

CROWN MOUNTAIN PARK AND RECREATION DISTRICT

Financial Statements and Report of Independent Certified Public
Accountants

December 31, 2019

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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

March 20, 2020

To the Board of Directors
Crown Mountain Park and Recreation District

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of the Crown Mountain Park and Recreation 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 accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the District as of December 31, 2019, 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.

March 20, 2020
Crown Mountain Park and Recreation District
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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 schedule – general fund as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. 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 opinions on the financial statements that collectively comprise the District's basic financial statements. The budgetary comparison schedules for the capital improvement fund and the debt service fund are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The budgetary comparison schedules for the capital improvement fund and the debt service fund are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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, these schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

 Beckstead & Co., LLC

CROWN MOUNTAIN PARK AND RECREATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
December 31, 2019

MANAGEMENT'S DISCUSSION AND ANALYSIS

The Crown Mountain Park and Recreation District (the "District") was authorized by voters in November 2002 and formally established in 2003. The District was established for the purpose of financing, constructing and managing recreation and park facilities on the former Mount Sopris Tree Farm property in El Jebel which is owned by Eagle County but operated by the District pursuant to a long-term lease. In 2003 the District issued approximately \$6 million in debt to develop the park. Since inception through 2018 the District collected a 1.000 mill operating mill levy to operate and manage the park plus a debt service mill levy used to pay debt service on the District's bonds. In 2019, the operating mill levy increased to 2.950 mills. The debt service mill levy fluctuates as assessed values change but was 1.176 mills in 2019.

During 2018 the District's voters approved increasing the operating mill levy rate from 1.000 mills to 2.950 mills to be used for operating and maintaining the park, funding reserves for repair and replacement of park infrastructure, and addressing community/user needs through park improvements. The District's debt service mill levy will end in 2022 when the bonds are paid off.

This discussion and analysis of the District's financial performance provides an overview of financial activities for the fiscal year ended December 31, 2019. The intent of this discussion and analysis is to look at the District's financial performance as a whole; it should be read in conjunction with the basic financial statements and notes to enhance the reader's understanding of the District's overall financial performance.

FINANCIAL HIGHLIGHTS

- The property tax levied for collection in 2019 to service the District's debt is 1.176 mills, and the mill levy to support operations is 2.95 mills. These levies were assessed on all taxable properties within the District's boundaries located in both Pitkin and Eagle Counties.
- In total, the District's *overall* net position increased \$766,119 from the previous fiscal year. This increase is primarily due to a surplus of property taxes collected over expenses incurred in providing services to the District's constituents. This surplus was primarily used to pay principal on the District's outstanding bond obligations and added to fund balance to fund future maintenance and replacement.
- Traditionally the District's focus has been on providing recreational facilities rather than programs. During 2012 through 2019 the District has increased focus on recreation programs to add another revenue source. Other general revenues which include taxes, grants and interest make up substantially the remainder of the District's revenues and have been used to fund the cost of operating the facilities and to pay the District's debt service.

USING THE BASIC FINANCIAL STATEMENTS

This annual report consists of three parts – *management's discussion and analysis* (this section), the *basic financial statements*, and *required supplementary information*. The basic financial statements include two types of statements that present different views of the District:

- *Government-wide financial statements* that provide both *long-term* and *short-term* information about the District's *overall* financial status.
- *Fund financial statements* that focus on *individual parts* of the District government, reporting the District's operations *in more detail* than the government-wide statements.

CROWN MOUNTAIN PARK AND RECREATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

December 31, 2019

The financial statements also include *notes* that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of *required supplementary information* that further explains and supports the information in the financial statements. Additional supplemental information has also been included to enhance the reader's understanding of the financial statements.

REPORTING ON THE DISTRICT AS A WHOLE

Statement of Net Position and Statement of Activities

The Statement of Net Position and Statement of Activities view the District from the perspective of the District as a whole as opposed to looking at individual funds and asks the question, "How did we do financially during the current fiscal year?"

These statements include all assets and liabilities using the full accrual basis of accounting similar to the accounting system used by most private sector companies. The accrual basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash was received or paid. The focus of the government-wide financial statements is on the overall financial position and activities of the District; therefore, the Statement of Net Position and the Statement of Activities are constructed around the concept of an overall primary reporting government, which includes all funds of the District.

The Statement of Net Position and the Statement of Activities report the District's *net position* and changes in this position. The District's net position – the difference between assets, deferred outflows, liabilities and deferred inflows – are one way to measure the District's financial health, or *financial position*. Over time, *increases or decreases* in the District's net position is one indicator of whether its *financial health* is improving or deteriorating. However, it is also necessary to consider other factors such as changes in the District's property tax base and the condition of the infrastructure to assess the *overall health* of the District.

In the Statement of Net Position and the Statement of Activities, the District's operations are reported as a "Governmental Activity." Governmental activities are generally financed through taxes, intergovernmental revenues and other non-exchange revenues. All of the District's programs and services are currently reported here, which include parks and recreation services, as well as debt service and other fiscal charges.

FUND FINANCIAL STATEMENTS

The fund financial statements provide more detailed information about the District's *funds*, focusing on its most significant funds – not the District as a whole. The District's major governmental funds include the General Fund, the Capital Improvement Fund and the Debt Service Fund. Unlike government-wide financial statements, the focus of the fund financial statements is directed to specific activities of the District rather than the District as a whole. Except for the General Fund, a specific fund is established to satisfy managerial control over resources or to satisfy finance-related legal requirements established by external parties or governmental statutes or regulations.

Governmental funds – The District's activity is reported as a governmental fund, which focuses on how money flows into and out of those funds and the balances left at year-end that are available for spending in future periods. The funds are reported using an accounting method called *modified accrual* accounting, which measures cash and all other *financial* assets that can readily be converted to cash. The governmental fund statements provide a detailed *short-term view* of the District's general government operations and the basic services it provides. Governmental fund information helps to determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's

CROWN MOUNTAIN PARK AND RECREATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
December 31, 2019

programs. The relationship (or differences) between governmental *activities* (reported in the Statement of Net Position and the Statement of Activities) and governmental *funds* is provided in reconciliations following the fund financial statements. The District maintains the following governmental funds:

General Fund – The general fund is used to account for resources traditionally associated with government which are not required legally or by sound financial management to be accounted for in another fund.

