for Services	26,038	-	-	26,038
Interest	9,809	3,004	10,074	22,887
Miscellaneous	17,691	-	-	17,691
TOTAL REVENUES	914,486	158,601	18,679	1,091,766
EXPENDITURES				
General Government	478,867	-	-	478,867
Parks and Recreation	402,994	-	31,790	434,784
Capital Outlay	55,583	-	-	55,583
TOTAL EXPENDITURES	937,444	-	31,790	969,234
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(22,958)	158,601	(13,111)	122,532
OTHER FINANCING SOURCES (USES)				
Transfers In	90,000	-	28,400	118,400
Transfers Out	(40,000)	(137,500)	-	(177,500)
NET CHANGE IN FUND BALANCES	27,042	21,101	15,289	63,432
FUND BALANCES, Beginning	462,599	63,053	201,859	727,511
FUND BALANCES, Ending	\$ 489,641	\$ 84,154	\$ 217,148	\$ 790,943

The accompanying notes are an integral part of the financial statements.

CAÑON CITY AREA METROPOLITAN RECREATION AND PARK DISTRICT

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
Year Ended December 31, 2019

Amounts Reported for Governmental Activities in the Statement of Activities are Different Because:

Net Changes in Fund Balances - Total Governmental Funds	\$ 63,432
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. This is the amount by which depreciation (\$111,243) exceeded capital outlay \$55,583, in the current period.	(55,660)
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 the governmental funds. This includes the change in accrued compensated absences.	<u>(5,576)</u>
Change in Net Position of Governmental Activities	<u>\$ 2,196</u>

The accompanying notes are an integral part of the financial statements.

CAÑON CITY AREA METROPOLITAN RECREATION AND PARK DISTRICT

STATEMENT OF NET POSITION
 PROPRIETARY FUNDS
 December 31, 2019

	SWIMMING POOL FUND	PROGRAM ACTIVITIES FUND	TOTALS
ASSETS			
Current Assets			
Cash and Investments	\$ 15,442	\$ 252,276	\$ 267,718
Accounts Receivable	-	2,176	2,176
Total Current Assets	<u>15,442</u>	<u>254,452</u>	<u>269,894</u>
Noncurrent Assets			
Capital Assets, Not Being Depreciated	6,000	-	6,000
Capital Assets, Net of Accumulated Depreciation	<u>8,728</u>	<u>7,098</u>	<u>15,826</u>
Total Noncurrent Assets	<u>14,728</u>	<u>7,098</u>	<u>21,826</u>
TOTAL ASSETS	<u>30,170</u>	<u>261,550</u>	<u>291,720</u>
LIABILITIES			
Current Liabilities			
Accounts Payable	282	7,419	7,701
Accrued Salaries	-	3,804	3,804
Accrued Compensated Absences	<u>-</u>	<u>287</u>	<u>287</u>
Total Current Liabilities	<u>282</u>	<u>11,510</u>	<u>11,792</u>
Noncurrent Liabilities			
Accrued Compensated Absences	<u>-</u>	<u>287</u>	<u>287</u>
Total Noncurrent Liabilities	<u>-</u>	<u>287</u>	<u>287</u>
TOTAL LIABILITIES	<u>282</u>	<u>11,797</u>	<u>12,079</u>
NET POSITION			
Net Investment in Capital Assets	14,728	7,098	21,826
Unreserved	<u>15,160</u>	<u>242,655</u>	<u>257,815</u>
TOTAL NET POSITION	<u>\$ 29,888</u>	<u>\$ 249,753</u>	<u>\$ 279,641</u>

The accompanying notes are an integral part of the financial statements.

CAÑON CITY AREA METROPOLITAN RECREATION AND PARK DISTRICT

STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
Year Ended December 31, 2019

