

***ESTES VALLEY RECREATION
AND PARK DISTRICT***

FINANCIAL STATEMENTS

December 31, 2019 and 2018

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Independent Auditors' Report

Board of Directors
Estes Valley Recreation and Park District
Estes Park, Colorado

Report On The Financial Statements

We have audited the accompanying financial statements of the Estes Valley Recreation and Park District (the District), as of and for the years ended December 31, 2019 and 2018, 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits 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 auditors' 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 opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the District as of December 31, 2019 and 2018, and the changes in its financial position and its cash flows for the years 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 on pages i - viii 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, which 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 an opinion on the financial statements that collectively comprise the District's basic financial statements. The budgetary comparison schedules and reconciliation and Conservation Trust Fund - schedule of revenues, expenditures, and changes in fund balances - budget to actual are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The budgetary comparison schedules and reconciliation and Conservation Trust Fund - schedule of revenues, expenditures, and changes in fund balances - budget to actual are the responsibility of management and were derived from and relate 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, the budgetary comparison schedules and reconciliation and Conservation Trust Fund - schedule of revenues, expenditures, and changes in fund balances - budget to actual are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

RubinBrown LLP

May 12, 2020

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

This discussion and analysis of the financial performance of the Estes Valley Recreation and Park District (the District) provides an overview of the District's financial activities for the fiscal year ended December 31, 2019. Please read in conjunction with the financial statements and accompanying notes.

FINANCIAL HIGHLIGHTS

The District's net position increased by \$1,384,224 or 7.2%. During the year, the District's operating revenues increased by \$499,886 or 13.2% and operating expenses decreased by \$40,148 (1% less than the previous year).

In November 2015, District voters approved ballot issues 4C and 4D for construction and operation of a Community Center. Ballot issue 4D authorized issuance of \$19,830,000 in General Obligation Bonds to finance construction. These funds were combined with 1A sales tax revenue from the Town of Estes Park, and supplemental (grant) funds, to construct and equip the \$27 million, 70,000 square foot facility. The building site for the new facility was conveyed to the District in 2016 by the Estes Park R-3 School District. The conveyance also included the existing aquatics facility. (See Financial Statement Note 3.) Construction of the new Community Center was completed in early 2018, and the grand opening was held March 3, 2018.

Following is a Capital Summary for 2019 and looking ahead to 2020:

Facility	2019 Capital Additions / Work in Progress	2020 Budgeted Capital Additions
Campgrounds (Mary's Lake ML; East Portal EP)	▪ Replaced roof, windows, doors and decks on ML camp store ▪ ML phase 1 shade shelters ▪ ML road/entry improvement ▪ Utility vehicle replacements (2) ▪ ML firewood/storage shed completion	▪ ML upper loop electric service ▪ ML loop A stairs, pool ADA access ▪ ML Phase 2 shade shelters ▪ ML phase 2 road/entry improvement ▪ EP firewood/storage shed ▪ EP & ML playground improvements ▪ Utility vehicle replacements (2)
Community Ctr/Aquatics	▪ Outdoor furniture and planters ▪ Blinds on west wall to reduce sun glare in gymnasium	▪ Technology upgrades for virtual programming and digital messaging
Golf courses	▪ Equipment replacements – utility vehicle and top dresser ▪ 18H parking lot improvements	▪ Equipment replacements – utility vehicle, over seeder, tee mower, rough mower, beverage cart ▪ Restaurant equipment replacements
Marina	▪ Pontoon boat replacement ▪ Replaced flooring in store	▪ Pontoon boat replacement ▪ Seasonal water line to pavilion ▪ Dock replacement engineering
Parks and Trails	▪ Stanley Park ○ Ballfield laser leveling ○ Phase 2 picnic table replacements ○ Zipline purchase ▪ Dog park improvements – water, fencing, equipment ▪ Range shelters at Common Point	▪ Stanley Park ○ Master plan execution strategy ○ Ballfield dugout roofs ○ Phase 3 picnic table replacements ○ Replace tennis courts, skate park ○ Bike park enhancements ▪ Fall River Trail connection

- Financial Statement Note 7 describes Capital Lease obligations of the District. No new leases were added in 2019.
- In 2008 Ballot question 4C was approved by voters to increase tax revenue by 1.200 mills for District operations. The new revenue was to make funds available for Community Center operations, the Aquatics Center, Stanley Park, trails, fleet equipment and pine beetle abatement/tree maintenance. The mill levy in 2009-2014 was increased by .973 mills to support expenses in those areas, excluding Community Center operations. Funds for the Aquatic Center were utilized to offset operating costs which are no longer cost-shared by the School District. Funds for trail development have been utilized to leverage GOCO trails funding, complete a trails master plan, set aside for future trails, and for ongoing maintenance of trails within the District. Trees were treated for pine beetle, and new trees were planted. A portion was used to purchase/lease a variety of fleet equipment. Starting in 2015, in anticipation of moving forward with development of the Community Center, the District levied the remaining .227 mills for Community Center operating funds, and set aside \$75,890 in 2015 property tax receipts for this purpose. The District began incurring operating expenses (staff and program planning services) for the Community Center in 2016, and set aside an additional \$62,816 for future years' operating costs. These funds were utilized in 2017 to continue ramping up staff and operational programming, and in 2018 and 2019 for operations.
- In April 2014 the electors of the Town of Estes Park passed Ballot Issue 1A, which provided for the collection and distribution by the Town of a portion of the Town's sales tax for the construction and equipping of a community center, including facilities for senior services. Following the District's successful November 2015 election for funding and operation of the Estes Valley Community Center, the District and Town negotiated an IGA for transfer of the 1A funds to the project (see Financial Statement Note 2). For the year ended December 31, 2019, the amount of 1A funds collected by the Town and transferred to the District for this purpose was \$816,967.
- In November 2015, District voters approved ballot issues 4C and 4D for construction and operation of a Community Center. Ballot issue 4C provided for up to \$200,000/year in operating funds for 10 years. The District began levying this amount in 2018.
- The District continued its Assistance Agreement with the Bureau of Reclamation for implementing physical changes to existing facilities to meet requirements of the Americans with Disabilities Act and maintaining Bureau of Reclamation properties the District manages. The 2019 activity under this agreement was limited to noxious weed spraying around Lake Estes.
- In addition to federal funding from the Bureau of Reclamation and FEMA flood recovery grants, the District received the following grants, contributions and donations during 2019:
 - o Cost sharing totaling \$17,932 by the Estes Park Gun and Archery Club for construction of shelters at Common Point Shooting Range.
 - o Transfers from the Estes Valley Rec & Park Foundation totaling \$14,595 for Community Center memberships and youth sports scholarships, as well as dog park improvements.
 - o Contribution of \$7,651 by Families for Estes for a zipline in Stanley Park.
 - o Safety grant funds totaling \$4,233 from CO Special Districts Property & Liability Pool.
 - o Grants totaling \$3,984 from Larimer County Office on Aging to support senior programming.
 - o Contribution of \$1,500 by the Arts District for Circus Camp equipment.
 - o Contributions totaling \$1,453 from private citizens for placement of memorial benches.

- In 2013, the Board adopted a continuing goal of increasing reserves by at least \$50,000 per year. The reserve amount at December 31, 2019 was \$3,309,026, a \$547,929 increase from the December 31, 2018 balance of \$2,761,097. Approximately \$1,063,000 of these reserves is designated for trail development and maintenance; \$470,136 is set aside as improvement or program funds; \$300,632 is Conservation Trust Fund designated; \$95,404 TABOR reserve; and the remaining \$1,379,854 available for operations.
- In 2019, the District implemented additional systems and controls, performance measures, and compliance with laws and regulations systems via policies and procedures including a Board of Directors Code of Ethics.
- The recent outbreak of a novel coronavirus (COVID-19) and the ensuing detrimental effects on the U.S. economy are likely to cause disruption to the flow and timing of the District's revenue. Further, operations are likely to be disrupted by worker absenteeism, quarantines, or other travel- or health-related restrictions as a result of COVID-19 outbreaks. The state of Colorado issued Public Health Order 20-22 closing certain businesses effective March 16, 2020 through April 30, 2020. Public Health Order 20-24 requiring citizens to stay at home as much as possible was issued effective March 26, 2020 through April 26, 2020. These orders may be extended, changed, ended, or replaced. As of the report date, the financial impact to the District is not estimable.