Capital Improvement Fund – The capital improvement fund provides for the acquisition of lands, construction of major capital improvements, and acquisition of more expensive pieces of equipment.

Debt Service Fund -- The debt service fund is used to account for financial resources to be used for the payment of principal and interest on general obligation indebtedness.

THE DISTRICT AS A WHOLE

Statement of Net Position

The perspective of the Statement of Net Position is of the District as a whole. Following is a summary of the District's net position for the current and previous fiscal year:

	<u>2019</u>	<u>2018</u>	<u>Increase (Decrease)</u>
<u>ASSETS</u>			
Current and Other Assets	\$ 2,516,706	\$ 2,150,072	\$ 366,634
Capital Assets, Net	<u>5,814,071</u>	<u>5,679,640</u>	<u>134,431</u>
Total Assets	<u>8,330,777</u>	<u>7,829,712</u>	<u>501,065</u>
<u>LIABILITIES</u>			
Current Liabilities	36,767	21,425	15,342
Long-Term Obligations:			
Due within One Year	400,000	385,000	15,000
Due in More Than One Year	<u>894,603</u>	<u>1,315,038</u>	<u>(420,435)</u>
Total Liabilities	<u>1,331,370</u>	<u>1,721,463</u>	<u>(390,093)</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Deferred Property Tax Revenue	1,613,032	1,487,993	125,039
<u>NET POSITION</u>			
Net Investment in Capital Assets	4,519,468	3,979,602	539,866
Restricted for Emergencies	20,296	16,051	4,245
Unrestricted	<u>846,611</u>	<u>624,603</u>	<u>222,008</u>
Total Net Position	<u>\$ 5,386,375</u>	<u>\$ 4,620,256</u>	<u>\$ 766,119</u>

Statement of Activities

The perspective of the Statement of Activities is also of the District as a whole. The statement of activities reflects the cost of program services and the charges for services and sales, grants and

CROWN MOUNTAIN PARK AND RECREATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
December 31, 2019

contributions offsetting those services. The following detail reflects the total cost of services supported by program revenues and general property taxes, as well as other general revenues, resulting in the overall change in net position for the current and previous fiscal year:

	<u>2019</u>	<u>2018</u>	<u>Increase (Decrease)</u>
<u>REVENUES</u>			
PROGRAM REVENUES			
Operating Grants	\$ 54,339	\$ 46,526	\$ 7,813
Charges for Services	63,423	50,339	13,084
GENERAL REVENUES:			
Property Taxes	1,471,228	782,962	688,266
Specific Ownership Taxes	69,816	35,814	34,002
Interest and Other Income	<u>74,019</u>	<u>165,592</u>	<u>(91,573)</u>
Total Revenues	<u>1,732,825</u>	<u>1,081,233</u>	<u>651,592</u>
<u>PROGRAM EXPENSES</u>			
Parks & Recreation	939,304	674,449	264,855
Interest on Long-term Debt	27,202	36,759	(9,557)
Other Cost of Long-term Debt	<u>200</u>	<u>200</u>	<u>0</u>
Total Expenses	<u>966,706</u>	<u>711,408</u>	<u>255,298</u>
Change in Net Position	<u>766,119</u>	<u>369,825</u>	<u>396,294</u>
Net Position, Beginning of Year	<u>4,620,256</u>	<u>4,250,431</u>	<u>369,825</u>
NET POSITION, END OF YEAR	<u>\$ 5,386,375</u>	<u>\$ 4,620,256</u>	<u>\$ 766,119</u>

The District's revenues include property taxes to support both general operations and debt service. The District's property tax revenues increased as the result of new construction increasing assessed values. The District's program expenses consist of operational expenses, depreciation expense on capital assets and interest expense on general obligation bonds.

During 2019, the District collected \$1,471,228 in property taxes, of which \$419,332 has been collected for debt service on the District's bonds and \$1,051,896 is for general operating expenses of the District. The District also received operating grants of \$54,339 which are from the Conservation Trust Fund Lottery dollars and \$63,423 from program fees for recreation programs.

The District's financial position, as measured by net position, increased during 2019, primarily as the result of collecting property taxes used to repay debt principal.

THE DISTRICT'S FUNDS

The fund level financial statements focus on how services were financed in the short-term as well as what remains for future spending.

The fund level financial statements are reported on the modified accrual basis of accounting. At the fund level, under the modified accrual basis of accounting, depreciation expense is not reflected as it is not a current period financial use. In addition, at the fund level, inflows from bond proceeds or operating loans are presented as an other financing source item while outflows for capital outlay and debt service

CROWN MOUNTAIN PARK AND RECREATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

December 31, 2019

payments are presented as expenditure items, as these items represent current period financial resources and uses.

The General Fund ending fund balance increased from \$522,436 to \$531,785 during the current fiscal year. This represents the excess of current period revenues (financial resources) over current period expenditures (financial uses). Most financial resources are from property and specific ownership taxes. The majority of expenses are directly related to providing parks and recreation facilities. A portion of the ending fund balance of \$531,785 (\$20,296) is restricted for emergencies. The remainder is the amount of net resources available for future spending.

The Capital Improvements Fund ending fund balance increased from \$88,308 to \$317,503 during the current fiscal year. The source of revenues for this fund is a transfer from the General Fund and grants. The ending fund balance of \$317,503 represents the amount of net resources in the Capital Improvement Fund available for future capital replacement or investment.

The Debt Service Fund ending fund balance decreased from \$39,713 to \$28,542 during the current fiscal year. The ending fund balance is assigned for future debt service.

GENERAL FUND BUDGETARY HIGHLIGHTS

The District's procedures in establishing budgetary data reflected in the financial statements are summarized in *Note 1 (D)* of the financial statements.

General Fund Resources (Inflows)

The District's general fund final budgetary revenues and other financing sources in the amount of \$1,262,090 had a deficit to the budget of \$1,264,372 by \$2,282. This was primarily due to property taxes coming in lower than the budgeted amounts.

General Fund Charges to Appropriations (Outflows)

The District's General Fund expenditures (including operating transfers out) in the total amount of \$1,252,741 were \$5,896 less than the final appropriated budget balance of \$1,258,637. This difference is primarily the result of savings in the management and consulting and park maintenance categories and the amount budgeted for contingencies was not spent. Further details of the General Fund budget variances can be seen on Page 27 of this report.

