

SOUTH PARK – PARK AND RECREATION DISTRICT

BASIC FINANCIAL STATEMENTS

December 31, 2019

TABLE OF CONTENTS

PAGE

INTRODUCTORY SECTION

Title Page

Table of Contents

FINANCIAL SECTION

Independent Auditors' Report

Basic Financial Statements

Statement of Net Position 1

Statement of Activities 2

Balance Sheet – Governmental Funds 3

Statement of Revenues, Expenditures and Changes
In Fund Balances – Governmental Funds 4

Reconciliation of the Statement of Revenues, Expenditures and Changes
In Fund Balances of Governmental Funds to the Statement of Activities 5

Statement of Net Position – Proprietary Fund Type 6

Statement of Revenues, Expenses and Changes in Fund Net Position –
Proprietary Fund Type 7

Statement of Cash Flows – Proprietary Fund Type 8

Notes to Financial Statements 9 - 20

Required Supplementary Information

General Fund – Budgetary Comparison Schedule 21

Individual Fund Schedules

Construction Fund – Budgetary Comparison Schedule 22

Conservation Trust Fund – Budgetary Comparison Schedule 23

Recreation Fund – Budgetary Comparison Schedule 24

FINANCIAL SECTION



JOHN CUTLER & ASSOCIATES

To the Board of Directors
South Park – Park and Recreation District
Fairplay, Colorado

INDEPENDENT AUDITORS' REPORT

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the South Park – Park and Recreation District as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the Authority'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 government activities, business-type activities, each major fund, and the aggregate remaining fund information of the South Park – Park and Recreation District as of December 31, 2019, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the required supplementary information on page 21 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.

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

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 individual fund schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion the individual fund schedules are fairly stated in all material respects in relation to the financial statements as a whole.

John Cutler & Associates, LLC

June 26, 2020

BASIC FINANCIAL STATEMENTS

SOUTH PARK - PARK AND RECREATION DISTRICT

STATEMENT OF NET POSITION

As of December 31, 2019

| | GOVERNMENTAL | BUSINESS TYPE | TOTAL | |
|--|-------------------------|-------------------------|-------------------------|-------------------------|
| | <u>ACTIVITIES</u> | <u>ACTIVITIES</u> | <u>2019</u> | <u>2018</u> |
| ASSETS | | | | |
| Cash and Investments | \$ 246,418 | \$ 730 | \$ 247,148 | \$ 218,317 |
| Receivables | | | | |
| Property Taxes | 418,591 | - | 418,591 | 404,960 |
| Accounts | - | 5,909 | 5,909 | 7,548 |
| Inventory | - | 222 | 222 | 222 |
| Capital Assets, Not Depreciated | - | 304,600 | 304,600 | 304,600 |
| Capital Assets, Depreciated | | | | |
| Net of Accumulated Depreciation | <u>-</u> | <u>1,937,877</u> | <u>1,937,877</u> | <u>1,965,280</u> |
| TOTAL ASSETS | <u>665,009</u> | <u>2,249,338</u> | <u>2,914,347</u> | <u>2,900,927</u> |
| LIABILITIES | | | | |
| Accounts Payable | 491 | 9,459 | 9,950 | 6,375 |
| Accrued Expenses | - | 4,592 | 4,592 | 4,005 |
| Accrued Interest | 825 | - | 825 | 1,088 |
| Noncurrent Liabilities | | | | |
| Due within One Year | 156,000 | 8,482 | 164,482 | 153,000 |
| Due in More Than One Year | <u>322,000</u> | <u>29,229</u> | <u>351,229</u> | <u>478,000</u> |
| TOTAL LIABILITIES | <u>479,316</u> | <u>51,762</u> | <u>531,078</u> | <u>642,468</u> |
| DEFERRED INFLOWS OF RESOURCES | | | | |
| Deferred Property Tax Revenue | <u>418,591</u> | <u>-</u> | <u>418,591</u> | <u>404,960</u> |
| NET POSITION | | | | |
| Net Investment in Capital Assets | (478,000) | 2,204,766 | 1,726,766 | 1,638,880 |
| Restricted for Emergencies | 13,900 | - | 13,900 | 14,000 |
| Unrestricted | <u>231,202</u> | <u>(7,190)</u> | <u>224,012</u> | <u>200,619</u> |
| TOTAL NET POSITION | <u>\$ (232,898)</u> | <u>\$ 2,197,576</u> | <u>\$ 1,964,678</u> | <u>\$ 1,853,499</u> |