USING THIS FINANCIAL REPORT

This annual financial report consists of three parts:

- Management's Discussion and Analysis
- Financial Statements
- Supplementary notes that provide additional information to some of the information in the financial statements.

REQUIRED FINANCIAL STATEMENTS

The financial statements of the District reflect accounting methods similar to those used by private sector companies. These statements offer important, transparent financial information about the District and its activities.

Statement of Net Position

The Statement of Net Position provides information about the nature and amounts of investments in resources (assets) and obligations to District creditors (liabilities). The Statement of Net Position is one way to measure the District's financial position.

Statement of Revenues, Expenses, and Changes in Fund Net Position

This statement measures the results of the District's operations during the past year. The statement presents the income and expenses of the District and enables the reader to determine whether the District has successfully recovered its costs through user fees and other revenues.

Statement of Cash Flows

The final required financial statement is the Statement of Cash Flows. This statement provides the reader with information about the sources and uses of the District's cash during the year. The statement includes cash activity for operations, non-capital financing activities, capital and related financing activities and investing activities. The statement provides a comprehensive summary to the changes in cash and cash equivalents for the District during the fiscal year.

FINANCIAL ANALYSIS OF THE DISTRICT

One of the most important questions asked about the District's finances is, "Is the District as a whole better off or worse off as a result of this year's activities?" The Statement of Net Position and the Statement of Revenues, Expenses, and Changes in Fund Net Position report information about the District's activities in a way that can help answer that question. These two statements report the District's net position and changes in it. Over time, increases or decreases in the District's net position are indicators of whether its financial health is improving. However, other non-financial factors, such as changes in economic conditions, population changes and, specifically for the District, severe weather changes, must also be considered.

NET POSITION

As part of our analysis, we provide a summary of the District's Statement of Net Position as presented below.

Summarized Statement of Net Position

	2019	2018	\$ Change	2018	2017	\$ Change
Current Assets	\$ 7,681,561	\$ 6,747,664	\$ 933,897	\$ 6,747,664	\$ 12,781,399	\$ (6,033,735)
Capital Assets	37,140,876	38,219,932	(1,079,056)	38,219,932	35,319,991	2,899,941
Total Assets	44,822,437	44,967,596	(145,159)	44,967,596	48,101,390	(3,133,794)
Current Liabilities	1,768,219	1,778,858	(10,639)	1,778,858	4,509,990	(2,731,132)
Long-term Liabilities	19,600,191	21,177,175	(1,576,984)	21,177,175	22,661,585	(1,484,410)
Total Liabilities	21,368,410	22,956,033	(1,587,623)	22,956,033	27,171,575	(4,215,542)
Deferred Inflows of Resources	2,750,656	2,692,416	58,240	2,692,416	2,692,986	(570)
Net Position						
Net Investment in Capital Assets	16,211,812	15,732,697	479,115	15,732,697	15,779,818	(47,121)
Restricted:						
Debt Service	163,460	101,872	61,588	101,872	94,671	7,201
Tabor Reserve	95,404	96,520	(1,116)	96,520	48,534	47,986
Unrestricted	4,232,695	3,388,058	844,637	3,388,058	2,313,806	1,074,252
Total Net Position	20,703,371	19,319,147	1,384,224	19,319,147	18,236,829	1,082,318
Total Liabilities, Deferred Inflows and Net Position	\$ 44,822,437	\$ 44,967,596	\$ (145,159)	\$ 44,967,596	\$ 48,101,390	\$ (3,133,794)

As seen in the summary, the District's total net position increased by \$1,384,224 in 2019. The reduction in current assets correlates to the increase in capital assets and the reduction in liabilities (payment of debt, construction-related payables and final closeout of construction retainage.)

While the Statement of Net Position shows the change in financial position of the District, the Statement of Revenues, Expenses, and Changes in Fund Net Position provides the information as the source of this overall change.

ACTIVITIES

A summary of the District's Statement of Revenues, Expenses, and Changes in Fund Net Position is presented below:

Summarized Statement of Revenues, Expenses, and Changes in Fund Net Position

	2019	2018	\$ Change	2018	2017	\$ Change
Operating Revenues	\$ 4,288,453	\$ 3,787,718	\$ 500,735	\$ 3,787,718	\$ 2,810,812	\$ 976,906
Nonoperating Revenues	3,919,632	3,917,936	1,696	3,917,936	4,692,241	(774,305)
Total Revenues	8,208,085	7,705,654	502,431	7,705,654	7,503,053	202,601
Operating Expenses	4,790,894	4,829,373	(38,479)	4,829,373	3,612,322	1,217,051
Depreciation	1,411,264	1,182,177	229,087	1,182,177	430,760	751,417
Non-Operating Expenses	621,703	611,786	9,917	611,786	573,937	37,849
Total Expenses	6,823,861	6,623,336	200,525	6,623,336	4,617,019	2,006,317
Increase (Decrease) in Net Position before Contributions	1,384,224	1,082,318	301,906	1,082,318	2,886,034	(1,803,716)
Contributed Capital	-	-	-	-	-	-
Change in Net Position	1,384,224	1,082,318	301,906	1,082,318	2,886,034	(1,803,716)
Beginning Net Position	19,319,147	18,236,829	1,082,318	18,236,829	15,350,795	2,886,034
Ending Net Position	\$ 20,703,371	\$ 19,319,147	\$ 1,384,224	\$ 19,319,147	\$ 18,236,829	\$ 1,082,318

As displayed above, the District's net position increased by \$1,384,224. 2019 operating revenues increased proportionate to a full vs. partial year of operations for the new Community Center, and fee increases for the Golf and Marina departments. Operating expenses were down slightly in comparison to 2018, which included a significant amount of ramp-up expenses for the Community Center.

BUDGETARY HIGHLIGHTS

The Colorado State Law requires that the District adopt a budget and appropriate funds for the following year by December 15th of each year. If an amendment is necessary, the Board of Directors will approve a supplemental appropriation at a public hearing and file it with the State of Colorado. The Board of Directors approved such an appropriation at the November 19, 2019 meeting.

CAPITAL ASSETS

At December 31, 2019, the District had \$37.1 million invested in a broad range of property and equipment, net of accumulated depreciation. The following schedule summarizes the District's property and equipment, and changes from 2018 to 2019, and 2017 to 2018:

	2019	2018	\$ Change	2018	2017	\$ Change
Non-Depreciable Assets	\$ 2,311,100	\$ 2,289,322	\$ 21,778	\$ 2,289,322	\$ 28,242,810	\$ (25,953,488)
Depreciable Assets	41,034,731	40,747,096	287,635	40,747,096	10,744,596	30,002,500
Accumulated Depreciation	(6,204,955)	(4,816,486)	(1,388,469)	(4,816,486)	(3,667,415)	(1,149,071)
Total Depreciable Assets, Net	34,829,776	35,930,610	(1,100,834)	35,930,610	7,077,181	28,853,429
Total Capital Assets, Net	\$ 37,140,876	\$ 38,219,932	\$ (1,079,056)	\$ 38,219,932	\$ 35,319,991	\$ 2,899,941

LONG-TERM DEBT

CAPITAL LEASE OBLIGATIONS

The District entered into two lease-purchase agreements during each of the years 2014 and 2015, and one agreement in each of the years 2016-2018. Appropriations for lease payments are made annually and do not extend beyond the current year. The related capital assets have been recorded in the statement of net assets as capital assets. The following summary outlines change in capital lease obligations from 2018 to 2019 and from 2017 to 2018.