CAPITAL ASSETS

At the end of 2019, the District had a total of \$5,814,071 invested in capital assets net of accumulated depreciation. This represents an increase of \$134,431 from 2018 which is the result of new capital additions exceeding depreciation expense in 2019. Details can be seen on Page 22 of this report.

DEBT ADMINISTRATION

At the end of 2019, the District's total outstanding long term obligations (including unamortized bond premium) were reduced from \$1,700,038 in 2018 to \$1,294,603 in 2019, a reduction of \$405,435. Details are shown in the Long-Term Obligations footnote on Page 23 of this report.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our residents, customers, taxpayers, investors, and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have any questions regarding this report or need additional financial information,

CROWN MOUNTAIN PARK AND RECREATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
December 31, 2019

please contact the Crown Mountain Park and Recreation District Manager, Eagle County Community Building, 0020 Eagle County Road, El Jebel, CO 81623, Tel: (970) 963-6030, Fax: (970) 963-6032

Crown Mountain Park and Recreation District
Statement of Net Position
December 31, 2019

	Governmental Activities
Assets	
Current Assets	
Equity in pooled cash and investments	\$ 881,165
Due from County Treasurer	5,967
Receivables	4,884
Prepaid expenses	11,658
Property taxes receivable	1,613,032
Total Current Assets	2,516,706
Noncurrent Assets	
Capital assets, net	5,814,071
Total Assets	\$ 8,330,777
Liabilities	
Current Liabilities	
Accounts payable	\$ 13,515
Payroll related liabilities	20,164
Accrued interest payable	3,088
Current portion of bond payable	400,000
Total Current Liabilities	436,767
Noncurrent Liabilities	
Bond payable, less current portion	894,603
Total Liabilities	1,331,370
Deferred Inflows Of Resources	
Deferred property tax revenue	1,613,032
Net Position	
Net investment in capital assets	4,519,468
Restricted for emergencies	20,296
Unrestricted	846,611
Total Net Position	5,386,375
Total Liabilities, Deferred Inflows of Resources, and Net Position	\$ 8,330,777

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

Crown Mountain Park and Recreation District
Statement of Activities
For the year ended December 31, 2019

	Expenses	Charges for Services	Operating Grants	Net Expense (Revenue)
Governmental Activities				
Parks and recreation	\$ 939,304	\$ 63,423	\$ 54,339	\$ (821,542)
Interest on long-term debt	27,202	-	-	(27,202)
Other costs of long-term debt	200	-	-	(200)
Totals	\$ 966,706	\$ 63,423	\$ 54,339	\$ (848,944)
General Revenues				
Property taxes				1,471,228
Specific ownership taxes				69,816
Interest income				25,052
Other general revenues				48,967
			Total General Revenues	1,615,063
			Change in Net Position	766,119
Net Position, beginning of year				4,620,256
Net Position, end of year				\$ 5,386,375

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

Crown Mountain Park and Recreation District
Balance Sheets
Governmental Funds
December 31, 2019

	General	Capital Improvement	Debt Service	Total
Assets				
Equity in pooled cash and investments	\$ 536,821	\$ 317,503	\$ 26,841	\$ 881,165
Due from County Treasurer	4,266	-	1,701	5,967
Receivables	4,884	-	-	4,884
Prepaid expenses	11,658	-	-	11,658
Property taxes receivable	1,185,544	-	427,488	1,613,032
Total Assets	<u>\$ 1,743,173</u>	<u>\$ 317,503</u>	<u>\$ 456,030</u>	<u>\$ 2,516,706</u>
Liabilities				
Accounts payable	\$ 13,515	\$ -	\$ -	\$ 13,515
Payroll-related liabilities	12,329	-	-	12,329
Total Liabilities	<u>25,844</u>	<u>-</u>	<u>-</u>	<u>25,844</u>
Deferred Inflows of Resources				
Deferred property tax revenue	1,185,544	-	427,488	1,613,032
Fund Balance				
Nonspendable	11,658	-	-	11,658
Restricted for emergencies	20,296	-	-	20,296
Assigned for capital improvements	-	317,503	-	317,503
Assigned for debt service	-	-	28,542	28,542
Unassigned	499,831	-	-	499,831
Total Fund Balance	<u>531,785</u>	<u>317,503</u>	<u>28,542</u>	<u>877,830</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	<u>\$ 1,743,173</u>	<u>\$ 317,503</u>	<u>\$ 456,030</u>	<u>\$ 2,516,706</u>

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

Crown Mountain Park and Recreation District
Reconciliation of Total Governmental Fund Balances
to Net Position of Governmental Activities
December 31, 2019

Total Fund Balance	\$ 877,830
Amounts reported for the governmental activities in the Statement of Net Position are different because:	
Capital assets are not current financial resources, and therefore are not reported in the governmental funds balance sheet.	5,814,071
Bonds payable are not due and payable in the current period, and therefore are not reported in the governmental funds.	(1,294,603)
Accrued compensated absences do not require current financial resources, and therefore are not reported in the governmental funds.	(7,835)
Accrued interest payable on outstanding bonds do not require current financial resources, and therefore are not reported in the governmental funds.	<u>(3,088)</u>
Total Net Position	<u><u>\$ 5,386,375</u></u>

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

Crown Mountain Park and Recreation District
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the year ended December 31, 2019