	SWIMMING POOL FUND	PROGRAM ACTIVITIES FUND	TOTALS
OPERATING REVENUES			
Athletic and Program Fees	\$ 47,476	\$ 332,048	\$ 379,524
Rental Fees	5,236	-	5,236
Grants and Contributions	1,720	8,453	10,173
Miscellaneous	-	11,429	11,429
TOTAL OPERATING REVENUES	54,432	351,930	406,362
OPERATING EXPENSES			
Salaries	57,978	187,872	245,850
Employee Benefits	6,040	35,028	41,068
Supplies	11,298	60,546	71,844
Purchased Services	35,899	61,055	96,954
Depreciation	1,555	444	1,999
TOTAL OPERATING EXPENSES	112,770	344,945	457,715
OPERATING INCOME	(58,338)	6,985	(51,353)
NON-OPERATING REVENUES			
Grant Revenue	-	3,700	3,700
Interest Income	4,552	46	4,598
TOTAL NON-OPERATING REVENUES	4,552	3,746	8,298
INCOME (LOSS) BEFORE TRANSFERS	(53,786)	10,731	(43,055)
TRANSFERS			
Transfers In	69,100	-	69,100
Transfers Out	-	(10,000)	(10,000)
TOTAL TRANSFERS	69,100	(10,000)	59,100
CHANGE IN NET POSITION	15,314	731	16,045
NET POSITION, Beginning	14,574	249,022	263,596
NET POSITION, Ending	\$ 29,888	\$ 249,753	\$ 279,641

The accompanying notes are an integral part of the financial statements.

CAÑON CITY AREA METROPOLITAN RECREATION AND PARK DISTRICT

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 Year Ended December 31, 2019
 Increase (Decrease) in Cash and Cash Equivalents

	SWIMMING POOL FUND	PROGRAM ACTIVITIES FUND	TOTALS
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash Received from Customers	\$ 52,712	\$ 333,753	\$ 386,465
Cash Received from Others	1,720	19,882	21,602
Cash Paid to Suppliers	(47,070)	(122,156)	(169,226)
Cash Paid to Employees	(64,018)	(224,167)	(288,185)
Net Cash Provided (Used) by Operating Activities	<u>(56,656)</u>	<u>7,312</u>	<u>(49,344)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Purchase of Capital Assets	(6,610)	-	(6,610)
Grants Received	-	3,700	3,700
Receipts from Other Funds	69,100	-	69,100
Payments to Other Funds	-	(10,000)	(10,000)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>62,490</u>	<u>(6,300)</u>	<u>56,190</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest Received	4,552	46	4,598
Net Cash Provided by Investing Activities	<u>4,552</u>	<u>46</u>	<u>4,598</u>
Net Increase in Cash and Cash Equivalents	10,386	1,058	11,444
CASH AND CASH EQUIVALENTS, Beginning	<u>5,056</u>	<u>251,218</u>	<u>256,274</u>
CASH AND CASH EQUIVALENTS, Ending	<u>\$ 15,442</u>	<u>\$ 252,276</u>	<u>\$ 267,718</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
Operating Income	\$ (58,338)	\$ 6,985	\$ (51,353)
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities			
Depreciation and Amortization	1,555	444	1,999
Changes in Assets and Liabilities			
Accounts Receivable	-	1,705	1,705
Accounts Payable	127	(3,855)	(3,728)
Accrued Salaries and Compensated Absences	-	(1,267)	(1,267)
Prepaid Item	-	3,300	3,300
Total Adjustments	<u>1,682</u>	<u>327</u>	<u>2,009</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ (56,656)</u>	<u>\$ 7,312</u>	<u>\$ (49,344)</u>

The accompanying notes are an integral part of the financial statements.

CAÑON CITY AREA METROPOLITAN RECREATION AND PARK DISTRICT

NOTES TO FINANCIAL STATEMENTS

December 31, 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

The Cañon City Area Metropolitan Recreation and Park District (the "District"), a quasi-municipal corporation, operates pursuant to the provisions of the Colorado Revised Statutes of the Colorado Special District Act. The District is governed by a five-member Board of Directors. The District provides recreational activities and park services for the residents in Cañon City, Colorado and the surrounding area.

The accounting policies of the District conform to generally accepted accounting principles as applicable to governmental entities. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. A summary of the District's more significant accounting policies follows.

Reporting Entity

In accordance with governmental accounting standards, the District has considered the possibility of including additional entities in its financial statements.

The definition of the reporting entity is based primarily on financial accountability. The District is financially accountable for organizations that make up its legal entity. It is also financially accountable for legally separate organizations if the District officials appoint a voting majority of the organization's governing body and either it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the District. The District may also be financially accountable for organizations that are fiscally dependent upon it. Based on the application of the criteria, the District does not include additional organizations in its report entity.