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

SOUTH PARK - PARK AND RECREATION DISTRICT

STATEMENT OF ACTIVITIES
Year Ended December 31, 2019

| <u>FUNCTIONS/PROGRAMS</u> | PROGRAM REVENUES | | | |
|---------------------------------|------------------|--------------------|----------------------|----------------------|
| <u>PRIMARY GOVERNMENT</u> | <u>EXPENSES</u> | <u>CHARGES FOR</u> | <u>OPERATING</u> | <u>CAPITAL</u> |
| Governmental Activities | | <u>SERVICES</u> | <u>GRANTS AND</u> | <u>GRANTS AND</u> |
| | | | <u>CONTRIBUTIONS</u> | <u>CONTRIBUTIONS</u> |
| General Government | \$ 23,990 | \$ - | \$ - | \$ - |
| Parks and Recreation | 22,673 | - | - | 31,318 |
| Interest on Long-Term Debt | 12,799 | - | - | - |
| Total Governmental Activities | 59,462 | - | - | 31,318 |
| Business-Type Activities | | | | |
| Recreation Center | 464,874 | 121,714 | 2,698 | - |
| Total Business-Type Activities | 464,874 | 121,714 | 2,698 | - |
| Total Primary Government | \$ 524,336 | \$ 121,714 | \$ 2,698 | \$ 31,318 |

GENERAL REVENUES

Property Taxes
Specific Ownership Taxes
Interest
Other
Transfers

TOTAL GENERAL REVENUES

CHANGE IN NET POSITION

NET POSITION, Beginning

NET POSITION, Ending

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

NET (EXPENSE) REVENUE AND
CHANGE IN NET POSITION

| GOVERNMENTAL ACTIVITIES | BUSINESS-TYPE ACTIVITIES | TOTALS | |
|----------------------------|-----------------------------|---------------------|---------------------|
| | | 2019 | 2018 |
| \$ (23,990) | \$ - | \$ (23,990) | \$ (54,330) |
| 8,645 | - | 8,645 | (1,820) |
| <u>(12,799)</u> | <u>-</u> | <u>(12,799)</u> | <u>(15,908)</u> |
| <u>(28,144)</u> | <u>-</u> | <u>(28,144)</u> | <u>(72,058)</u> |
| <u>-</u> | <u>(340,462)</u> | <u>(340,462)</u> | <u>(284,339)</u> |
| <u>-</u> | <u>(340,462)</u> | <u>(340,462)</u> | <u>(284,339)</u> |
| (28,144) | (340,462) | (368,606) | (356,397) |
| 429,553 | - | 429,553 | 421,335 |
| 32,619 | - | 32,619 | 30,147 |
| 444 | 16 | 460 | 430 |
| - | 17,153 | 17,153 | 1,688 |
| <u>(229,950)</u> | <u>229,950</u> | <u>-</u> | <u>-</u> |
| <u>232,666</u> | <u>247,119</u> | <u>479,785</u> | <u>453,600</u> |
| 204,522 | (93,343) | 111,179 | 97,203 |
| <u>(437,420)</u> | <u>2,290,919</u> | <u>1,853,499</u> | <u>1,756,296</u> |
| <u>\$ (232,898)</u> | <u>\$ 2,197,576</u> | <u>\$ 1,964,678</u> | <u>\$ 1,853,499</u> |

SOUTH PARK - PARK AND RECREATION DISTRICT

BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2019

| | GENERAL FUND | CONSTRUCTION FUND | NON-MAJOR CONSERVATION TRUST FUND | TOTAL GOVERNMENTAL FUNDS | |
|--|--------------------------|-------------------------|--|-----------------------------|--------------------------|
| | | | | 2019 | 2018 |
| ASSETS | | | | | |
| Cash and Cash Equivalents | \$ 162,717 | \$ 71,784 | \$ 11,917 | \$ 246,418 | \$ 195,149 |
| Due from Other Funds | - | - | - | - | 55,965 |
| Property Taxes Receivable | 418,591 | - | - | 418,591 | 404,960 |
| TOTAL ASSETS | <u>\$ 581,308</u> | <u>\$ 71,784</u> | <u>\$ 11,917</u> | <u>\$ 665,009</u> | <u>\$ 656,074</u> |
| LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES | | | | | |
| LIABILITIES | | | | | |
| Accounts Payable | \$ 491 | \$ - | \$ - | \$ 491 | \$ 481 |
| Due to Other Funds | - | - | - | - | 55,965 |
| TOTAL LIABILITIES | <u>491</u> | <u>-</u> | <u>-</u> | <u>491</u> | <u>56,446</u> |
| DEFERRED INFLOWS OF RESOURCES | | | | | |
| Deferred Property Tax Revenue | 418,591 | - | - | 418,591 | 404,960 |
| FUND BALANCES | | | | | |
| Restricted for Emergencies | 13,900 | - | - | 13,900 | 14,000 |
| Restricted for Debt Service | - | 71,784 | - | 71,784 | 55,965 |
| Restricted for Parks and Recreation | - | - | 11,917 | 11,917 | 3,265 |
| Unassigned | 148,326 | - | - | 148,326 | 121,438 |
| TOTAL FUND BALANCES | <u>162,226</u> | <u>71,784</u> | <u>11,917</u> | <u>245,927</u> | <u>194,668</u> |
| TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES | <u>\$ 581,308</u> | <u>\$ 71,784</u> | <u>\$ 11,917</u> | | |