	2019	2018	\$ Change	2018	2017	\$ Change
Total Long-term Lease Obligations	\$ 2,180,161	\$ 2,755,579	\$ (575,418)	\$ 2,755,579	\$ 3,206,256	\$ (450,677)

GENERAL OBLIGATION BONDS

As described in the Financial Highlights above, and in Note 8 in the Financial Statements, on November 3, 2015, District voters approved Ballot Issues 4C and 4D regarding the construction and operation of a Community Recreation Center. Ballot Issue 4D authorized the District to issue \$19,830,000 in General Obligation Bonds to finance construction of the Community Center. The District issued \$9,000,000 in bonds for this project during 2015, and \$10,830,000 in 2016. Both bond issues were sold at a premium, and have interest rates ranging from 3.00 to 5.00%, with maturity dates ranging from 2016 to 2035. The following summary outlines the change in bonds payable from 2018 to 2019 and 2017 to 2018.

	2019	2018	\$ Change	2018	2017	\$ Change
Total Bonds Payable	\$ 17,050,000	\$ 17,785,000	\$ (735,000)	\$ 17,785,000	\$ 18,490,000	\$ (705,000)

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET RATES

The 2020 budget reflects an increase in campgrounds fees and continued revenue growth for the Community Center. Capital expenses include several improvement projects in Stanley Park, a portion of which will be funded by transfers from Conservation Trust Fund reserves and project-specific grants.

The Board of Directors considers many factors when setting the District's budget, including user fees and charges. During the 2020 budget process, an increase in campgrounds fees was enacted; other fees were not materially changed from the prior year. Operating revenues for 2020 have been budgeted conservatively to recognize the unknowns of weather, visitation, natural and pandemic disasters, and general economic conditions.

The 2020 budgeted revenues exceed expenditures. The Board has appropriated funds for 2020 compared to 2019 appropriations as follows:

	2020	2019	\$ Change	2019	2018	\$ Change
Fees and Charges	\$ 4,461,998	\$ 4,145,403	\$ 316,595	\$ 4,145,403	\$ 3,869,270	\$ 276,133
Conservation Trust/Lottery	60,000	53,000	7,000	53,000	53,000	-
Taxes	2,954,456	2,865,825	88,631	2,865,825	2,891,177	(25,352)
Interest Income	92,500	75,500	17,000	75,500	93,700	(18,200)
Transfer from (to) Reserves	91,403	(3,615)	95,018	(3,615)	3,781,477	(3,785,092)
Bond/Lease Proceeds	-	-	-	-	-	-
Other	907,475	665,825	241,650	665,825	785,011	(119,186)
Total Revenues	8,567,832	7,801,938	765,894	7,801,938	11,473,635	(3,671,697)
Operating Expenses	4,963,444	4,846,518	116,926	4,846,518	4,797,212	49,306
Conservation Trust/Lottery	-	-	-	-	-	-
Interest Expense	66,345	77,396	(11,051)	77,396	86,645	(9,249)
Bond Issue Costs/Reserves	45,624	53,125	(7,501)	53,125	(8,716)	61,841
Capital Lease Payments	585,672	574,927	10,745	574,927	569,315	5,612
Bond Debt Service	1,495,600	1,495,000	600	1,495,000	1,493,200	1,800
Capital Outlay	1,254,000	628,000	626,000	628,000	4,388,674	(3,760,674)
Reserves & Contingencies	110,295	106,387	3,908	106,387	108,690	(2,303)
Total Expenses	\$ 8,520,980	\$ 7,781,353	\$ 739,627	\$ 7,781,353	\$ 11,435,020	\$ (3,653,667)

DISTRICT ASSESSED VALUATIONS, MILL LEVIES AND PROPERTY TAX COLLECTIONS

The following summaries provide historical analysis of assessed valuations, mill levies and actual property tax collections for the District.

History of District's Assessed Valuation

Levy / Collection Year	Boulder County	Larimer County	Total	Percent Change
2010/2011	\$7,153,060	\$338,609,280	\$345,762,340	
2011/2012	6,777,763	331,482,300	\$338,260,063	-2.17%
2012/2013	6,826,660	330,589,160	\$337,415,820	-0.25%
2013/2014	6,404,578	314,576,380	\$320,980,958	-4.87%
2014/2015	6,352,917	303,171,420	\$309,524,337	-3.57%
2015/2016	7,020,065	337,864,366	\$344,884,431	11.42%
2016/2017	6,963,622	339,602,502	\$346,566,124	0.49%
2017/2018	7,295,538	362,165,198	\$369,460,736	6.61%
2018/2019	7,180,061	362,617,046	\$369,797,107	0.09%
2019/2020	8,049,377	415,324,211	\$423,373,588	14.49%

History of District's Mill Levy

Levy / Collection Year	General Fund	Temporary Tax Credit	Bond Fund	Capital / Special	Abatements	Total Mill Levy
2010/2011	1.781	(0.427)	-	0.973	0.012	2.339
2011/2012	1.781	(0.359)	-	0.973	0.030	2.425
2012/2013	1.781	(0.328)	-	0.973	0.012	2.438
2013/2014	1.781	(0.205)	-	0.973	0.008	2.557
2014/2015	1.781	(0.095)	-	1.200	0.006	2.892
2015/2016	1.781	(0.203)	3.900	1.200	0.008	6.686
2016/2017	1.781	(0.162)	4.167	1.200	0.021	7.007
2017/2018	1.781	(0.207)	3.777	1.724	0.215	7.290
2018/2019	1.781	(0.150)	3.909	1.723	0.018	7.281
2019/2020	1.781	(0.323)	3.350	1.648	0.041	6.497

Historical Property Tax Collections

Levy / Collection Year	Total Taxes Levied	Total Taxes Collected	Percent of Levy Collected
2009/2010	\$ 801,079	\$ 792,716	98.96%
2010/2011	808,738	806,183	99.68%
2011/2012	820,281	815,186	99.38%
2012/2013	822,619	819,743	99.65%
2013/2014	820,749	815,235	99.33%
2014/2015	895,145	889,497	99.37%
2015/2016	2,305,864	2,290,197	99.32%
2016/2017	2,428,543	2,419,333	99.62%
2017/2018	2,692,986	2,681,145	99.56%
2018/2019	2,692,416	2,682,796	99.64%

For further information regarding these reports, please contact Tom Carosello, Executive Director, Estes Valley Recreation & Park District, P.O. Box 1379, Estes Park, Colorado 80517, (970)586-8191.

ESTES VALLEY RECREATION AND PARK DISTRICT
STATEMENT OF NET POSITION
December 31, 2019 and 2018

<u>ASSETS</u>	<u>2019</u>	<u>2018</u>
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 557,926	\$ 417,492
Investments	3,062,808	2,620,122
Restricted Purpose Investments	796,639	525,302
Accounts Receivable	196,415	174,855
Property Taxes Receivable	2,750,656	2,692,416
Inventories	124,951	117,879
Prepaid Expenses and Other Assets	192,166	199,598
Total Current Assets	<u>7,681,561</u>	<u>6,747,664</u>
CAPITAL ASSETS		
Non-depreciable	2,311,100	2,289,322
Depreciable, Net of Accumulated Depreciation	34,829,776	35,930,610
Total Capital Assets	<u>37,140,876</u>	<u>38,219,932</u>
 Total Assets	 <u>44,822,437</u>	 <u>44,967,596</u>
 <u>LIABILITIES</u>		
CURRENT LIABILITIES		
Accounts Payable	163,029	140,810
Accrued Payroll and Related Liabilities	56,770	49,586
Compensated Absences	91,908	86,121
Unearned Revenue	127,639	192,282
Current Portion Capital Lease Liabilities	563,873	575,059
Current Portion Bonds Payable	765,000	735,000
Total Current Liabilities	<u>1,768,219</u>	<u>1,778,858</u>
 LONG-TERM LIABILITIES		
General Obligation Bonds	16,285,000	17,050,000
Bond Premium	1,698,903	1,946,655
Capital Lease Liabilities	1,616,288	2,180,520
Total Long-Term Liabilities	<u>19,600,191</u>	<u>21,177,175</u>
 Total Liabilities	 <u>21,368,410</u>	 <u>22,956,033</u>
 <u>DEFERRED INFLOWS OF RESOURCES</u>		
Unavailable Revenue - Property Taxes	2,750,656	2,692,416
 <u>NET POSITION</u>		
Net Investment in Capital Assets	16,211,812	15,732,698
Restricted:		
Debt Service	163,460	101,872
TABOR Reserve	95,404	96,520
Unrestricted	4,232,695	3,388,057
Total Net Position	<u>\$ 20,703,371</u>	<u>\$ 19,319,147</u>