	General	Capital Improvement	Debt Service	Total
Revenues				
Property taxes	\$1,051,896	\$ -	\$ 419,332	\$ 1,471,228
Specific ownership taxes	49,917	-	19,899	69,816
Lottery proceeds - Conservation Trust	54,339	-	-	54,339
Program fees	63,423	-	-	63,423
Interest income	17,112	1,742	6,198	25,052
Miscellaneous	25,403	23,564	-	48,967
Total Revenues	<u>1,262,090</u>	<u>25,306</u>	<u>445,429</u>	<u>1,732,825</u>
Expenditures				
Current Operating				
Accounting	42,081	-	-	42,081
Audit	5,750	-	-	5,750
Director	204,913	-	-	204,913
Insurance - health	34,712	-	-	34,712
Insurance - other	13,797	-	-	13,797
Legal	3,068	-	-	3,068
Maintenance - parks	187,162	-	-	187,162
Management and consulting	23,872	-	-	23,872
Management incentives	15,632	-	-	15,632
Miscellaneous	64,498	-	-	64,498
Newsletter and website	1,093	-	-	1,093
Office expense	7,080	-	-	7,080
Payroll taxes	7,861	-	-	7,861
Programming	8,288	-	-	8,288
Retirement	14,103	-	-	14,103
Treasurers fees	39,676	-	15,816	55,492
Telephone and internet	2,953	-	-	2,953
Capital Outlay	-	379,297	-	379,297
Debt Service				
Principal	-	-	385,000	385,000
Interest	-	-	48,600	48,600
Other fees	-	-	200	200
Total Expenditures	<u>676,539</u>	<u>379,297</u>	<u>449,616</u>	<u>1,505,452</u>
Excess of Revenues Over (Under) Expenditures	585,551	(353,991)	(4,187)	227,373
Other Financing Sources (Uses)				
Operating transfers in (out)	(576,202)	583,186	(6,984)	-
Total Other Financing Sources (Uses)	<u>(576,202)</u>	<u>583,186</u>	<u>(6,984)</u>	<u>-</u>
Net change in fund balances	9,349	229,195	(11,171)	227,373
Fund balances, beginning of year	522,436	88,308	39,713	650,457
Fund balances, end of year	<u>\$ 531,785</u>	<u>\$ 317,503</u>	<u>\$ 28,542</u>	<u>\$ 877,830</u>

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

Crown Mountain Park and Recreation District
 Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances
 of Governmental Funds to the Statement of Activities
 For the year ended December 31, 2019

Total net change in fund balances - governmental funds	\$ 227,373
<p>Amounts reported for governmental activities in the Statement of Activities are different because:</p>	
<p>Governmental funds report capital outlays as expenditures in the year the costs are incurred; however, the government-wide financial statements report capital outlays as an addition to capital assets. The cost of capital assets is allocated to expense over the estimated useful lives of the underlying assets.</p>	
Amounts capitalized	207,107
Depreciation expense	(72,676)
<p>Government-wide financial statements amortize the premium received on debt issuance over the life of the bonds.</p>	
	20,435
<p>Governmental funds report debt principal payments as other financing uses; however, the government-wide financial statements report debt principal payments as reductions of long-term debt.</p>	
	385,000
<p>Accrued compensated absences is reported in the Statement of Activities, but does not require the use of current financial resources; therefore, the change in accrued compensated absences is not reported as an expenditure in the governmental funds.</p>	
	(2,083)
<p>Accrued interest expense on long-term debt is reported in the Statement of Activities, but does not require the use of current financial resources; therefore, the change in accrued interest expense is not reported as an expenditure in the governmental funds.</p>	
	963
	<u>\$ 766,119</u>

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

Crown Mountain Park and Recreation District
Notes to Financial Statements
December 31, 2019

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Crown Mountain Park and Recreation District, herein referred to as the District, conform to generally accepted accounting principles (GAAP) as applicable to governmental units. The District applies all relevant Governmental Accounting Standards Board (GASB) pronouncements. Significant accounting policies of the District are described below.

A. Financial Reporting Entity

The Crown Mountain Park and Recreation District was organized pursuant to provisions set forth in the Colorado Special District Act. The governing body of the District consists of a five member Board of Directors which is elected by the registered voters within the District. The purpose of the District is to create a community legacy by providing parks and recreation. The District fosters a sense of place, provides opportunities and places for community gathering, and provides diverse, equitable and safe recreation opportunities for all through creative collaboration.

The Governmental Accounting Standards Board (GASB) has specified the criteria to be used in defining a governmental entity for financial reporting purposes. The reporting entity consists of (a) the primary government; i.e., the District, and (b) organizations for which the District is financially accountable. The District is considered financially accountable for legally separate organizations if it is able to appoint a voting majority of an organization's governing body and is either 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. Consideration is also given to other organizations that are fiscally dependent; i.e., unable to adopt a budget, levy taxes, or issue debt without approval by the District. Organizations for which the nature and significance of their relationship with the District are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete are also included in the reporting entity.

Based on the criteria discussed above, the District's financial statements do not include any component units, nor do they exclude any potential component units requiring inclusion in the District's reporting entity, nor is the District a component unit of any other government. The District's financial statements include the accounts of all District operations.

B. Basis of Presentation

GOVERNMENT-WIDE STATEMENTS

The statement of net position and the statement of activities display information about the primary government (the District). These statements include the financial activities of the overall government. The statement of net position presents the financial condition of the governmental activities of the District at year-end. The statement of changes in net position presents a comparison between direct expenses and program revenues for each program or function of the District's governmental activities.

In the statement of activities, direct expenses are those that are specifically associated with a service, program or department and, therefore, clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are

Crown Mountain Park and Recreation District
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restricted to meeting the operational or capital requirements of a particular program. Revenues which are not classified as program revenues are presented as general revenues of the District, with certain limited exceptions.

The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the District.

FUND FINANCIAL STATEMENTS

During the fiscal year, the District segregates transactions related to certain functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance by segregating transactions related to certain governmental functions or activities. Fund financial statements are designed to present financial information of the District at this more detailed level. The focus of governmental fund financial statements is on major funds. Each major fund is presented in a separate column.

Governmental accounting systems are organized and operated on a fund basis. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts that comprise its assets, liabilities, fund equity, revenues and expenditures. The District's funds are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations based upon the purposes for which they are to be spent and by the means by which spending activities are controlled. The various funds of the District are outlined in the following paragraphs:

Governmental Funds

Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures, other financing uses, and special items) in net current assets. Accordingly, they are said to present a summary of sources and uses of "available spendable resources" during a period.

General Fund - used to account for all financial resources, except those required to be accounted for in another fund. The General Fund balance is available to the District for any purpose provided it is expended or transferred according to general statutory laws.

Capital Improvement Fund - used to account for proceeds from the General Obligation Bond and transfers from the general fund that are used for major capital and equipment additions.

Debt Service Fund - used to account for accumulation of resources for, and payment of, long-term bond obligation principal, interest and related costs.