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

| | | |
|---|---------------------|---------------------|
| Long-term liabilities and related assets are not due and payable in the current period and, therefore, are not reported in the funds. These include bonds payable (\$478,000) and accrued interest (\$825). | (478,825) | (632,088) |
| Net position of governmental activities | <u>\$ (232,898)</u> | <u>\$ (437,420)</u> |

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

SOUTH PARK - PARK AND RECREATION DISTRICT

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

| | GENERAL FUND | CONSTRUCTION FUND | NON-MAJOR | TOTAL GOVERNMENTAL | |
|---|------------------|----------------------|-------------------------------|--------------------|------------------|
| | | | CONSERVATION TRUST FUND | FUNDS | |
| | | | | 2019 | 2018 |
| REVENUES | | | | | |
| Taxes | \$ 274,293 | \$ 187,879 | \$ - | \$ 462,172 | \$ 451,482 |
| Intergovernmental | - | - | 31,318 | 31,318 | 27,047 |
| Interest | 437 | - | 7 | 444 | 409 |
| Other | - | - | - | - | 111 |
| TOTAL REVENUES | 274,730 | 187,879 | 31,325 | 493,934 | 479,049 |
| EXPENDITURES | | | | | |
| General Government | 17,992 | 5,998 | - | 23,990 | 54,330 |
| Parks and Recreation | - | - | 22,673 | 22,673 | 28,867 |
| Debt Service | | | | | |
| Principal | - | 153,000 | - | 153,000 | 150,000 |
| Interest and Fiscal Charges | - | 13,062 | - | 13,062 | 16,167 |
| TOTAL EXPENDITURES | 17,992 | 172,060 | 22,673 | 212,725 | 249,364 |
| EXCESS OF REVENUES OVER EXPENDITURES | 256,738 | 15,819 | 8,652 | 281,209 | 229,685 |
| OTHER FINANCING USES | | | | | |
| Transfers | (229,950) | - | - | (229,950) | (225,000) |
| TOTAL OTHER FINANCING USES | (229,950) | - | - | (229,950) | (225,000) |
| NET CHANGE IN FUND BALANCES | 26,788 | 15,819 | 8,652 | 51,259 | 4,685 |
| FUND BALANCES, Beginning | 135,438 | 55,965 | 3,265 | 194,668 | 189,983 |
| FUND BALANCES, Ending | \$ 162,226 | \$ 71,784 | \$ 11,917 | \$ 245,927 | \$ 194,668 |

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

SOUTH PARK - PARK AND RECREATION DISTRICT

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

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

| | |
|--|--------------------------|
| Net change in fund balances - total governmental funds | \$ 51,259 |
| Repayment of bond long-term debt and related costs are reported as an expenditure in the governmental funds and decrease fund balance. For the District as a whole, however, these costs and payments reduce the liabilities or are capitalized in the statement of net position and do not result in an expense in the statement of activities. This amount is bond payments of \$153,000 and change in accrued interest \$263. | <u>153,263</u> |
| Change in net position of governmental activities | <u><u>\$ 204,522</u></u> |

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

SOUTH PARK - PARK AND RECREATION DISTRICT

STATEMENT OF NET POSITION
 PROPRIETARY FUND TYPE
 As of December 31, 2019

| | 2019 | 2018 |
|---|--------------|--------------|
| ASSETS | | |
| Current Assets | | |
| Cash and Cash Equivalents | \$ 730 | \$ 23,168 |
| Accounts Receivable | 5,909 | 7,548 |
| Inventory | 222 | 222 |
| Total Current Assets | 6,861 | 30,938 |
| Noncurrent Assets | | |
| Capital Assets, net of accumulated depreciation | 2,242,477 | 2,269,880 |
| TOTAL ASSETS | 2,249,338 | 2,300,818 |
| LIABILITIES | | |
| Current Liabilities | | |
| Accounts Payable | 9,459 | 5,894 |
| Accrued Expenses | 4,592 | 4,005 |
| Current Portion of Long Term Debt | 8,482 | - |
| Total Current Liabilities | 22,533 | 9,899 |
| Noncurrent Liabilities | | |
| Loan Payable | 29,229 | - |
| TOTAL LIABILITIES | 51,762 | 9,899 |
| NET POSITION | | |
| Investment in Capital Assets | 2,204,766 | 2,269,880 |
| Unrestricted | (7,190) | 21,039 |
| TOTAL NET POSITION | \$ 2,197,576 | \$ 2,290,919 |

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

SOUTH PARK - PARK AND RECREATION DISTRICT

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

| | <u>2019</u> | <u>2018</u> |
|---------------------------|---------------------|---------------------|
| OPERATING REVENUES | | |
| Charges for Services | \$ 118,250 | \$ 116,855 |
| Facility Rental | 3,464 | 4,612 |
| Miscellaneous | 17,153 | 1,577 |
| | <u>138,867</u> | <u>123,044</u> |
| OPERATING EXPENSES | | |
| Operations | 386,433 | 330,302 |
| Depreciation | 78,441 | 79,408 |
| | <u>464,874</u> | <u>409,710</u> |
| OPERATING LOSS | <u>(326,007)</u> | <u>(286,666)</u> |
| NON-OPERATING REVENUES | | |
| Interest Income | 16 | 21 |
| Grant Revenue | 2,698 | 3,904 |
| | <u>2,714</u> | <u>3,925</u> |
| NET LOSS BEFORE TRANSFERS | <u>(323,293)</u> | <u>(282,741)</u> |
| TRANSFER IN | <u>229,950</u> | <u>225,000</u> |
| NET INCOME (LOSS) | (93,343) | (57,741) |
| NET POSITION, Beginning | <u>2,290,919</u> | <u>2,348,660</u> |
| NET POSITION, Ending | <u>\$ 2,197,576</u> | <u>\$ 2,290,919</u> |