ESTES VALLEY RECREATION AND PARK DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN FUND NET POSITION
For the Years Ended December 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
OPERATING REVENUES		
Fees and Charges	\$ 4,204,925	\$ 3,770,464
Other	83,528	17,254
Total Operating Revenues	<u>4,288,453</u>	<u>3,787,718</u>
OPERATING EXPENSES		
General and Administrative	763,931	728,319
Parks	210,616	323,624
Campgrounds	554,930	539,530
Community Center	1,498,015	1,506,482
Golf Courses and Pro Shop	1,163,659	1,222,321
Recreation	232,322	237,427
Marina	367,421	271,670
Total Operating Expenses	<u>4,790,894</u>	<u>4,829,373</u>
LOSS FROM OPERATIONS BEFORE DEPRECIATION	(502,441)	(1,041,655)
Depreciation	<u>(1,411,264)</u>	<u>(1,182,177)</u>
NET LOSS FROM OPERATIONS	<u>(1,913,705)</u>	<u>(2,223,832)</u>
NON-OPERATING REVENUES (EXPENSES)		
Interest Expense	(589,805)	(611,786)
Taxes	2,916,439	2,912,358
Intergovernmental Revenues	822,281	844,934
Interest Income	104,355	103,720
Conservation Trust Funds	64,057	56,672
Other Income	12,500	252
Other Expense	(31,898)	—
Total Non-Operating Revenues (Expenses)	<u>3,297,929</u>	<u>3,306,150</u>
CHANGES IN NET POSITION	1,384,224	1,082,318
NET POSITION, Beginning of Year	<u>19,319,147</u>	18,236,829
NET POSITION, End of Year	<u>\$ 20,703,371</u>	<u>\$ 19,319,147</u>

ESTES VALLEY RECREATION AND PARK DISTRICT
STATEMENT OF CASH FLOWS
For the Years Ended December 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash Received from Customers	\$ 4,144,010	\$ 4,253,437
Cash Payments for Operation and Supplies, Goods and Services	(2,105,044)	(5,065,488)
Cash Payments to Employees	(2,650,300)	(2,648,311)
Net Cash Used in Operating Activities	<u>(611,334)</u>	<u>(3,460,362)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:		
Intergovernmental Receipts	822,281	844,934
Property Taxes Received	2,916,439	2,912,358
Net Cash Provided by Non-Capital Financing Activities	<u>3,738,720</u>	<u>3,757,292</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Interest Paid on Leases and Bonds	(791,399)	(870,403)
Lottery Proceeds	64,057	56,672
Capital Lease Payments	(575,418)	(559,493)
Bond Principal Payments	(735,000)	(705,000)
Proceeds from Sale of Capital Assets	6,000	2,295
Bond/Capital Lease Proceeds	—	108,816
Acquisition of Capital Assets	(332,208)	(4,087,354)
Net Cash Used in Capital and Related Financing Activities	<u>(2,363,968)</u>	<u>(6,054,467)</u>
CASH FLOW FROM INVESTING ACTIVITIES:		
Investment Sales	2,755,475	8,989,264
Investment Purchases	(3,469,498)	(3,331,554)
Interest Received	91,039	103,720
Net Cash Provided by Investing Activities	<u>(622,984)</u>	<u>5,761,430</u>
NET INCREASE IN CASH	140,434	3,893
CASH AND CASH EQUIVALENTS, Beginning of Year	417,492	413,599
CASH AND CASH EQUIVALENTS, End of Year	\$ 557,926	\$ 417,492
RECONCILIATION OF NET LOSS FROM OPERATIONS TO NET CASH USED IN OPERATING ACTIVITIES:		
Net Loss from Operations	(1,913,705)	(2,223,832)
Adjustments to Reconcile Net Loss from Operations to Net Cash Provided by (Used in) Operating Activities:		
Depreciation	1,411,264	1,182,177
Changes in Assets and Liabilities:		
Property Tax Receivable	(58,240)	570
Accounts Receivable	(21,560)	359,150
Inventories	(7,072)	(6,849)
Prepaid Expenses	7,432	26,969
Accounts Payable	22,219	(2,933,133)
Unearned Revenue	(64,643)	105,999
Accrued Payroll and Related Liabilities	7,184	16,725
Compensated Absences	5,787	11,862
Net Cash Used in Operating Activities	<u>\$ (611,334)</u>	<u>\$ (3,460,362)</u>

ESTES VALLEY RECREATION AND PARK DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2019 and 2018

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Estes Valley Recreation and Park District (the District) have been prepared in conformity with U.S. Generally Accepted Accounting Principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant District accounting policies are described below.

The accounting system of the District is organized as a single enterprise fund. An enterprise fund accounts for operations that are financed and operated in a manner similar to a private business enterprise where the intent of the District is that the costs (expenses, including depreciation) of providing services to the general public on a continuing basis be financed or recovered primarily through user charges. The acquisition, maintenance, and improvement of the physical plant facilities required to provide these services are financed from existing cash resources, the issuance of bonds, and other District funds.

A. Financial Reporting Entity

The District was organized in 1955 under provisions of Colorado statutes to provide recreation programs and facilities, including golf courses, a marina, and an aquatic center, and to maintain parks and provide recreation and related services for the residents of - and visitors to - the Estes Valley. The District was originally created under the name of the Rocky Mountain Metropolitan Recreation District. In 1985, its title was changed to the District's current name. The District follows GASB accounting pronouncements which provide guidance for determining which governmental activities, organizations, and functions should be included within the reporting entity. GASB pronouncements set forth the financial accountability of a governmental organization's elected governing body as the basic criterion for including a possible component governmental organization in a primary government's legal entity. Financial accountability includes, but is not limited to, appointment of a voting majority of the organization's governing body, ability to impose its will on the organization, a potential for the organization to provide specific financial benefits or burdens and fiscal dependency.

ESTES VALLEY RECREATION AND PARK DISTRICT

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A. Financial Reporting Entity (Continued)

In 2018, the District established the Estes Valley Recreation and Park Foundation (the Foundation). The Foundation is a 501(c)(3) nonprofit organization established to improve park facilities, support youth programs, and provide financial assistance to low-income residents. The District's accountability for the Foundation does not extend beyond making appointments to the Board of Directors. Members of the District's Board of Directors may serve on the Board of the Foundation and provide some financial and operational influence, but they do not serve in a controlling capacity. The Foundation is considered a related organization. During 2019, the District donated \$31,898 to the Foundation for the purpose of awarding youth scholarships and equipment.

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

B. Measurement Focus, Basis of Accounting, and Basis of Presentation

Enterprise-fund accounting is utilized in accordance with GAAP for governmental units. Revenues and expenses are recognized on the accrual basis of accounting. Revenue is recognized when earned, and expenses are recognized when incurred.

Entitlements and shared revenues are recorded at the time of receipt. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met.

C. Assets, Liabilities, Deferred Inflows, and Net Position

Cash and Cash Equivalents and Investments

The District considers highly liquid investments purchased with an original maturity of three months or less to be cash equivalents. The carrying value of cash and cash equivalents approximates fair value because of the short maturities of these financial instruments. Investments are reported at fair value.

Receivables

Property taxes are levied and certified by the County Treasurer in December of the current year. On January 1 of the following year, the County Treasurer bills the property owners, thus establishing an enforceable lien on the property.