C. Measurement Focus and Basis of Accounting

GOVERNMENT-WIDE FINANCIAL STATEMENTS

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 at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the District receives value without directly giving equal value in return, consist of property taxes, other

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taxes and fines and penalties. All assets and all liabilities associated with the operation of the District are included on the statement of net position.

FUND FINANCIAL STATEMENTS

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The District considers all revenues available if they are collected within 60 days after year-end. The following material revenue sources are considered susceptible to accrual because they are both measurable and available to finance expenditures of the current period:

- Property Taxes
- Specific Ownership Taxes

Taxpayer-assessed local property and specific ownership taxes are considered "measurable" when in the hands of intermediary collecting governments and are recognized as revenue at that time. Expenditures are recorded when the related fund liability is incurred, except for un-matured principal and interest on general long-term debt, which is recognized when due. Proceeds of general long-term liabilities are reported as other financing sources.

D. Budgets and Budgetary Accounting

The District uses the following procedures in establishing the budgetary data reflected in the financial statements:

1. Prior to October 15, the District staff submits to the Board 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. A "Notice of Budget" is published when the budget is received.
2. Public hearings are held to obtain taxpayer comments.
3. Prior to December 15, the Board shall adopt, by resolution, the budget for the ensuing fiscal year and shall certify the tax levy to the Board of County Commissioners.
4. On or before December 31, the Board shall pass an annual appropriating resolution in which such sums of money shall be appropriated as the Board deems necessary to defray all expenses and liabilities of the District during the ensuing year.
5. The District's budgets are adopted on a basis consistent with generally accepted accounting principles for governmental entities. Annual appropriated budgets are adopted for all funds. The level of control in the budget at which expenditures exceed appropriations is at the fund level.
6. After adoption of the budget ordinance, the District may make by ordinance the following changes: a) supplemental appropriations to the extent of revenues in excess of the estimated budget; b) emergency appropriations; c) reduction of appropriations for which originally estimated revenues are insufficient.

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7. Expenditures may not legally exceed appropriations at the fund level. Board approval is required for changes in the total budget of any fund. Budget amounts included in the financial statements are based on final legally amended budgets.
8. Budget appropriations lapse at the end of each year.

The District legally adopted annual budgets for all of the District's funds for 2019. Supplemental appropriations increased original budget appropriations by \$13,932 for the general fund and by \$50,629 for the capital improvement fund.

E. Restricted Assets and Classification of Fund Balance

Assets are reported as restricted when limitations on their use change the nature or normal understanding of the availability of the asset. Such constraints are either imposed by creditors, contributors, grantors, laws of other governments, or imposed by enabling legislation. It is the District's policy to use restricted assets first when an expense is incurred for which both restricted and unrestricted assets are available.

In the governmental fund financial statements fund balance is reported in five classifications.

Nonspendable: Nonspendable is that portion of fund balance that that are not in spendable form, for example prepaid expenses or inventories. The District has nonspendable fund balance at year end arising from prepaid expenses.

Restricted: The Colorado Constitution as amended by TABOR (see separate statutory compliance note) requires local governments to establish emergency reserves to be used for declared emergencies only. Emergencies, as defined by TABOR, exclude economic conditions, revenue shortfalls, or salary or fringe benefit increases. It is the District's policy to use restricted fund balance first when an expense is incurred for which both restricted and unrestricted fund balance are available.

Committed: Committed is that portion of fund balance that has been committed by the highest level of formal action of the District's Board of Directors and does not lapse at year-end. The District does not have any committed fund balance at year end. It is the District's policy to use committed fund balance first when an expense is incurred for which both restricted and unrestricted fund balance are available.

Assigned: Assignments of fund balance are designated by District management. Fund balance in the Capital Improvements Fund is assigned for future capital improvements. Fund balance in the Debt Service Fund is assigned for future debt service.

Unassigned: Fund balance that has not been reported in any other classification is reported as unassigned.

F. Property Taxes Receivable and Deferred Revenue

Property taxes are levied on December 15, and attach as an enforceable lien on property on January 1st of the following year, payable in either one installment (no later than April 30th) or two equal installments (not later than February 28th and June 15th) without interest or penalty. Taxes not paid within the prescribed time bear interest at the rate of one percent (1%) per month until paid. Unpaid amounts and the accrued interest thereon become delinquent on June 16th. Property taxes are levied and collected on behalf of the District by Pitkin and Eagle Counties and are reported as revenue when received by the County Treasurers. Property taxes levied in the current year and payable in the following year are reported as a receivable at December 31; however, since the taxes are not available to pay current liabilities, the receivable is recorded as deferred revenue.

G. Capital Assets

All capital assets purchased or acquired with an original cost in excess of the capitalization thresholds set by the District are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated assets are valued at their estimated fair value on the date of the donation. Repairs and maintenance are recorded as expenditures as incurred; while additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

Equipment & Furniture	5 years
Infrastructure	10-30 years

H. Compensated Absences

Accruals for compensated absences are included in the government-wide statement of activities.

I. Use of Estimates

Management uses estimates and assumptions in preparing these financial statements in accordance with generally accepted accounting principles. Those estimates and assumptions affect the reported amounts of assets and liabilities and the reported revenues and expenses. Actual results could vary from the estimates that were used.

CASH AND INVESTMENTS

The District's policy in determining which items are treated as cash equivalents include cash, demand deposits, treasury bills, and other short-term, highly liquid investments that are readily convertible to cash and have original maturities of three months or less.

Investments are reported at fair value which is determined using selected bases. Short term investments are reported at cost which approximates fair value. Securities traded on a national or international exchange are valued at the last quoted market price. Cash deposits are reported at carrying amounts which reasonably estimates fair value.

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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. The eligible depository is required to pledge to the Colorado Division of Banking a pool of collateral having a market value that at all times exceeds 102 percent of uninsured aggregate public deposits. The eligible collateral is determined by the PDPA, which includes obligations of the United States, the State of Colorado, Local Colorado governments, and obligations secured by first lien mortgages on real property located in the state. PDPA allows the institution to create a single collateral pool for all public funds. The pool is to be maintained by another institution or held in trust for all the uninsured public deposits as a group. The State Regulatory Commission for banks and financial services is required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools.

There is no custodial credit risk for public deposits collateralized under PDPA.