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 nonfiduciary activities of the District. For the most part, the effect of interfund activity has been removed from these statements. Exceptions to this general rule are charges for interfund services that are reasonably equivalent to the services provided. Governmental activities, which normally are 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.

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

CAÑON CITY AREA METROPOLITAN RECREATION AND PARK DISTRICT

NOTES TO FINANCIAL STATEMENTS

December 31, 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Government-Wide and Fund Financial Statements (Continued)

The statement of activities demonstrates the degree to which the direct expenses and allocated 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 activity; 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or activity; and 3) grants and contributions that are restricted to meeting the capital requirements of a particular function or activity. Taxes and other items not properly included among program revenues are reported instead as general revenues. The net cost by function or business-type activity is normally covered by general revenue such as property taxes, specific ownership taxes or unrestricted revenues.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental and enterprise 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, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when the liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the granting agency have been met.

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 collected within the current year or soon enough thereafter to pay liabilities of the current year. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current year, except for expenditure driven grants as defined in the following paragraph.

Taxes, intergovernmental revenue and interest associated with the current fiscal year are considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal year.

CAÑON CITY AREA METROPOLITAN RECREATION AND PARK DISTRICT

NOTES TO FINANCIAL STATEMENTS

December 31, 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus, Basis of Accounting and Financial Statement Presentation
(Continued)

Grant and similar revenues are recorded as revenues when all eligibility requirements are met, including any time requirements. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met. All other revenues are considered to be measurable and available only when cash is received by the District.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, are recorded only when payment is due.

Proprietary funds distinguish 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 expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses or capital contributions.

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 District reports the following major governmental funds in the fund financial statements:

General Fund – The General Fund is used to account for the general operations and park maintenance of the District, except those required to be reported in a separate fund.

Conservation Trust Fund – The Conservation Trust Fund is a special revenue fund used to account for distributions from the Colorado Lottery. Expenditures general involve transfers to other funds for reimbursement of eligible expenditures.

Capital Projects Fund – The Capital Projects Fund is used to acquire, construct and maintain capital assets within the District. Funds are provided by intergovernmental grants, contributions and transfers from other funds, while expenditures generally consist of capital outlay and current expenditures.

CAÑON CITY AREA METROPOLITAN RECREATION AND PARK DISTRICT

NOTES TO FINANCIAL STATEMENTS

December 31, 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus, Basis of Accounting and Financial Statement Presentation
(Continued)

The District reports the following major proprietary funds:

Swimming Pool Fund – The Swimming Pool Fund accounts for the operation and maintenance of the District-owned swimming pool through user charges and rates.

Program Activities Fund – The Program Activities Fund accounts for the operation of recreational and other activities provided by the District through user charges and rates.

Assets, Liabilities, Fund Balance/Net Assets

Cash and Investments – For the purposes of reporting in the statement of cash flows, cash equivalents include certificates of deposit and investments with original maturities of three months or less. Investments are reported at fair value. Pooled cash and investments are reported as cash equivalents.

Receivables – Accounts receivable are reported at their gross value, and where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

Prepaid Expenses – Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid expenses.

Capital Assets – Capital assets, which include property, plant, buildings and related improvements, equipment, vehicles, and all infrastructure owned by the District, are reported in the applicable government-wide or business-type activities columns of the government-wide financial statements and the proprietary funds in the fund financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000 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. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Capital assets of the District are depreciated using the straight-line method over the following estimated useful lives.

Buildings	20 – 40 years
Improvements	10 – 50 years
Equipment	10 – 30 years

CAÑON CITY AREA METROPOLITAN RECREATION AND PARK DISTRICT

NOTES TO FINANCIAL STATEMENTS

December 31, 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities and Net Position/Fund Balances (Continued)

Compensated Absences – Full-time employees of the District are allowed to accumulate unused vacation and sick time. Vacation accumulates based on years of service. Employees will be paid for all accrued vacation time, but not accumulated sick time, upon separation of employment. Therefore, no liability for accumulated sick time is reported in the financial statements. Accrued vacation time is recognized as current salary costs when earned in the proprietary funds and when due in the governmental funds. A long-term liability is reported in the government-wide and proprietary fund financial statements for accrued compensated absences.

Long-Term Debt - In the government-wide financial statements, and the proprietary funds financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund statement of net position.