ESTES VALLEY RECREATION AND PARK DISTRICT

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Assets, Liabilities, Deferred Inflows, and Net Position (Continued)

The County Treasurer collects the determined taxes during the ensuing calendar year. The taxes are payable by April 30 or, if in equal installments, at the taxpayer's election, on February 28 and June 15.

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

Revenue from grants is recognized in the period in which all eligibility requirements have been satisfied.

Inventories

Inventories held at the golf courses are valued on an average cost basis and the remainder of the District inventory is valued on the FIFO (first-in, first-out) basis. Inventories consist of items held for resale and supplies.

Capital Assets

Capital assets are recorded at cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value (an entry price) at the date of donation. Capital assets are depreciated using the straight-line method over the estimated useful life of three to fifty years. The capitalization threshold for the District is \$5,000.

Compensated Absences

The District allows staff to accumulate up to 35 days of vacation benefits. The expenses for these benefits are accrued in the year earned. Upon termination of employment, an employee is paid for his or her accumulated, unused vacation. The District allows staff to accumulate up to 60 days of sick leave. Accumulated sick leave is not paid upon termination of employment, except for employees who have completed at least 20 years of full-time, year-round continuous service. Employees meeting this criteria are compensated for 50% of their accumulated sick leave hours (maximum of 240 hours paid) at their rate of pay at the time of retirement or end of employment.

Long-Term Obligations

The District reports long-term debt at face value in the financial statements. Long-term debt and other obligations are reported as liabilities.

ESTES VALLEY RECREATION AND PARK DISTRICT

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Assets, Liabilities, Deferred Inflows, and Net Position (Continued)

Deferred Inflows of Resources

In addition to liabilities, the statement of net position includes a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. Property tax revenue that is related to a future period is recorded as deferred inflows. These amounts are deferred and will be recognized as an inflow of resources in the period for which the taxes are being leveled.

Net Position

Net position represents the difference between assets and liabilities and deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction, or improvement of those assets. Net position is reported as restricted when there are limitations imposed by creditors, grantors, or laws or regulations of other governments. All other net position is reported as unrestricted.

The District applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

D. Estimates

The preparation of financial statements, in accordance with GAAP, requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

E. Budgetary Information

The District budgets on a non-GAAP basis. Purchases of capital assets are shown as expenses, and depreciation of capital assets is not budgeted. All annual appropriations lapse at fiscal year end.

The operating budget includes proposed expenses and the means of financing them for the upcoming year, along with estimates for the current year and actual data for the preceding year.

ESTES VALLEY RECREATION AND PARK DISTRICT

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgetary Information (Continued)

Budgets are required by Colorado State Statute. In September, the Executive Director submits a proposed operating budget to the Board of Directors for the fiscal year beginning the following January 1. The Board reviews the budget, and a public hearing is conducted at the regular October meeting to obtain taxpayer comments. The Board adopts the budget, which makes appropriations for the next fiscal year during the November meeting.

Formal budgetary integration is employed as a management control device during the year. If the total appropriations must be revised, an official amended budget is approved, and a resolution making additional appropriations is passed.

Variances between budget and actual amounts result from the non-expenditure of reserves, non-occurrence of anticipated events, scheduling of capital projects, and normal operating variances.

F. Operations

Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the District's ongoing operations. The District's principal operating revenues are charges to customers for sales and services. Operating expenses 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 non-operating revenues and expenses.

G. Reclassification

Certain accounts in the prior-year financial statements have been reclassified for comparative purposes to conform to the presentation in the current-year financial statements.

NOTE 2: CASH DEPOSITS AND INVESTMENTS

Deposits - The Colorado Public Deposit Protection Act (PDPA) requires all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulations. Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by PDPA. 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 the uninsured public deposits as a group. The market value of the collateral must be at least equal to 102 percent of the uninsured deposits.

ESTES VALLEY RECREATION AND PARK DISTRICT

NOTE 2: CASH DEPOSITS AND INVESTMENTS (Continued)

Custodial credit risk is the risk that, in the event of a bank failure, the District's deposits may not be returned to it. As of December 31, 2019 and 2018, the District's deposits were not exposed to custodial credit risk, as all deposits were insured by the Federal Deposit Insurance Corporation and collateralized in accordance with PDPA. The District's deposit policy is to deposit funds in banks or savings institutions at eligible PDPA depositories.

At December 31, 2019 and 2018, the District's cash deposits had the following book and bank balances:

	2019		2018	
	Book	Bank	Book	Bank
Cash on Hand	\$ 1,555	\$ —	\$ 1,745	\$ —
Cash Held by County Treasurer	19,510	—	19,868	—
Collateralized Deposits	—	260,121	—	140,204
Insured Deposits	536,861	404,113	395,879	404,036
Total Deposits	<u>\$ 557,926</u>	<u>\$ 664,234</u>	<u>\$ 417,492</u>	<u>\$ 544,240</u>

Investments - Colorado Revised Statutes and the District's investment policy specify investment instruments meeting defined rating and risk criteria in which local governments may invest, which include the following:

- United States Treasury obligations;
- Certain United States Agency obligations;
- Certificates of deposit in Colorado banks or savings and loans institutions;
- Repurchase agreements collateralized by appropriate U.S. Treasury or Agency obligations; and
- Colorado investment pools.

Interest Rate Risk - The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from prevailing market interest rates but generally limits investments to maturities of one year or less.

Credit Risk - The District does not have a formal investment policy that addresses the potential of variable cash flows and related credit risk. However, the District's investments in the Colorado Government Liquid Asset Trust (COLOTRUST) Plus fund is rated AAAM by Standard & Poor's, and investments in the Colorado Surplus Asset Fund Trust (CSAFE) are rated AAAM by Standard & Poor's.

ESTES VALLEY RECREATION AND PARK DISTRICT

NOTE 2: CASH DEPOSITS AND INVESTMENTS (Continued)

At December 31, 2019 and 2018, the District had invested \$3,597,494 and \$2,994,055, respectively, in COLOTRUST. At December 31, 2019 and 2018, the District had invested \$261,953 and \$151,369, respectively, in CSAFE. COLOTRUST is valued using the net asset value per share (or its equivalent) of the investments. COLOTRUST does not have any unfunded commitments, redemption restrictions, or redemption notice periods. CSAFE is valued at amortized cost. COLOTRUST's financial statements are available at www.colotrust.com, and CSAFE's financial statements are available at www.csafe.org. The State Securities Commissioners administers and enforces all state statutes governing the trusts.

Custodial Credit Risk - The local government investment pools are investment vehicles established by state statute for local government entities in Colorado to pool surplus funds for investment purposes. The Trusts operate similarly to a money market fund, and each share is equal in value to \$1.00. The designated custodial bank provides safekeeping and depository services to the pools in connection with the direct investment and withdrawal functions of the pools. All securities owned by the pools 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 the pools. Investments of the pools consist of U.S. Treasury and U.S. Agency securities and repurchase agreements collateralized by U.S. Treasury and U.S. Agency securities and are exempt from concentration of credit risk disclosure.

Restricted Purpose Investments - In 2014, Town of Estes Park voters approved Ballot Issue 1A authorizing the Town's collection and distribution of a portion of the Town's sales tax for the construction and equipping of a community center. As described in Note 8 - Bonds Payable, the District issued general obligation bonds for the purpose of funding the construction of a Community Center. Town of Estes Park 1A Sales Tax funds designated for Community Center capital lease repayment and equipment purchases are deposited and held in a separate account until expended (see Note 6 - Operating Agreements). Interest earnings on this account are added to project funds. The Community Center Project Account is held at COLOTRUST.

The District also established a Bond Debt Service Account at CSAFE for the purpose of segregating and distributing property taxes collected for bond debt service.

Monthly property tax collections are deposited into this account and semi-annual bond interest and annual bond principal payments are distributed from this account via wire transfer. Interest earnings on this account are added to funds available for debt service. Any property taxes collected in excess of current-year debt service requirements are held in this account as a reserve for future-years' debt service.