In order to facilitate the recording of cash transactions and maximize interest earnings, the District has pooled cash deposits for all funds. The District maintains accountability for each fund's equity in pooled cash. Interest earnings for combined funds are generally distributed based on monthly cash balances.

At December 31, 2019, all of the District's deposits were either held in deposit accounts insured by the Federal Deposit Insurance Corporation (FDIC) or in eligible depositories as required by PDPA in accordance with state statute, and had total balances (as reflected on the bank's records, before outstanding items) on deposit of \$616,077 which was covered by FDIC insurance.

The District has not adopted a formal investment policy; however, the District invests public funds in a manner which will provide the highest investment return with the maximum security, meet daily cash flow demands, and conform to all federal, state and local statutes governing the investment of public funds. This applies to the investment of all financial assets of all funds of the District over which it exercises financial control.

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

- Obligations of the United States and certain U.S. governmental agency securities, including securities issued by FNMA (federal national mortgage association), GNMA (governmental national mortgage association), FHLMC (federal home loan mortgage corporation), the federal farm credit bank, the federal land bank, the export-import bank, and by the Tennessee Valley Authority, and certain international agency securities, including the World Bank

- General obligation and revenue bonds of U.S. local government entities, the District of Columbia, and territorial possessions of the U.S. rated in the highest two rating categories by two or more nationally recognized rating agencies

- Bankers' acceptances of certain banks

- Certain securities lending agreements

- Commercial paper

Crown Mountain Park and Recreation District
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Written repurchase agreements collateralized by certain authorized securities

Certain money market funds

Guaranteed investment contracts

Local government investment pools

The investing local government's own securities including certificates of participation and lease obligations.

Local Government Investment Pool (COLOTRUST)

Included in cash and cash equivalents is \$269,854 held in the Colorado Local Government Liquid Asset Trust (the Trust), an investment vehicle established for local government entities in Colorado to pool surplus funds. 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. A designated custodial bank serves as custodian for the Trust's portfolios pursuant to a custodian agreement. The custodian acts as safekeeping agent for the Trust's investment portfolios and provides services as the depository in connection with direct investments and withdrawals. Substantially all securities owned by COLOTRUST are held by the Federal Reserve Bank in the account maintained for the custodial bank. The custodian's internal records identify the investments owned by COLOTRUST. These pools are not required to be, and are not, registered with the SEC.

COLOTRUST's funds are rated AAAM by Standard & Poor's rating service. The custodian's internal records segregate investments owned by the Trust. As of December 31, 2019, the District had \$0 invested in COLOTRUST PRIME, and \$269,854 invested in COLOTRUST PLUS+. COLOTRUST records its investments at fair value and the District records its investments in COLOTRUST at fair value. There are no unfunded commitments, the redemption frequency is daily, and there is no redemption notice period.

Investments in local government investment pools are not categorized in terms of custodial credit risk since they are not evidenced by securities that exist in physical or book entry form.

The following is a summary of cash and cash equivalents:

	<u>Fair Value</u>
Bank deposits	\$ 611,311
COLOTRUST	269,854
	<u>\$ 881,165</u>

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Risk Disclosures

Additional investment and deposit disclosures for credit risk, interest rate risk, and foreign currency risk, as required by GASB Statement No. 40, Deposit and Investment Risk Disclosures, are included below.

To minimize custodial credit risk, or the risk that an insurer or other counterparty to an investment will not fulfill its obligations, state law limits District investments to those where the issuer is rated in one of the three highest rating categories by one or more nationally recognized organizations that rate such issuers. The District has deposits in COLOTRUST Plus+. COLOTRUST is rated AAAM by Standard & Poors.

The concentration of credit risk, or the risk of loss attributed to the magnitude of a government's investment in a single issuer, occurs when deposits are not diversified. District policy places no limit on the amount the District may invest in any one issuer; however the District maintains general guidelines for investments to ensure proper diversification by security type and institution. All District investments are issued or explicitly guaranteed by securities of the U.S. government, or insured by PDPA, or are investments in mutual fund or external investment pools, and therefore are not subject to concentration of credit risk disclosure requirements.

Interest rate risk is the extent to which changes in interest rates will adversely affect the fair value of an investment. The District maintains an investment policy that limits investment maturities to three years as means of managing its exposure to fair value losses arising from increasing interest rates and to avoid undue concentration in any sector of the yield curve. Exceptions to this structure may be allowed where maturities can be structured to accommodate readily identifiable cash flows as approved by the Board.

The District was not subject to foreign currency risk as of December 31, 2019.

FAIR VALUES OF FINANCIAL INSTRUMENTS

The District has a number of financial instruments, including cash and equivalents, receivables, and accounts payable, none of which are held for trading purposes. The District estimates that the fair values of its financial instruments at December 31, 2019 does not differ materially from the aggregate carrying values of its financial instruments recorded in the accompanying balance sheet.

CAPITAL ASSETS

A summary of changes in capital assets follows:

	<u>12/31/2018</u>	<u>Additions</u>	<u>Deletions</u>	<u>12/31/2019</u>
Non-depreciated:				
Parks - completed	\$ 5,050,928	\$ -	\$ -	\$ 5,050,928
Depreciable:				
Parks and furnishings	906,492	128,492	-	1,034,984
Buildings	510,627	-	-	510,627
Vehicles and equipment	121,656	78,615	-	200,271
Office furniture and equipment	18,821	-	-	18,821
Accumulated depreciation	(928,884)	(72,676)	-	(1,001,560)
	<u>\$ 5,679,640</u>	<u>\$ 134,431</u>	<u>\$ -</u>	<u>\$ 5,814,071</u>

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Depreciation is calculated using the straight-line method. Depreciation expense in the amount of \$72,676 was recorded for the year ended December 31, 2019 and is included in parks and recreation activities on the Statement of Activities.