In the governmental fund financial statements, the face amount of debt issued is reported as other financing sources. Debt premiums and discounts are reported as other financing sources and uses, respectively.

Net Position – In the government-wide and proprietary fund financial statements, net position is restricted when constraints placed on the net position are externally imposed.

- Net Investment in Capital Assets – this classification is intended to report the portion of net position which is associated with non-liquid, capital assets less outstanding debt related to those capital assets.
- Restricted Net Position – this classification includes liquid assets which have third party limitations on their use.
- Unrestricted Net Position – this classification includes assets that do not have any third party limitation on their use.

Fund Balance Classification – The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

- Nonspendable – This classification includes amounts that cannot be spent because they are either (a) not in spendable form (such as prepaid items) or (b) are legally or contractually required to be maintained intact.

CAÑON CITY AREA METROPOLITAN RECREATION AND PARK DISTRICT

NOTES TO FINANCIAL STATEMENTS

December 31, 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities and Net Position/Fund Balances (Continued)

- Restricted – This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation. The District had restricted amounts for emergency reserves, and parks and recreation as required by State statutes.
- Committed – This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the District’s highest level of decision-making authority, the District Board of Directors. The constraint may be removed or changed only through formal action of the District Board of Directors.
- Assigned – This classification includes amounts that are constrained by the District’s intent to be used for specific purposes, but is neither restricted nor committed. Intent is expressed by the District Board of Directors to be used for a specific purpose. Constraints imposed on the use of assigned amounts are more easily removed or changed than those imposed on committed amounts. The District assigned amounts related to next year’s budgeted expenditures that exceed budgeted revenues. In addition, the District assigned an amount for future capital projects.
- Unassigned – This classification includes the residual fund balance for the General Fund. The unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of assigned fund balance amounts.

When both the restricted and unrestricted fund balances are available the District uses restricted fund balance first, followed unrestricted.

Property Taxes

Property taxes attach as an enforceable lien on property on January 1, are levied the following December, and are collected in the subsequent calendar year. Taxes are payable in full on April 30 or in two installments on February 28 and June 15. The County Treasurer’s Office collects property taxes and remits to the District on a monthly basis. Since property tax revenues are collected in arrears during the succeeding year, a receivable and corresponding deferred inflow of resources are reported at December 31.

CAÑON CITY AREA METROPOLITAN RECREATION AND PARK DISTRICT

NOTES TO FINANCIAL STATEMENTS

December 31, 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Interfund Transactions

Interfund transactions are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund are recorded as expenditures/expenses in the reimbursing fund and as a reduction of expenditures/expenses in the fund that is reimbursed. All other interfund transactions are reported as interfund transfers.

Use of Estimates

The preparation of the basic financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Subsequent Events

The District has evaluated events subsequent to the year ended December 31, 2019 through April 6, 2020, the date of these financial statements were issued, and has incorporated any required recognition into these financial statements.

NOTE 2: CASH AND INVESTMENTS

A summary of cash and investments at December 31, 2019, follows:

Cash Deposits	\$ 56,546
Petty Cash	150
Investments	<u>1,007,212</u>
Total	<u>\$ 1,063,908</u>

Deposits

The Colorado Public Deposit Protection Act (PDPA) requires that all local government entities deposit cash in eligible public depositories. Eligibility is determined by State regulations. Amounts on deposit in excess of Federal Deposit Insurance Corporation (FDIC) levels must be collateralized by eligible collateral as determined by the PDPA. The FDIC insures depositors up to \$250,000 for each financial institution. The PDPA allows the financial institution to create a single collateral pool for all public funds held. The pool is to be maintained by another institution, or held in trust for all uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits. At December 31, 2019, the District had bank deposits totaling \$59,877, all of which were insured by FDIC.

CAÑON CITY AREA METROPOLITAN RECREATION AND PARK DISTRICT

NOTES TO FINANCIAL STATEMENTS

December 31, 2019

NOTE 2: CASH AND INVESTMENTS (Continued)

Investments

The District has not adopted a formal investment policy; however, the District follows State statutes regarding investments. The District generally limits its concentration of investments to Local Government Investment Pools, obligations of the United States and certain U.S. government agency securities, which are believed to have a 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 investment 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 District Board of Directors, such actions are generally associated with debt service reserve or sinking fund requirements.