ESTES VALLEY RECREATION AND PARK DISTRICT

NOTE 2: CASH DEPOSITS AND INVESTMENTS (Continued)

At December 31, 2019 and 2018, the District's investments are as follows:

	2019	2018	Maturity Date
COLOTRUST - General	\$ 2,964,315	\$ 2,570,625	N/A
COLOTRUST - Community Center Project Account	633,179	423,430	N/A
Total COLOTRUST	3,597,494	2,994,055	
CSAFE - General	98,493	49,497	N/A
CSAFE - Bond Debt Service Account	163,460	101,872	N/A
Total CSAFE	261,953	151,369	
Total Investments	\$ 3,859,447	\$ 3,145,424	

NOTE 3: CAPITAL ASSETS

A summary of changes in capital assets for the year ended December 31, 2019 is as follows:

	12/31/2018	Additions	Deletions	Transfers	12/31/2019
Non-Depreciable Capital Assets					
Water Rights	\$ 118,435	\$ —	\$ —	\$ —	\$ 118,435
Easements	4,794	—	—	—	4,794
Land	2,115,572	—	—	—	2,115,572
Construction in Progress	50,521	40,258	—	(18,480)	72,299
Total Non-Depreciable	2,289,322	40,258	—	(18,480)	2,311,100
Depreciable Assets					
Buildings and Improvements	37,901,455	196,594	—	18,480	38,116,529
Vehicles	282,999	—	—	—	282,999
Equipment	2,562,642	95,356	(22,795)	—	2,635,203
Total Depreciable Assets	40,747,096	291,950	(22,795)	18,480	41,034,731
Accumulated Depreciation	(4,816,486)	(1,411,264)	22,795	—	(6,204,955)
Total Depreciable Capital Assets, Net	35,930,610	(1,119,314)	—	18,480	34,829,776
Total Net Capital Assets	\$ 38,219,932	\$ (1,079,056)	\$ —	\$ —	\$ 37,140,876

Construction in Progress transfers are projects uncompleted as of December 31, 2018 and completed in 2019.

ESTES VALLEY RECREATION AND PARK DISTRICT

NOTE 3: CAPITAL ASSETS (Continued)

A summary of changes in capital assets for the year ended December 31, 2018 is as follows:

	12/31/2017	Additions	Deletions	Transfers	12/31/2018
Non-Depreciable Capital Assets					
Water Rights	\$ 118,435	\$ —	\$ —	\$ —	\$ 118,435
Easements	4,794	—	—	—	4,794
Land	2,115,572	—	—	—	2,115,572
Construction in Progress	26,004,009	—	—	(25,953,488)	50,521
Total Non-Depreciable	28,242,810	—	—	(25,953,488)	2,289,322
Depreciable Assets					
Buildings and Improvements	9,030,448	2,932,134	(14,615)	25,953,488	37,901,455
Vehicles	242,930	57,428	(17,359)	—	282,999
Equipment	1,471,215	1,097,792	(6,365)	—	2,562,642
Total Depreciable Assets	10,744,593	4,087,354	(38,339)	25,953,488	40,747,096
Accumulated Depreciation	(3,667,412)	(1,182,177)	33,103	—	(4,816,486)
Total Depreciable Capital Assets, Net	7,077,181	2,905,177	(5,236)	25,953,488	35,930,610
Total Net Capital Assets	\$ 35,319,991	\$ 2,905,177	\$ (5,236)	\$ —	\$ 38,219,932

Construction-in-progress transfers during 2018 primarily include the Community Center. The project was generally completed in 2018, and the correlating assets were placed into service at that time.

Depreciation expense for the years ended December 31, 2019 and 2018 is \$1,411,264 and \$1,182,177, respectively.

NOTE 4: TAX, SPENDING AND DEBT LIMITATIONS

In 1992, Colorado voters approved Amendment 1, commonly known as the Taxpayer's Bill of Rights (TABOR), which adds a new provision to Section 20, Article X, of the Colorado Constitution. TABOR contains tax, spending, revenue, and debt limitations which apply to the State of Colorado and all local governments. TABOR limits increases in revenues and expenditures to the rate of inflation and local growth. TABOR requires, with certain exceptions, voter approval prior to imposing new taxes, increasing taxes or spending above the limits prescribed above, increasing a mill levy, extending an expiring tax, or implementing a tax policy change directly causing a net tax revenue gain to any local government.

Multiple fiscal year debt requires voter approval except for bond refinancing at lower interest rates.

In November 1999, District voters elected to lift restrictions with regard to fee collection for the District effective January 1, 2000. The amendment is complex and subject to judicial interpretation. The District believes it is materially in compliance with the requirements of this amendment.

ESTES VALLEY RECREATION AND PARK DISTRICT

NOTE 4: TAX, SPENDING AND DEBT LIMITATIONS (Continued)

For budgetary purposes, the District separates TABOR enterprise revenues from other revenues. TABOR requires local governments to establish emergency reserves that must be at least 3% of fiscal spending, excluding bonded debt service, to be used only for declared emergencies. “Emergency” does not include economic conditions, revenue shortfalls, or District salary or fringe benefit increases. Fiscal year spending does not include TABOR enterprise defined revenues. The District has restricted \$95,404 and \$96,520 as of December 31, 2019 and 2018, respectively, in accordance with the provisions of TABOR.

NOTE 5: RISK OF LOSS

The District is exposed to various risk of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the District has joined a public entity risk pool.

In July 1991, the District joined the Colorado Special Districts Property and Liability Pool (the Pool), a public entity risk pool currently operating as a common risk management and insurance program for member special districts in Colorado.

The District pays annual premiums to the Pool for defined property and liability coverage.

The Pool Agreement also gives the Board of Directors of the Pool the power to establish that additional contributions, at such times and in such amounts as the Board determines, are needed for the purposes of the Pool. The Board may decide to distribute surplus funds among members; however, the District did not receive any such distribution for the years ended December 31, 2019 and 2018.

The Pool also covers liquor liability, employee bonding, and workers’ compensation. The District continues to carry commercial insurance for employee health, dental, and life insurance. Settled claims have not exceeded insurance coverage in any of the past three years.

NOTE 6: OPERATING AGREEMENTS

Bureau of Reclamation

The District administers the property on which the Mary’s Lake and East Portal Campgrounds and Day Use areas, Wapiti Meadows (day-use area), the Lake Estes Marina, a portion of Stanley Park bordering Lake Estes, and the Lake Estes Golf Course are located under a Management Agreement with the Bureau of Reclamation (the Bureau). The District entered into a new Management Agreement with the Bureau on March 20, 2007 to renew the previous agreement for an additional period of 25 years, and is subject to an additional term of 25 years if both parties agree.

ESTES VALLEY RECREATION AND PARK DISTRICT

NOTE 6: OPERATING AGREEMENTS (Continued)

Community Center Facility Use and Development Agreement

The District entered into a Restrictive Covenants and Facility Use and Development Agreement incorporated into the conveyance effective December 31, 2016. The Facility Use and Development Agreement provides for School use of the competitive swimming and diving pool (Priority Use Facilities) and other portions of the Community Center gym, weight and locker rooms, meeting and performance space, and golf simulator (Scheduled Use Facilities) at no cost for a period of 40 years. In accordance with the agreement, the District collects all revenue from the operation of the Aquatic Center and is responsible for cost and expense related with operations.

Intergovernmental Agreement with Town of Estes Park Regarding the Estes Valley Community Center

On April 1, 2014, the electors of the Town of Estes Park passed Ballot Issue 1A which provided for the collection and distribution by the Town of a portion of the Town's sales tax for the construction of a community center including facilities for the Senior Center. Following the District's successful November 2015 election for funding and operation of the Estes Valley Community Center, and required progress toward center construction, the District and Town negotiated an IGA for transfer of the 1A funds to the project. The IGA transfers responsibility for delivery of Senior programming, excluding meals programs, from the Town to the District. The agreement also specifies minimum requirements for facility design as it relates to senior programming, and for the method and timing of transferring monthly 1A sales tax collections from the Town to the District.