LONG-TERM OBLIGATIONS

	<u>12/31/2018</u>	<u>Additions</u>	<u>Deletions</u>	<u>12/31/2019</u>	<u>Due Within One Year</u>
2012 G.O. Refunding Bonds	\$ 1,620,000	\$ -	\$ (385,000)	\$ 1,235,000	\$ 400,000
Add unamortized bond premium	80,038	-	(20,435)	59,603	-
	<u>\$ 1,700,038</u>	<u>\$ -</u>	<u>\$ (405,435)</u>	<u>\$ 1,294,603</u>	<u>\$ 400,000</u>

General Obligation Refunding Bonds - Series 2012

General Obligation Bonds in the face amount of \$3,815,000 were issued at a premium of \$216,273 with a date of April 23, 2012. The interest rate varies from 2.0% to 3.0% payable semi-annually on June 1 and December 1. Principal is due and payable on December 1. Final maturity date is December 1, 2022. The annual requirements to amortize the long-term debt are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 400,000	\$ 37,050	\$ 437,050
2021	410,000	25,050	435,050
2022	425,000	12,750	437,750
	<u>\$ 1,235,000</u>	<u>\$ 74,850</u>	<u>\$ 1,309,850</u>

All debt authorized by the District's voters has been issued.

CONTINGENCIES

During the normal course of business, the District may incur claims and other assertions against it from various agencies and individuals. Management of the District and their legal representatives represent that no claims have been asserted against the District and they are not aware of any un-asserted possible claims or litigation as of December 31, 2019.

Crown Mountain Park and Recreation District
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RISK MANAGEMENT

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

The District has elected to participate in the Colorado Special Districts Property and Liability Pool (the Pool) which is sponsored by the Special District Association of Colorado. The Pool provides property and general liability, automobile physical damage and liability, public official's liability and machinery coverage to its members. There have been no significant reductions in coverage from the prior year and settled claims have not exceeded coverage in the last three years. The District pays annual premiums to the Pool for liability, property, and public officials' liability 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. During the year ended December 31, 2019, the Pool made no distributions to the District.

A summary of audited statutory basis financial information for the Pool as of and for the year ended December 31, 2018 is as follows:

Assets	<u>\$ 63,918,422</u>
Liabilities	<u>\$ 39,345,647</u>
Surplus	<u>24,572,775</u>
	<u>\$ 63,918,422</u>
Revenues	\$ 21,881,889
Expenses	<u>22,973,705</u>
Net Income (Loss)	<u>\$ (1,091,816)</u>

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DEFINED CONTRIBUTION RETIREMENT PLAN

During 2012, the District adopted a defined contribution retirement plan for its full-time employees. In a defined contribution plan, benefits depend solely on amounts contributed on the plan participant's behalf to the plan plus investment earnings.

The plan is administered by the International City Management Association Retirement Corporation (ICMA-RC). The plan provides for retirement benefits based upon an employee's vested account. A participant is 100% vested in all contributions. Amounts forfeited by employees who leave employment before becoming fully vested are used to pay for administrative expenses of the plan. The District is required to contribute 6% of base salary. An employee may make voluntary contributions of 1% to 10%. The District's board of directors has the authority to amend the terms of the plan. Total payroll for all District employees for the year ended December 31, 2019, was \$261,579. Covered wages and contributions in 2019 were as follows:

Covered wages	\$ 211,233
District contribution	12,674
Employee contribution	16,200

INTERGOVERNMENTAL AGREEMENTS AND COMMITMENTS

Lease Agreement

The District entered into an intergovernmental lease agreement dated November 18, 2014 with Eagle County which is authorized pursuant to section 18 of Article XIV of the Colorado Constitution, Sections 32-1-1001, C.R.S. and other applicable laws. Eagle County agreed to lease to the District land upon which the District has developed the Crown Mountain Park for the purpose of providing community athletic activities and programs according to the District's service plan. The lease also includes use of a shed located on the property that is used as a maintenance shed to store vehicles, equipment and tools, and also to be used as a staff office. The term of the lease is for 25 years commencing November 18, 2014 and shall end on November 18, 2039, unless terminated earlier. If at the conclusion of the term of the agreement the County does not elect to extend the term of the agreement, the County agrees that it shall purchase from the District all fixtures and improvements constructed on the leased premises for a mutually agreed appraised value. In the event the parties agree to extend the lease term beyond the 25 years, then the County shall not be obligated to purchase District improvements and fixtures. The District has paid the County \$1 per year for the full term of this agreement.

STATUTORY COMPLIANCE

TABOR Amendment - Revenue and Spending Limitation Amendment

In November 1992, Colorado voters amended Article X of the Colorado Constitution by adding Section 20, commonly known as the Taxpayer's Bill of Rights (TABOR). TABOR contains revenue, spending, tax, and debt limitations, which apply to the State of Colorado and local governments. TABOR requires, with certain exceptions, advance voter approval for any new tax, tax rate increase, mill levy above that for the prior year, extensions of any expiring tax, or tax policy change directly causing a net tax revenue gain to any local government.

Crown Mountain Park and Recreation District
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The initial base for local government spending and revenue limits is December 31, 2002 fiscal year spending. Future spending and revenue limits are determined based on the prior year's fiscal year spending adjusted for inflation in the prior calendar year plus annual local growth. Fiscal year spending is generally defined as expenditures and reserve increases with certain exceptions. Revenue, if any, in excess of the fiscal year spending limit must be refunded in the next fiscal year unless voters approve retention of such revenue.

TABOR requires, with certain exceptions, voter approval prior to imposing new taxes, increasing a tax rate, increasing a mill levy above that for the prior year, extending an expiring tax, or implementing a tax policy change directly causing a net tax revenue gain to any local government.

During 2018, the voters in the District approved an operating mill levy increase from 1.000 mills to 2.950 mills to be used for operating and maintaining the park, funding reserves for repair and replacement of park infrastructure, and addressing community/user needs through park improvements. The District's debt service mill levy, 1.063 mills for property tax collection in 2019, will end in 2022 when the District's bonds are paid off.

Except for financing bonded debt at a lower interest rate or adding new employees to existing pension plans, TABOR requires advance voter approval for the creation of any multiple-fiscal year debt or other financial obligation unless adequate present cash reserves are pledged irrevocably and held for payments in all future fiscal years.

TABOR also requires local governments to establish emergency reserves to be used for declared emergencies only. Emergencies, as defined by TABOR, exclude economic conditions, revenue shortfalls, or salary or fringe benefit increases. These reserves are required to be 3% or more of spending (excluding bonded debt service). The required reserve at December 31, 2019 is \$20,296.

The District's management believes it is in compliance with the financial provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of its provisions, including the interpretation of how to calculate fiscal year spending limits, will require judicial interpretation.