State statutes specify investment instruments meeting defined rating, maturity and concentration risk criteria in which local governments may invest which include the following:

- Obligations of the United States and certain U.S. agency securities
- Certain international agency securities
- General obligation and revenue bonds of U.S. local government entities
- Banker’s acceptances of certain banks
- Commercial paper
- Local government investment pools
- Written repurchase agreements collateralized by certain authorized securities
- Certain money market funds
- Guaranteed investment contracts

At December 31, 2018, the District had the following investments:

	<u>Maturity</u>	<u>2019</u>
Colorado Liquid Government Asset Trust (COLOTRUST)	Weighted Average under 60 days	<u>\$ 1,007,212</u>

The District invested in the Colorado Local Government Liquid Asset Trust (COLOTRUST) (the Trust), 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 the Trust. The Trust operates similarly to a money market fund and each share is equal in value to \$1.00. The Trust offers shares in 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 rates commercial paper

CAÑON CITY AREA METROPOLITAN RECREATION AND PARK DISTRICT

NOTES TO FINANCIAL STATEMENTS

December 31, 2019

NOTE 2: CASH AND INVESTMENTS (Continued)

Investments (Continued)

and any security allowed under CRS 24-75-601. A designated custodial bank serves as custodian for the Trust'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 the Trust. COLOTUST is rated AAAM by Standard & Poor's. 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.

Interest Rate Risk - State statutes generally limit investments to an original maturity of five years unless the governing board authorizes the investment for a period in excess of five years. The District does not have a policy for managing credit risk or interest rate risk.

NOTE 3: CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2019, is summarized below:

	Balances 12/31/2018	Additions	Deletions	Balances 12/31/2019
Governmental Activities:				
Capital Assets, not being depreciated				
Land	\$ 1,781,421	\$ -	\$ -	\$ 1,781,421
Water Rights	14,100	-	-	14,100
	<u>1,795,521</u>	<u>-</u>	<u>-</u>	<u>1,795,521</u>
Capital Assets, being depreciated				
Buildings	762,194	-	-	762,194
Improvements	2,437,151	11,009	-	2,448,160
Equipment	290,171	44,574	-	334,745
Total Capital Assets, being depreciated	<u>3,489,516</u>	<u>55,583</u>	<u>-</u>	<u>3,545,099</u>
Less accumulated depreciation				
Buildings	(334,509)	(21,206)	-	(355,715)
Improvements	(985,625)	(72,029)	-	(1,057,654)
Equipment	(176,786)	(18,008)	-	(194,794)
Total accumulated depreciation	<u>(1,496,920)</u>	<u>(111,243)</u>	<u>-</u>	<u>(1,608,163)</u>
Total Capital Assets, being depreciated, net	<u>1,992,596</u>	<u>(55,660)</u>	<u>-</u>	<u>1,936,936</u>
Governmental Activities Capital Assets, net	<u>\$ 3,788,117</u>	<u>\$ (55,660)</u>	<u>\$ -</u>	<u>\$ 3,732,457</u>

CAÑON CITY AREA METROPOLITAN RECREATION AND PARK DISTRICT

NOTES TO FINANCIAL STATEMENTS
December 31, 2019

NOTE 3: CAPITAL ASSETS (Continued)

Depreciation expense was charged to the District's Governmental Activities functions/programs as follows:

General Government	\$ 13,874
Parks and Recreation	<u>97,369</u>
Total	<u>\$ 111,243</u>

	<u>Balances 12/31/2018</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balances 12/31/2019</u>
Business-type Activities:				
Capital Assets, not being depreciated				
Land	\$ 6,000	\$ -	\$ -	\$ 6,000
Capital Assets, being depreciated				
Buildings	134,268	-		134,268
Improvements	153,914	6,610	73,066	87,458
Equipment	35,379	-	735	34,644
Total Capital Assets, being depreciated	<u>323,561</u>	<u>6,610</u>	<u>73,801</u>	<u>256,370</u>
Less accumulated depreciation				
Buildings	(130,594)	(1,225)	-	(131,819)
Improvements	(146,373)	(774)	(73,066)	(74,081)
Equipment	(35,379)	-	(735)	(34,644)
Total accumulated depreciation	<u>(312,346)</u>	<u>(1,999)</u>	<u>(73,801)</u>	<u>(240,544)</u>
Total Capital Assets, being depreciated, net	<u>11,215</u>	<u>4,611</u>	<u>-</u>	<u>15,826</u>
Business-type Activities Capital Assets, net	<u>\$ 17,215</u>	<u>\$ 4,611</u>	<u>\$ -</u>	<u>\$ 21,826</u>