Golf Course Lease

The District entered into an operating agreement dated January 15, 1990 with the Town of Estes Park which provided that the Town make capital improvements to the existing eighteen-hole golf course and the District lease the course from the Town. The lease was renewed for two years in 2011 and automatically renews every other January 15 for two-year periods. Under the terms of the agreement, the District is entitled to all revenues generated from its operation of the golf course. In return, the District is responsible for operational expenses of the facility. There are no annual payments required with this agreement.

The Town of Estes Park entered into a Lease-Purchase Agreement with First Security Finance, Inc., using the Estes Park Golf Course property as collateral. The purpose of the lease is to fund construction of a parking structure. Because the parking structure is on federal property (the Bureau), the Town could not use the structure itself as security for the lease. First Security Finance has been named as additional insured for the District's property and liability coverages for this property.

ESTES VALLEY RECREATION AND PARK DISTRICT

NOTE 6: OPERATING AGREEMENTS (Continued)

Golf Cart Lease

The District entered into an operating lease dated February 26, 2017 with Yamaha Motor Finance Corporation for the use of 76 DR2A EFI golf carts. The lease term commenced on May 1, 2017 and shall last 54 months. The District traded in its old fleet of carts for a reduction of the total lease amount. The lease will be amortized to lease expense ratably over the life of the contract.

Future noncancellable lease payments are as follows:

Year Ended	Amount
2020	\$ 42,770
2021	42,770

NOTE 7: CAPITAL LEASES

The District utilizes capital lease agreements to finance a portion of capital assets. Lease payments are subject to annual appropriation by the District Board.

Capital lease asset amortization is included in the District's depreciation expense for the related capital assets. A summary of the capital lease assets in place as of December 31, 2019 and 2018 are as follows:

Date of Lease	Lessor	Leased Assets/Collateral	Payment Terms	Year	Capitalized Cost	Accumulated Depreciation	Book Value	Payments Made
5/1/2015	Bank of Colorado	2 Toro Greensmowers, 1 Toro Fairway Mower, 1 Toro Utility Vehicle (leased assets are the collateral)	Quarterly 8/1/15 to 5/1/20	2019	\$ 137,588	\$ 91,725	\$ 45,862	\$ 27,989
				2018	137,588	72,070	65,518	27,989
4/17/2015	Ford Motor Company	F-250 Truck (leased asset is collateral)	Annual 4/17/15 to 4/17/19	2019	31,737	21,158	10,579	7,165
				2018	31,737	16,624	15,112	7,165
6/19/2015	Ford Motor Company	F-150 Truck (leased asset is collateral)	Annual 6/19/15 to 6/19/19	2019	30,331	19,499	10,833	6,847
				2018	30,331	15,166	15,165	6,847
2/29/2016	U.S. Bancorp	2 F-150 Ford Trucks, 1 Kubota Tractor, 1 Greensmower, 1 Bunker Rake (leased assets are collateral)	Semi-annual 8/29/16 to 2/28/21	2019	150,863	75,988	74,875	33,820
				2018	150,863	54,437	96,426	33,820
12/15/2017	Bank of Colorado	Community Center Land & Aquatics Facility (leased asset is collateral)	Quarterly 3/1/18 to 12/1/2023	2019	3,940,000	149,231	3,790,769	547,347
				2018	3,000,000	99,487	2,900,513	547,347
3/15/2018	U.S. Bancorp	Golf equipment lease (leases assets are collateral)	Quarterly 6/15/18 to 3/15/22	2019	108,816	27,204	81,612	29,155
				2018	108,816	11,659	97,157	21,866
Totals				2019	\$ 4,399,335	\$ 384,805	\$ 4,014,530	\$ 652,323
				2018	\$ 3,459,335	\$ 269,443	\$ 3,189,891	\$ 645,034

ESTES VALLEY RECREATION AND PARK DISTRICT

NOTE 7: CAPITAL LEASES (Continued)

A summary of changes in capital leases for the year ended December 31, 2019 is as follows:

	12/31/2018	Additions	Deletions	12/31/2019	Current
Capital Leases	\$2,755,579	\$ —	\$ (575,418)	\$2,180,161	\$ 563,873

A summary of changes in capital leases for the year ended December 31, 2018 is as follows:

	12/31/2017	Additions	Deletions	12/31/2018	Current
Capital Leases	\$3,206,256	\$ 108,816	\$ (559,493)	\$2,755,579	\$ 575,059

The following are the minimum required capital lease payments as of December 31, 2019:

Year Ended	Principal	Interest	Total
2020	\$ 563,873	\$ 60,435	\$ 624,308
2021	550,700	42,510	593,210
2022	528,398	26,238	554,636
2023	537,190	10,199	547,389
Total	\$ 2,180,161	\$ 139,382	\$ 2,319,543

NOTE 8: BONDS PAYABLE

As described in Note 4, Tax, Spending and Debt Limitations, multiple fiscal year debt requires voter approval except for bond refinancing at lower interest rates. On November 3, 2015, District voters approved Ballot Issues 4C and 4D regarding the construction and operation of a Community Center. Ballot Issue 4D authorized the District to issue \$19,830,000 in General Obligation Bonds to finance construction of the Community Center. The District issued \$9,000,000 in bonds for this project during 2015. The bonds were sold at a premium of \$943,937, with an interest rate of 4.00%, and have maturity dates ranging from 2028 to 2035. The District issued the remaining \$10,830,000 in bonds for this project during 2016. The bonds were sold at a premium of \$1,770,003, with interest rates ranging from 3.00 to 5.00%, and maturity dates ranging from 2016 to 2028. Interest payments are due on June 1 and December 1 each year. Principal payments are due annually on December 1, beginning in 2016.

A summary of bonds payable for the year ended December 31, 2019 is as follows:

Series	Issue Amount	Maturity Date	Interest Rate	Year-end Balance
2015	\$ 9,000,000	2028-2035	4%	\$ 9,000,000
2016	\$ 10,830,000	2016-2028	3.00% - 5.00%	\$ 8,050,000

ESTES VALLEY RECREATION AND PARK DISTRICT

NOTE 8: BONDS PAYABLE (Continued)

A summary of bond activity for the year ended December 31, 2019 is as follows:

	12/31/2018	Additions	Reductions	12/31/2019	Due Within One Year
Premium	\$ 1,946,655	\$ —	\$ (247,752)	\$ 1,698,903	\$ —
Bonds	\$ 17,785,000	\$ —	\$ (735,000)	\$ 17,050,000	\$ 765,000

A summary of bond activity for the year ended December 31, 2018 is as follows:

	12/31/2017	Additions	Reductions	12/31/2018	Due Within One Year
Premium	\$ 2,210,219	\$ —	\$ (263,564)	\$ 1,946,655	\$ —
Bonds	\$ 18,490,000	\$ —	\$ (705,000)	\$ 17,785,000	\$ 735,000

A summary of bond principal and interest payments in subsequent years is as follows:

Year	Principal	Interest	Total
2020	\$ 765,000	\$ 730,000	\$ 1,495,000
2021	795,000	699,400	1,494,400
2022	830,000	667,600	1,497,600
2023	860,000	634,400	1,494,400
2024	895,000	600,000	1,495,000
2025 - 2029	5,175,000	2,283,750	7,458,750
2030 - 2034	6,310,000	1,061,200	7,371,200
2035	1,420,000	56,800	1,476,800
	\$ 17,050,000	\$ 6,733,150	\$ 23,783,150

NOTE 9: DEFERRED COMPENSATION PLAN

The District provides a 457 deferred compensation plan for employees, administered by IMCA Retirement Corporation. Full-time employees are eligible to participate in a deferred compensation program. The District will match an eligible employee's contribution up to 4% of the employee's salary. The District contributed \$28,239 and \$22,126 in matching contributions for the years ended December 31, 2019, respectively. Employees who are participating members contributed \$48,694 and \$31,999 for the years ended December 31, 2019 and 2018, respectively.