REQUIRED SUPPLEMENTARY INFORMATION

Crown Mountain Park and Recreation District
 Budgetary Comparison Schedule
 General Fund
 For the year ended December 31, 2019

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Property taxes	\$1,063,882	\$1,063,882	\$1,051,896	\$ (11,986)
Specific ownership taxes	49,171	49,171	49,917	746
Lottery proceeds, Conservation Trust	46,582	46,582	54,339	7,757
Program fees	52,000	64,500	63,423	(1,077)
Interest income	9,667	15,002	17,112	2,110
Other income	29,439	25,235	25,403	168
Total Revenues	<u>1,250,741</u>	<u>1,264,372</u>	<u>1,262,090</u>	<u>(2,282)</u>
Expenditures				
Accounting	30,000	33,000	42,081	(9,081)
Audit	5,923	5,750	5,750	-
Director	209,700	200,000	204,913	(4,913)
Insurance - health	32,691	32,691	34,712	(2,021)
Insurance - other	16,809	17,229	13,797	3,432
Legal	3,000	3,000	3,068	(68)
Maintenance - parks	192,583	209,315	187,162	22,153
Management and consulting	35,000	35,000	23,872	11,128
Management incentives	15,250	15,250	15,632	(382)
Miscellaneous	66,511	79,289	64,498	14,791
Newsletter and website	1,000	1,000	1,093	(93)
Office expense	10,000	10,000	7,080	2,920
Payroll taxes	4,953	6,343	7,861	(1,518)
Programming	16,000	13,000	8,288	4,712
Retirement	13,582	13,000	14,103	(1,103)
Treasurers fees	39,963	39,963	39,676	287
Telephone and internet	3,690	3,690	2,953	737
Contingency	10,000	10,000	-	10,000
Total Expenditures	<u>706,655</u>	<u>727,520</u>	<u>676,539</u>	<u>50,981</u>
Excess of Revenues Over (Under) Expenditures	544,086	536,852	585,551	48,699
Other Financing Sources (Uses)				
Operating transfers in	6,036	6,984	6,984	-
Operating transfers out	(544,086)	(538,101)	(583,186)	(45,085)
Total Other Financing Sources (Uses)	<u>(538,050)</u>	<u>(531,117)</u>	<u>(576,202)</u>	<u>(45,085)</u>
Net change in fund balances	6,036	5,735	9,349	3,614
Fund balances, beginning of year	519,456	522,435	522,436	1
Fund balances, end of year	<u>\$ 525,492</u>	<u>\$ 528,170</u>	<u>\$ 531,785</u>	<u>\$ 3,615</u>

ADDITIONAL SUPPLEMENTAL INFORMATION

Crown Mountain Park and Recreation District
 Budgetary Comparison Schedule
 Capital Improvement Fund
 For the year ended December 31, 2019

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Grants and sponsorships	\$ 20,000	\$ 20,000	\$ 10,891	\$ (9,109)
Interest income	2,216	1,750	1,742	(8)
Miscellaneous revenue	-	12,673	12,673	-
Total Revenues	<u>22,216</u>	<u>34,423</u>	<u>25,306</u>	<u>(9,117)</u>
Expenditures				
Basketball and tennis courts	63,000	72,484	72,374	110
Bike park	30,000	86,000	73,104	12,896
Concession stand / restroom	12,000	7,947	9,352	(1,405)
Electricity	5,000	5,227	5,227	-
Field top dress	10,000	10,000	9,920	80
Goal set - soccer	10,000	9,191	9,191	-
Irrigation	-	1,585	1,585	-
Next50 improvements	-	3,645	3,645	-
Park maintenance equipment	104,540	102,236	102,245	(9)
Parking lot	10,000	-	-	-
Picnic areas	2,800	2,992	2,992	-
Ponds - headgate drain	40,000	44,040	44,040	-
Playground	25,000	22,448	22,448	-
Shade structure	28,000	23,174	23,174	-
Contingency	-	-	-	-
Total Expenditures	<u>340,340</u>	<u>390,969</u>	<u>379,297</u>	<u>11,672</u>
Excess of Revenues Over (Under) Expenditures	(318,124)	(356,546)	(353,991)	2,555
Other Financing Sources (Uses)				
Operating transfers in	<u>544,086</u>	<u>538,101</u>	<u>583,186</u>	<u>45,085</u>
Total Other Financing Sources (Uses)	<u>544,086</u>	<u>538,101</u>	<u>583,186</u>	<u>45,085</u>
Net Change in Fund Balances	225,962	181,555	229,195	47,640
Fund balances, beginning of year	<u>67,952</u>	<u>88,308</u>	<u>88,308</u>	-
Fund balances, end of year	<u><u>\$ 293,914</u></u>	<u><u>\$ 269,863</u></u>	<u><u>\$ 317,503</u></u>	<u><u>\$ 47,640</u></u>

Crown Mountain Park and Recreation District
 Budgetary Comparison Schedule
 Debt Service Fund
 For the year ended December 31, 2019

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Property taxes	\$ 424,111	\$ 424,111	\$ 419,332	\$ (4,779)
Specific ownership taxes	16,964	17,415	19,899	2,484
Interest income	5,252	5,750	6,198	448
Total Revenues	<u>446,327</u>	<u>447,276</u>	<u>445,429</u>	<u>(1,847)</u>
Expenditures				
Debt Service				
Principal	385,000	385,000	385,000	-
Interest	48,600	48,600	48,600	-
Other charges	250	250	200	50
Treasurers fees	15,931	15,931	15,816	115
Contingency	4,000	3,052	-	3,052
Total Expenditures	<u>453,781</u>	<u>452,833</u>	<u>449,616</u>	<u>3,217</u>
Excess of Revenues Over (Under) Expenditures	(7,454)	(5,557)	(4,187)	1,370
Other Financing Sources (Uses)				
Transfers in (out)	<u>(6,036)</u>	<u>(6,984)</u>	<u>(6,984)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(6,036)</u>	<u>(6,984)</u>	<u>(6,984)</u>	<u>-</u>
Net change in fund balances	(13,490)	(12,541)	(11,171)	1,370
Fund balances, beginning of year	38,168	39,714	39,713	(1)
Fund balances, end of year	<u>\$ 24,678</u>	<u>\$ 27,173</u>	<u>\$ 28,542</u>	<u>\$ 1,369</u>