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

SOUTH PARK - PARK AND RECREATION DISTRICT

STATEMENT OF CASH FLOWS
 PROPRIETARY FUND TYPE
 Year Ended December 31, 2019

Increase (Decrease) in Cash and Cash Equivalents

| | 2019 | 2018 |
|--|--------------|--------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Cash Received from Customers | \$ 140,506 | \$ 123,156 |
| Cash Paid to Suppliers | (154,199) | (130,426) |
| Cash Paid to Employees | (228,082) | (197,698) |
| Net Cash Used by Operating Activities | (241,775) | (204,968) |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | | |
| Purchase of Capital Assets | (51,038) | (2) |
| Grant Revenue | 2,698 | 3,904 |
| Lease Proceeds | 45,890 | - |
| Lease Payments | (8,179) | (24,238) |
| Transfers from Other Funds | 229,950 | 225,000 |
| Net Cash Provided by Capital and Related Financing Activities | 219,321 | 204,664 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Interest Received | 16 | 21 |
| Net Decrease in Cash and Cash Equivalents | (22,438) | (283) |
| CASH AND CASH EQUIVALENTS, Beginning | 23,168 | 23,451 |
| CASH AND CASH EQUIVALENTS, Ending | \$ 730 | \$ 23,168 |
| RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES | | |
| Operating Loss | \$ (326,007) | \$ (286,666) |
| Adjustments to Reconcile Operating Loss to Net Cash Used by Operating Activities | | |
| Depreciation and Amortization | 78,441 | 79,408 |
| Changes in Assets and Liabilities | | |
| Accounts Receivable | 1,639 | 112 |
| Accounts Payable | 3,565 | 1,824 |
| Accrued Expenses | 587 | 354 |
| Total Adjustments | 84,232 | 81,698 |
| Net Cash Used by Operating Activities | \$ (241,775) | \$ (204,968) |

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

SOUTH PARK – PARK AND RECREATION DISTRICT

NOTES TO FINANCIAL STATEMENTS

December 31, 2019

NOTE 1: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The South Park – Park and Recreation District (the “District”) is a quasi-governmental entity organized and operated pursuant to the Colorado Special Districts Act. The District was established in 1999 to provide parks and recreation facilities to residents of the District. The District is located in Park County, Colorado.

The accounting policies of the District conform to generally accepted accounting principles as applicable to governments. Following is a summary of the more significant policies.

Reporting Entity

In accordance with governmental accounting standards, the South Park – Park and Recreation District has considered the possibility of inclusion of additional entities in its basic financial statements.

The definition of the reporting entity is based primarily on financial accountability. The District is financially accountable for organizations that make up its legal entity. It is also financially accountable for legally separate organizations if District officials appoint a voting majority of the organization’s governing body and either it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the District. The District may also be financially accountable for governmental organizations that are fiscally dependent upon it.

Based on the application of these criteria, the District does not include additional organizations in its reporting entity.

Government-Wide and Fund Financial Statements

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

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

SOUTH PARK – PARK AND RECREATION DISTRICT

NOTES TO FINANCIAL STATEMENTS

December 31, 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Government-Wide and Fund Financial Statements (Continued)

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when the liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

Property taxes, specific ownership taxes, and interest associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the District.

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

SOUTH PARK – PARK AND RECREATION DISTRICT

NOTES TO FINANCIAL STATEMENTS

December 31, 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

In the fund financial statements, the District reports the following major governmental funds:

The *General Fund* is the District's primary operating fund. It accounts for all financial resources of the District, except those required to be accounted for in another fund.

The *Construction Fund* accounts for proceeds set aside and expenditures made for certain projects designated by the District's Board of Directors.

The District reports the following major proprietary fund:

The *Recreation Fund* accounts for the financial activities associated with the operation of the recreation center.

Cash and Investments

Cash equivalents include investments with original maturities of three months or less.

Receivables

Receivables are reported net of an allowance for doubtful accounts.

Prepaid Expenses

Payments made to vendors for services that will benefit future periods are recorded as prepaid expenses. An expenditure is reported in the year in which the services are consumed.