Depreciation expense was charged to the District's Business-type Activities as follows:

Swimming Pool Fund	\$ 1,555
Program Activities Fund	<u>444</u>
Total	<u>\$ 1,999</u>

CAÑON CITY AREA METROPOLITAN RECREATION AND PARK DISTRICT

NOTES TO FINANCIAL STATEMENTS
December 31, 2019

NOTE 4: LONG-TERM DEBT

Governmental Activities

Following is a summary of long-term debt transactions for the governmental activities for the year ended December 31, 2019.

	<u>Balance</u> <u>12/31/2018</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>12/31/2019</u>	<u>Due Within</u> <u>One Year</u>
Governmental Activities					
Accrued Compensated Absences	\$ 31,221	\$ 25,832	\$ 20,255	\$ 36,798	\$ 27,598
	<u>\$ 31,221</u>	<u>\$ 25,832</u>	<u>\$ 20,255</u>	<u>\$ 36,798</u>	<u>\$ 27,598</u>

Business-type Activities

Following is a summary of long-term debt transactions for the business-type activities for the year ended December 31, 2019.

	<u>Balance</u> <u>12/31/2018</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>12/31/2019</u>	<u>Due Within</u> <u>One Year</u>
Business-Type Activities					
Accrued Compensated Absences	\$ 1,796	\$ 574	\$ 1,796	\$ 574	\$ 287
	<u>\$ 1,796</u>	<u>\$ 574</u>	<u>\$ 1,796</u>	<u>\$ 574</u>	<u>\$ 287</u>

NOTE 5: INTERFUND TRANSFERS

Interfund transfers for the year ended December 31, 2019, consisted of the following:

<u>Transfers In</u>	<u>Transfers Out</u>	<u>Amount</u>
General	Conservation Trust	\$ 80,000
General	Program Activities	10,000
Capital Projects	Conservation Trust	28,400
Swimming Pool	General	40,000
Swimming Pool	Conservation Trust	<u>29,100</u>
Total		<u>\$ 187,500</u>

CAÑON CITY AREA METROPOLITAN RECREATION AND PARK DISTRICT

NOTES TO FINANCIAL STATEMENTS

December 31, 2019

NOTE 5: INTERFUND TRANSFERS (Continued)

During the year ended December 31, 2019, transfers to the General Fund were reimbursements for administrative costs and parks and recreation expenses. The General Fund transferred funds to the Swimming Pool Fund to subsidize pool operations and maintenance. The Conservation Trust Fund transferred funds to the Capital Projects and Swimming Pool Funds for reimbursement of parks and recreation expenses.

NOTE 6: RISK MANAGEMENT

The District is exposed to various risks of loss related to torts, property and casualty, errors and omissions, injuries to employees and health claims. Risks of loss from property and liability coverage and injuries to employees are covered by the District's participation in the Colorado Special District's property and liability pool, along with participation in the worker's compensation pool. The Colorado Special Districts Pool is a separate and independent governmental public entity risk pool formed through intergovernmental agreement by member special districts to provide defined liability and property coverage. The aggregate limit of losses paid by the pool for property claims is limited to \$1,000,000, with commercial company reinsurance covering any losses in excess of that amount up to \$3,000,000. All other risks of loss are handled by the purchase of commercial insurance. Settled claims from the liability pool and commercial policies have not exceeded the insurance coverage in any of the past three years.

NOTE 7: RETIREMENT COMMITMENTS

The District contributes to a simple IRA defined-contribution plan (the Plan) for all of its full-time employees. The contribution requirements of Plan participants and the District are established and may be amended by the Board of Directors. The Plan is administered by Wells Financial. The Plan allows employees to defer a portion of their compensation as provided by the Internal Revenue Code. The District will match eligible employee's contributions up to 3% of their compensation. Employees are 100% vested in the District's contributions. For the year ended December 31, 2019, employee contributions totaled \$10,697 and the District recognized pension expense of \$9,755.