NOTE 10: LITIGATION

From time to time, the District is subject to claims and lawsuits that arise primarily in the ordinary course of its activities. It is the opinion of management that the disposition or ultimate resolution of such claims and lawsuits will not have a material adverse effect on the net position and change in net position of the District.

ESTES VALLEY RECREATION AND PARK DISTRICT

NOTE 11: SUBSEQUENT EVENTS

The recent outbreak of a novel coronavirus (COVID-19) and the ensuing detrimental effects on the U.S. economy could cause disruption to the flow and timing of the District's revenue. Further, operations could be disrupted by worker absenteeism, quarantines, or other travel- or health-related restrictions as a result of COVID-19 outbreaks.

The state of Colorado issued Public Health Order 20-22 closing certain businesses effective March 16, 2020 through April 30, 2020. Public Health Order 20-24 requiring citizens to stay at home as much as possible was issued effective March 26, 2020 through April 26, 2020. These orders may be extended, changed, ended, or replaced. As of the report date, the financial impact to the District is not estimable.

Supplementary Information

ESTES VALLEY RECREATION AND PARK DISTRICT
BUDGETARY COMPARISON SCHEDULE (NON-GAAP)
For the Year Ended December 31, 2019

	Original Budget	Amended Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Taxes	\$ 2,865,826	\$ 2,883,229	\$ 2,916,439	\$ 33,210
Conservation Trust Funds	53,000	60,000	64,057	4,057
Intergovernmental Revenues	654,125	754,125	822,281	68,156
Parks	18,000	18,925	19,703	778
Golf Courses and Pro Shop	1,487,925	1,469,043	1,467,175	(1,868)
Recreation	114,200	91,500	87,117	(4,383)
Community Center	1,013,800	993,500	1,076,220	82,720
Marina	543,978	539,192	534,590	(4,602)
Campgrounds	967,500	1,022,480	1,020,113	(2,367)
Interest Income	75,500	98,500	104,355	5,855
Transfer (to) from Reserves	(3,615)	(179,544)	(465,157)	(285,613)
Other	11,700	84,946	83,528	(1,418)
Total Revenues	7,801,939	7,835,896	7,730,421	(105,475)
EXPENDITURES				
General and Administrative	780,371	769,182	763,931	5,251
Parks	299,685	239,859	210,616	29,243
Golf Courses and Pro Shop	1,223,519	1,176,811	1,163,659	13,152
Recreation	243,463	246,858	232,322	14,536
Community Center	1,307,524	1,499,505	1,498,015	1,490
Marina	396,896	375,738	367,421	8,317
Campgrounds	595,060	569,402	554,930	14,472
Interest Expense	837,396	837,396	838,657	(1,261)
Capital Lease Payments	574,927	574,927	575,418	(491)
Bond Principal Payments	735,000	735,000	735,000	—
Reserve and Contingencies	106,387	127,776	58,581	69,195
Bond/Lease Issue Costs	53,125	—	—	—
Capital Outlay	628,000	669,234	332,208	337,026
Total Expenditures	7,781,353	7,821,688	7,330,758	490,930
Excess of Revenues over Expenditures	\$ 20,586	\$ 14,208	\$ 399,663	\$ 385,455

ESTES VALLEY RECREATION AND PARK DISTRICT
BUDGETARY COMPARISON SCHEDULE (NON-GAAP)
For the Year Ended December 31, 2018

	Original	Amended		Variance
	Budget	Budget	Actual	Favorable (Unfavorable)
REVENUES				
Taxes	\$ 2,854,566	\$ 2,891,177	\$ 2,912,358	\$ 21,181
Conservation Trust Funds	53,000	53,000	56,672	3,672
Intergovernmental Revenues	604,125	726,535	844,934	118,399
Parks	85,300	82,045	77,518	(4,527)
Golf Courses and Pro Shop	1,367,479	1,381,247	1,376,081	(5,166)
Recreation	79,000	77,515	73,134	(4,381)
Community Center	1,272,440	851,594	759,609	(91,985)
Marina	411,439	454,794	454,480	(314)
Campgrounds	941,869	1,022,075	1,029,642	7,567
Interest Income	42,000	93,700	103,720	10,020
Transfer (to) from Reserves	2,922,727	3,781,477	3,720,484	(60,993)
Bond/Lease Proceeds	—	—	108,816	108,816
Other	20,700	58,476	17,254	(41,222)
Total Revenues	10,654,645	11,473,635	11,534,702	61,067
EXPENDITURES				
General and Administrative	683,311	731,088	728,319	2,769
Community Center	1,560,718	1,454,489	1,506,482	(51,993)
Parks	346,718	328,862	323,624	5,238
Golf Courses and Pro Shop	1,191,975	1,210,191	1,222,321	(12,130)
Recreation	253,739	242,084	237,427	4,657
Marina	277,533	275,786	271,670	4,116
Campgrounds	583,032	554,712	539,530	15,182
Interest Expense	875,667	874,845	875,350	(505)
Capital Lease Payments	581,739	569,315	559,493	9,822
Bond Principal Payments	697,417	696,284	705,000	(8,716)
Reserve and Contingencies	108,710	108,690	—	108,690
Capital Outlay	3,455,650	4,388,674	4,087,354	301,320
Total Expenditures	10,616,209	11,435,020	11,056,570	378,450
Excess of Revenues over Expenditures	\$ 38,436	\$ 38,615	\$ 478,132	\$ 439,517

ESTES VALLEY RECREATION AND PARK DISTRICT
RECONCILIATION SCHEDULE OF
REVENUES AND EXPENDITURES - NON-GAAP BUDGET
For the Years Ended December 31, 2019 and 2018

	2019	2018
RECONCILIATION		
Changes in Net Position Per Statement of Revenues, Expenses and Changes in Fund Net Position	\$ 1,384,224	\$ 1,082,318
Add:		
Items Which are Revenues for Budgetary Purposes		
Bond/Capital Lease Proceeds	—	108,816
Transfers from Reserves	—	3,720,484
Expenses Which are Not Expenditures for Budgetary Purposes:		
Depreciation	1,411,264	1,182,177
Accrued Interest Expense	(52,790)	—
Other Income	12,500	(252)
Total Additions	1,370,974	5,011,225
Deduct:		
Items Which are Expenses for Budgetary Purposes:		
Capital Lease Payments	575,418	559,493
Bond Principal Payments	735,000	705,000
Amortization of Bond Premium	247,752	263,564
Capital Outlay	332,208	4,087,354
Transfers to Reserves	465,157	—
Total Deductions	2,355,535	5,615,411
Excess of Revenues Over Expenditures - Budgetary Basis	\$ 399,663	\$ 478,132

ESTES VALLEY RECREATION AND PARK DISTRICT
 CONSERVATION TRUST FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
 BUDGET AND ACTUAL
 For the Year Ended December 31, 2019

	Original	Final	Actual	Variance - Favorable (Unfavorable)
REVENUES				
State Lottery	\$ 53,000	\$ 60,000	\$ 64,057	\$ 4,057
Interest Revenue	4,500	6,500	6,702	202
Total Revenue	<u>57,500</u>	<u>66,500</u>	<u>70,759</u>	<u>4,259</u>
EXPENDITURES				
Outdoor Range Improvements	—	7,932	7,932	—
Stanley Park Improvements	49,000	12,489	17,000	4,511
Total Expenditures	<u>49,000</u>	<u>20,421</u>	<u>24,932</u>	<u>4,511</u>
REVENUE OVER (UNDER) EXPENDITURES	<u>8,500</u>	<u>46,079</u>	<u>45,827</u>	<u>(252)</u>
FUND BALANCE, Beginning	254,805	254,805	254,805	
FUND BALANCE, Ending	<u>\$ 263,305</u>	<u>\$ 300,884</u>	<u>\$ 300,632</u>	