SOUTH PARK – PARK AND RECREATION DISTRICT

NOTES TO FINANCIAL STATEMENTS

December 31, 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital Assets

Capital assets, which include property and equipment, are reported in the business-type activities column in the government-wide and proprietary fund financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Property and equipment of the District is depreciated using the straight line method over the following estimated useful lives:

| | |
|----------------------------|---------------|
| Buildings and Improvements | 15 – 30 years |
| Equipment and Vehicles | 3 – 10 years |

Unearned Revenues

Unearned revenues represent membership dues for the next fiscal year, which have been received in the current fiscal year.

Long-Term Obligations

In the government-wide financial statements long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net position.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

In the government-wide financial statements, bond issue costs and bond discounts are capitalized and amortized on a straight-line basis over the life of the bonds. These costs are reported in the applicable program expense section in the statement of activities.

SOUTH PARK – PARK AND RECREATION DISTRICT

NOTES TO FINANCIAL STATEMENTS

December 31, 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Net Position

The government-wide and business-type fund financial statements utilize a net position presentation. Net position is categorized as investment in capital assets, restricted, and unrestricted.

Investment in Capital Assets is intended to reflect the portion of net position which are associated with non-liquid, capital assets less outstanding capital asset related debt. The net related debt is the debt less the outstanding liquid assets and any associated unamortized cost.

Restricted Net Position are liquid assets, which have third party limitations on their use.

Unrestricted Net Position represent assets that do not have any third-party limitation on their use. While District management may have categorized and segmented portion for various purposes, the Board of Directors has the unrestricted authority to revisit or alter these managerial decisions.

Fund Balance Classification

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

- Restricted – This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation. The District has classified Emergency Reserves as being restricted because their use is restricted by State Statute for declared emergencies and has classified the fund balance of the *Construction Fund* as restricted because its use is restricted for the repayment of long-term debt. The District also reports the fund balance in the *Conservation Trust Fund* as restricted for park and recreation projects.
- Committed – This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Board of Directors. These amounts cannot be used for any other purpose unless the Board of Directors removes or changes the specified use by taking the same type of action (ordinance or resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements.

SOUTH PARK – PARK AND RECREATION DISTRICT

NOTES TO FINANCIAL STATEMENTS

December 31, 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Balance Classification (Continued)

The District did not have any committed resources as of December 31, 2019.

- Unassigned – This classification includes the residual fund balance for the General Fund. The Unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of Assigned fund balance amounts.

The District would typically use restricted fund balances first, followed by committed resources, and then assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend Unassigned.

Deferred Inflows of Resources

In addition to liabilities, the statement of financial position and balance sheets will sometimes report a separate section for deferred inflows or resources. This separate financial statement element, *deferred inflow of resources*, represents an acquisition of net position and fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

Property Taxes

Property taxes are levied on November 1 and attach as an enforceable lien on property on January 1. Taxes are payable in full on April 30 or in two installments on February 28 and June 15. The County Treasurer's office collects property taxes and remits to the District on a monthly basis.

Since property tax revenues are collected in arrears during the succeeding year, a receivable and corresponding deferred revenue are recorded at December 31. As the tax is collected in the succeeding year, the deferred revenue is recognized as revenue and the receivable is reduced.

Comparative Data

Comparative total data for the prior year has been presented in the accompanying financial statements in order to provide an understanding of changes in the District's financial position and operations. However, complete comparative data in accordance with generally accepted accounting principles has not been presented since its inclusion would make the financial statements unduly complex and difficult to read.

SOUTH PARK – PARK AND RECREATION DISTRICT

NOTES TO FINANCIAL STATEMENTS

December 31, 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Comparative Data (Continued)

Data in these columns do not present financial position or results of operations in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

NOTE 2: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgets and Budgetary Accounting

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

- In the fall of each year, the District staff submits to the Board of Directors a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.
- Public hearings are conducted to obtain taxpayer comments.
- Prior to December 31, the budget is legally enacted through passage of an ordinance.
- Any revisions that alter the total expenditures of any fund must be approved by the Board of Directors.
- Budgets are legally adopted for all funds of the District. Budgets for the General, Conservation Trust, and Construction Funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). The Budgetary comparison presented for the Recreation Fund is presented on a non-GAAP budgetary basis. Capital outlay and depreciation are not budgeted.
- Budgeted amounts in the financial statements are as originally adopted or as amended by the Board of Directors. All appropriations lapse at year end. Colorado governments may not exceed budgeted appropriations by fund.

Legal Compliance

The actual expenditure of the Recreation Fund exceeded the budgeted amount by \$30,397. This may be a violation of State Statute.

SOUTH PARK – PARK AND RECREATION DISTRICT

NOTES TO FINANCIAL STATEMENTS

December 31, 2019

NOTE 3: DEPOSITS AND INVESTMENTS

A summary of deposits and investments as of December 31, 2019 follows:

| | |
|---------------|--------------------------|
| Petty Cash | \$ 433 |
| Cash Deposits | <u>246,716</u> |
| Total | <u>\$ 247,148</u> |

The above amounts are classified in the statement of net position as follows:

| | |
|--------------------------|--------------------------|
| Governmental Activities | \$ 246,418 |
| Business-Type Activities | <u>730</u> |
| Total | <u>\$ 247,148</u> |

Deposits

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. 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 regulations. At December 31, 2019, State regulatory commissioners have indicated that all financial institutions holding deposits for the District are eligible public depositories. Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by the 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% of the uninsured deposits.