NOTE 8: COMMITMENTS AND CONTINGENCIES

Tabor Amendment

Colorado voters passed an amendment to the State Constitution, Article X, Section 20 (the "Amendment"), which has several limitations, including revenue raising, spending abilities, and other specific requirements of state and local government.

CAÑON CITY AREA METROPOLITAN RECREATION AND PARK DISTRICT

NOTES TO FINANCIAL STATEMENTS

December 31, 2019

NOTE 8: COMMITMENTS AND CONTINGENCIES

Tabor Amendment

The Amendment requires, with certain exceptions, advance voter approval for any new tax, tax rate increase, mill levy above that for the prior year, extension of an expiring tax, or tax policy change directly causing a net tax revenue gain to the District. Revenue in excess of the fiscal spending limit must be refunded in the next fiscal year unless voters approve retention of such revenue.

In May 2000, voters within the District approved the District's request to retain the excess 1999 fiscal year spending any excess fiscal year spending for all future years. As such, the fiscal year spending limitations outlined in the amendment no longer apply to the District. However, the District is subject to other provisions of the amendment.

The District has established an emergency reserve, representing 3% of qualifying fiscal year spending, as required by the Amendment. At December 31, 2019, the emergency reserve of \$30,000 was reported as a restriction of fund balance and net position in the General Fund and Governmental Activities, respectively.

REQUIRED SUPPLEMENTARY INFORMATION

CAÑON CITY AREA METROPOLITAN RECREATION AND PARK DISTRICT

BUDGETARY COMPARISON SCHEDULE
 GENERAL FUND
 Year Ended December 31, 2019

	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)
REVENUES			
Taxes			
Property Taxes	\$ 735,800	\$ 735,860	\$ 60
Specific Ownership Taxes	100,000	125,088	25,088
Charges for Services			
Rental Fees	6,000	8,828	2,828
Property Leases	16,100	17,210	1,110
Interest	5,500	9,809	4,309
Miscellaneous	6,650	17,691	11,041
TOTAL REVENUES	870,050	914,486	44,436
EXPENDITURES			
Current			
General Government	522,850	478,867	43,983
Parks and Recreation	465,125	402,994	62,131
Capital Outlay	48,000	55,583	(7,583)
TOTAL EXPENDITURES	1,035,975	937,444	98,531
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(165,925)	(22,958)	142,967
OTHER FINANCING SOURCES			
Transfers In	90,000	90,000	-
Transfers Out	(40,000)	(40,000)	-
NET CHANGE IN FUND BALANCE	(115,925)	27,042	142,967
FUND BALANCE, Beginning	537,888	462,599	(75,289)
FUND BALANCE, Ending	<u>\$ 421,963</u>	<u>\$ 489,641</u>	<u>\$ 67,678</u>

See the accompanying Independent Auditor's Report.

CAÑON CITY AREA METROPOLITAN RECREATION AND PARK DISTRICT

BUDGETARY COMPARISON SCHEDULE
 CONSERVATION TRUST FUND
 Year Ended December 31, 2019

	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)
REVENUES			
Lottery Revenues	\$ 125,000	\$ 155,597	\$ 30,597
Interest	2,000	3,004	1,004
TOTAL REVENUES	<u>127,000</u>	<u>158,601</u>	<u>31,601</u>
OTHER FINANCING SOURCES (USES)			
Transfers Out	<u>(145,000)</u>	<u>(137,500)</u>	<u>7,500</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(145,000)</u>	<u>(137,500)</u>	<u>7,500</u>
NET CHANGE IN FUND BALANCE	(18,000)	21,101	39,101
FUND BALANCE, Beginning	<u>63,052</u>	<u>63,053</u>	<u>1</u>
FUND BALANCE, Ending	<u>\$ 45,052</u>	<u>\$ 84,154</u>	<u>\$ 39,102</u>

See the accompanying Independent Auditor's Report.

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

December 31, 2019

NOTE 1: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgets

Budgets are legally adopted for all funds of the District. Budgets for governmental funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgetary comparisons for the enterprise funds are presented on a non-GAAP budgetary basis. Capital outlay and long-term debt principal are budgeted as expenditures and depreciation is not budgeted.