The District has no policy regarding custodial credit risk for deposits.

At December 31, 2019, the District had deposits with financial institutions with a carrying amount of \$246,716. The bank balances with the financial institutions were \$246,359. All of these balances were covered by federal depository insurance.

Investments

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 increasing interest rates.

SOUTH PARK – PARK AND RECREATION DISTRICT

NOTES TO FINANCIAL STATEMENTS
December 31, 2019

NOTE 3: DEPOSITS AND INVESTMENTS (Continued)

Credit Risk

Colorado statutes specify in which instruments the units of local government may invest, which include:

- Obligations of the United States and certain U.S. government agency securities
- General obligation and revenue bonds of U.S. local government entities
- Bankers’ acceptances of certain banks
- Local government investment pools
- Certain money market funds
- Guaranteed investment contracts

The above investments are authorized for all funds and fund types used by Colorado municipalities. The District does not have any investments requiring categorization as of December 31, 2019.

NOTE 4: CAPITAL ASSETS

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

| | <u>Balances</u> <u>12/31/18</u> | <u>Additions</u> | <u>Deletions</u> | <u>Balances</u> <u>12/31/19</u> |
|--|------------------------------------|--------------------|------------------|------------------------------------|
| Business-type Activities | | | | |
| Capital Assets, not depreciated | | | | |
| Land and land improvements | \$ 304,600 | \$ - | \$ - | \$ 304,600 |
| Capital Assets, depreciated | | | | |
| Buildings and Improvements | 2,456,805 | - | - | 2,456,805 |
| Equipment and Vehicles | <u>613,658</u> | <u>51,038</u> | - | <u>664,696</u> |
| Total Capital Assets, depreciated | <u>3,070,463</u> | <u>51,038</u> | - | <u>3,121,501</u> |
| Less Accumulated Depreciation | | | | |
| Buildings and Improvements | 744,953 | 51,617 | - | 796,570 |
| Equipment and Vehicles | <u>360,230</u> | <u>26,824</u> | - | <u>387,054</u> |
| Total Accumulated Depreciation | <u>1,105,183</u> | <u>78,441</u> | - | <u>1,183,624</u> |
| Total Capital Assets, depreciated, Net | <u>1,965,280</u> | <u>(27,403)</u> | - | <u>1,937,877</u> |
| Business-type Activities, Capital Assets, Net | <u>\$ 2,269,880</u> | <u>\$ (27,403)</u> | <u>\$ -</u> | <u>\$ 2,242,477</u> |

Depreciation expense was charged entirely to the Recreation Center Program.

SOUTH PARK – PARK AND RECREATION DISTRICT

NOTES TO FINANCIAL STATEMENTS

December 31, 2019

NOTE 5: LONG-TERM DEBT

Governmental Activities

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

| | <u>Balance</u> <u>12/31/18</u> | <u>Additions</u> | <u>Payments</u> | <u>Balance</u> <u>12/31/19</u> | <u>Due In</u> <u>One Year</u> |
|---------------|-----------------------------------|------------------|-------------------|-----------------------------------|----------------------------------|
| Bonds Payable | <u>\$ 631,000</u> | <u>\$ -</u> | <u>\$ 153,000</u> | <u>\$ 478,000</u> | <u>\$ 156,000</u> |

Bonds Payable

In 2002, the District issued \$2,000,000 of general obligation bonds (A bonds) and \$300,000 of Supplemental “B” Interest Registered Coupons. The proceeds from the sale of the bonds were used to finance the construction, acquisition, and equipping of a community recreation center and to pay certain costs of issuance of the bonds. Interest rates on the A bonds range from 3.25% to 5.3%, payable June 1 and December 1. The A bonds mature through 2022 commencing December 1, 2007. The Interest Coupons matured in various increments on December 1 from 2003 to 2006. These bonds were currently refunded in 2017.

In November of 2017, the District issued General Obligation Refunding Bonds, Series 2017. The proceeds of the bonds were used to currently refund the 2002 bonds. None of the previous bonds are outstanding as of December 31, 2017. The interest rate on the General Obligation Series 2017 refunded bonds are 2.07% payable June 1 and December 1. The bonds mature in 2022.

| <u>Year Ended December 31,</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|--|--------------------------|-------------------------|--------------------------|
| 2020 | \$ 156,000 | \$ 9,895 | \$ 165,895 |
| 2021 | 159,000 | 6,665 | 165,665 |
| 2022 | <u>163,000</u> | <u>3,374</u> | <u>166,374</u> |
| Total Debt Service Requirements | <u>\$ 478,000</u> | <u>\$ 19,934</u> | <u>\$ 497,934</u> |

SOUTH PARK – PARK AND RECREATION DISTRICT

NOTES TO FINANCIAL STATEMENTS

December 31, 2019

NOTE 5: LONG-TERM DEBT (Continued)

Business-Type Activities

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

| | <u>Balance</u> <u>12/31/18</u> | <u>Additions</u> | <u>Payments</u> | <u>Balance</u> <u>12/31/19</u> | <u>Due In</u> <u>One Year</u> |
|--------------|-----------------------------------|--------------------|--------------------|-----------------------------------|----------------------------------|
| Capital Loan | \$ <u> -</u> | \$ <u> 45,890</u> | \$ <u> 8,179</u> | \$ <u> 37,711</u> | \$ <u> 8,482</u> |

Capital Loan

On January 9, 2019, the District entered into a Government Obligation Contract with KS StateBank to purchase fitness equipment. Principal and interest payments in the amount of \$900.86 are due monthly on the 9th of each month through December 2023.

| <u>Year Ended December 31,</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|--|---------------------------|---------------------------|---------------------------|
| 2020 | \$ 8,482 | \$ 2,329 | \$ 10,811 |
| 2021 | 9,083 | 1,727 | 10,810 |
| 2022 | 9,728 | 1,083 | 10,811 |
| 2023 | <u>10,418</u> | <u>392</u> | <u>10,810</u> |
| Total Debt Service Requirements | \$ <u> 37,711</u> | \$ <u> 5,531</u> | \$ <u> 43,242</u> |

NOTE 6: INTERFUND BALANCES AND TRANSFERS

Transfers

Interfund transfers for the year ended December 31, 2017, were comprised of the following:

| <u>Transfers In</u> | <u>Transfers Out</u> | <u>Amount</u> |
|---------------------|----------------------|----------------------------|
| Recreation Fund | General Fund | \$ <u> 229,950</u> |

The General Fund transferred funds to the Recreation Fund to assist in the cost of operating the recreation center.

SOUTH PARK – PARK AND RECREATION DISTRICT

NOTES TO FINANCIAL STATEMENTS

December 31, 2019

NOTE 7: RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; injuries to employees; and natural disasters. The District participates in the Colorado Special District Self Insurance Pool for property and liability coverage. The Pool insures property and liability exposures through contributions made by member districts.

The District does not maintain an equity interest in the self-insurance pool. The District funds its pool contributions, outside insurance purchases, deductibles, and uninsured losses through the General Fund. The District carries commercial insurance for potential workers compensation claims. Claims have not exceeded insurance coverage for the last three years.

NOTE 8: COMMITMENTS AND CONTINGENCIES

Tabor Amendment

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

The District has established an emergency reserve, representing 3% of qualifying expenditures, as required by the Amendment. At December 31, 2019, the emergency reserve of \$13,900 was recorded in the General Fund.

NOTE 9: SUBSEQUENT EVENTS

Potential subsequent events were considered through June 26, 2020. It was determined that the following event is required to be disclosed through this date.

Covid-19

As a result of the coronavirus pandemic (COVID-19), economic uncertainties may have economic implications on the financial position, results of operations and cash flows of the District. The duration of these uncertainties and the ultimate financial effects cannot be estimated at this time.

REQUIRED SUPPLEMENTARY INFORMATION

SOUTH PARK - PARK AND RECREATION DISTRICT

GENERAL FUND
 BUDGETARY COMPARISON SCHEDULE
 Year Ended December 31, 2019

| | 2019 | | VARIANCE Positive (Negative) | 2018 ACTUAL |
|---|---------------------------------|-------------------|------------------------------------|-------------------|
| | ORIGINAL AND FINAL BUDGET | ACTUAL | | |
| REVENUES | | | | |
| Property Taxes | \$ 204,000 | \$ 241,674 | \$ 37,674 | \$ 204,015 |
| Specific Ownership Taxes | 25,000 | 32,619 | 7,619 | 30,147 |
| Interest | 450 | 437 | (13) | 405 |
| Other | - | - | - | 111 |
| TOTAL REVENUES | <u>229,450</u> | <u>274,730</u> | <u>45,280</u> | <u>234,678</u> |
| EXPENDITURES | | | | |
| General Government | | | | |
| Professional Services | 18,810 | 10,760 | 8,050 | 5,247 |
| Election Expense | 5,000 | - | 5,000 | 32,180 |
| Office Expense | 200 | - | 200 | - |
| Treasurer Fees | 6,500 | 6,340 | 160 | 6,080 |
| Other Expenses | 13,065 | 892 | 12,173 | 4,781 |
| Contingency | 8,057 | - | 8,057 | - |
| TOTAL EXPENDITURES | <u>51,632</u> | <u>17,992</u> | <u>33,640</u> | <u>48,288</u> |
| EXCESS OF REVENUES OVER (UNDER) EXPENDITURES | <u>177,818</u> | <u>256,738</u> | <u>78,920</u> | <u>186,390</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers In | 24,000 | - | (24,000) | - |
| Transfers Out | <u>(225,000)</u> | <u>(229,950)</u> | <u>(4,950)</u> | <u>(225,000)</u> |
| TOTAL OTHER FINANCING SOURCES (USES) | <u>(201,000)</u> | <u>(229,950)</u> | <u>(28,950)</u> | <u>(225,000)</u> |
| NET CHANGE IN FUND BALANCE | (23,182) | 26,788 | 49,970 | (38,610) |
| FUND BALANCE, Beginning | <u>131,875</u> | <u>135,438</u> | <u>3,563</u> | <u>174,048</u> |
| FUND BALANCE, Ending | <u>\$ 108,693</u> | <u>\$ 162,226</u> | <u>\$ 53,533</u> | <u>\$ 135,438</u> |

See the accompanying independent auditors' report.