The District follows these procedures in establishing the budgetary data reflected in the financial statements:

- In September, Management submits to the District Board of Directors a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.
- Public hearings are conducted to obtain taxpayer and public comments.
- Prior to December 31, the budget is legally enacted through passage of an ordinance.
- Management is authorized to transfer budgeted amounts between departments within any fund. However, any revisions that alter the total expenditures must be approved by the District Board of Directors.
- All budget appropriations lapse at year end. Colorado governments may not exceed budgeted appropriations at the fund level.

SUPPLEMENTARY INFORMATION

CAÑON CITY AREA METROPOLITAN RECREATION AND PARK DISTRICT

BUDGETARY COMPARISON SCHEDULE
 CAPITAL PROJECTS FUND
 Year Ended December 31, 2019

	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)
REVENUES			
Grants and Contributions	\$ 1,100	\$ 8,605	\$ 7,505
Interest	1,500	10,074	8,574
TOTAL REVENUES	<u>2,600</u>	<u>18,679</u>	<u>16,079</u>
EXPENDITURES			
Parks and Recreation	<u>82,500</u>	<u>31,790</u>	<u>50,710</u>
TOTAL EXPENDITURES	<u>82,500</u>	<u>31,790</u>	<u>50,710</u>
EXCESS OF REVENUES OVER EXPENDITURES	(79,900)	(13,111)	66,789
OTHER FINANCING SOURCES (USES)			
Transfers In	<u>35,000</u>	<u>28,400</u>	<u>(6,600)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>35,000</u>	<u>28,400</u>	<u>(6,600)</u>
NET CHANGE IN FUND BALANCE	(44,900)	15,289	60,189
FUND BALANCE, Beginning	<u>122,276</u>	<u>201,859</u>	<u>79,583</u>
FUND BALANCE, Ending	<u>\$ 77,376</u>	<u>\$ 217,148</u>	<u>\$ 139,772</u>

See the accompanying Independent Auditor's Report.

CAÑON CITY AREA METROPOLITAN RECREATION AND PARK DISTRICT

BUDGETARY COMPARISON SCHEDULE
 SWIMMING POOL FUND
 Year Ended December 31, 2019

	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)
REVENUES			
Athletic and Program Fees	\$ 68,050	\$ 47,476	\$ (20,574)
Rental Fees	7,500	5,236	(2,264)
Contributions from Sponsors	100	1,720	1,620
Investment Income	1,500	4,552	3,052
Transfers In	70,000	69,100	(900)
TOTAL REVENUES	147,150	128,084	(19,066)
EXPENDITURES			
Salaries	71,200	57,978	13,222
Employee Benefits	7,625	6,040	1,585
Supplies	23,650	11,298	12,352
Facilities	41,325	29,289	12,036
Contingency Reserve	2,000	-	2,000
TOTAL EXPENDITURES	145,800	104,605	41,195
NET INCOME, Budget Basis	\$ 1,350	23,479	\$ 22,129
GAAP BASIS ADJUSTMENTS			
Capital Outlay		(6,610)	
Depreciation		(1,555)	
NET INCOME, GAAP Basis		15,314	
NET POSITION, Beginning		14,574	
NET POSITION, Ending		\$ 29,888	

See the accompanying Independent Auditor's Report.

CAÑON CITY AREA METROPOLITAN RECREATION AND PARK DISTRICT

BUDGETARY COMPARISON SCHEDULE
 PROGRAM ACTIVITIES FUND
 Year Ended December 31, 2019

	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)
REVENUES			
Athletic and Program Fees	\$ 376,920	\$ 332,048	\$ (44,872)
Contributions from Sponsors	8,300	8,453	153
Grants	1,800	3,700	1,900
Investment Income	25	46	21
Miscellaneous	9,300	11,429	2,129
TOTAL REVENUES	396,345	355,676	(40,669)
EXPENDITURES			
Salaries	221,425	187,872	33,553
Employee Benefits	33,690	35,028	(1,338)
Supplies	65,470	60,546	4,924
Facilities	75,845	61,055	14,790
Transfer Out	10,000	10,000	-
TOTAL EXPENDITURES	406,430	354,501	51,929
NET INCOME, Budget Basis	\$ (10,085)	1,175	\$ 11,260
GAAP BASIS ADJUSTMENTS			
Depreciation		(444)	
NET INCOME, GAAP Basis		731	
NET POSITION, Beginning		249,022	
NET POSITION, Ending		\$ 249,753	

See the accompanying Independent Auditor's Report.