INDIVIDUAL FUND SCHEDULES

SOUTH PARK - PARK AND RECREATION DISTRICT

CONSTRUCTION FUND
 BUDGETARY COMPARISON SCHEDULE
 Year Ended December 31, 2019

| | 2019 | | VARIANCE Positive (Negative) | 2018 ACTUAL |
|---|---------------------------------|------------|------------------------------------|----------------|
| | ORIGINAL AND FINAL BUDGET | ACTUAL | | |
| REVENUES | | | | |
| Property Taxes | \$ 217,638 | \$ 187,879 | \$ (29,759) | \$ 217,320 |
| TOTAL REVENUES | 217,638 | 187,879 | (29,759) | 217,320 |
| EXPENDITURES | | | | |
| General Governmental | 5,893 | 5,998 | (105) | 6,042 |
| Bond Issuance Cost | - | - | - | - |
| Debt Service | | | | |
| Principal | 166,167 | 153,000 | 13,167 | 150,000 |
| Interest and Fiscal Charges | - | 13,062 | (13,062) | 16,167 |
| TOTAL EXPENDITURES | 172,060 | 172,060 | - | 172,209 |
| EXCESS OF REVENUES OVER (UNDER) EXPENDITURES | 45,578 | 15,819 | (29,759) | 45,111 |
| OTHER FINANCING USES | | | | |
| Transfers Out | (25,000) | - | 25,000 | - |
| TOTAL OTHER FINANCING SOURCES (USES) | (25,000) | - | 25,000 | - |
| NET CHANGE IN FUND BALANCE | 20,578 | 15,819 | (4,759) | 45,111 |
| FUND BALANCE, Beginning | 39,507 | 55,965 | 16,458 | 10,854 |
| FUND BALANCE, Ending | \$ 60,085 | \$ 71,784 | \$ 11,699 | \$ 55,965 |

See the accompanying independent auditors' report.

SOUTH PARK - PARK AND RECREATION DISTRICT

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

| | 2019 | | VARIANCE Positive (Negative) | 2018 ACTUAL |
|-------------------------------|---------------------------------|------------------|------------------------------------|-----------------|
| | ORIGINAL AND FINAL BUDGET | ACTUAL | | |
| REVENUES | | | | |
| State Lottery Funds | \$ 27,000 | \$ 31,318 | \$ 4,318 | \$ 27,047 |
| Interest | 4 | 7 | 3 | 4 |
| TOTAL REVENUES | <u>27,004</u> | <u>31,325</u> | <u>4,321</u> | <u>27,051</u> |
| EXPENDITURES | | | | |
| Parks and Recreation | <u>25,000</u> | <u>22,673</u> | <u>2,327</u> | <u>28,867</u> |
| NET CHANGE IN FUND BALANCE | 2,004 | 8,652 | 6,648 | (1,816) |
| FUND BALANCE, Beginning | <u>3,265</u> | <u>3,265</u> | - | <u>5,081</u> |
| FUND BALANCE, Ending | <u>\$ 5,269</u> | <u>\$ 11,917</u> | <u>\$ 6,648</u> | <u>\$ 3,265</u> |

See the accompanying independent auditors' report.

SOUTH PARK - PARK AND RECREATION DISTRICT

RECREATION FUND
 BUDGETARY COMPARISON SCHEDULE
 BUDGET (NON-GAAP) BASIS
 Year Ended December 31, 2019

| | 2019 | | VARIANCE Positive (Negative) | 2018 ACTUAL |
|--------------------------------------|---------------------------------|---------------------|------------------------------------|---------------------|
| | ORIGINAL AND FINAL BUDGET | ACTUAL | | |
| REVENUES | | | | |
| Charges for Services | \$ 127,950 | \$ 118,250 | \$ (9,700) | \$ 116,855 |
| Grants | 26,145 | 2,698 | (23,447) | 3,904 |
| Special Events | 100 | - | (100) | - |
| Facility Rental | 5,000 | 3,464 | (1,536) | 4,612 |
| Interest | 10 | 16 | 6 | 21 |
| Miscellaneous | 20,000 | 17,153 | (2,847) | 1,577 |
| Transfers In | 225,000 | 229,950 | 4,950 | 225,000 |
| TOTAL REVENUES | 404,205 | 371,531 | (32,674) | 351,969 |
| EXPENDITURES | | | | |
| Salaries and Benefits | 227,662 | 228,669 | (1,007) | 198,052 |
| Utilities | 79,680 | 90,629 | (10,949) | 78,295 |
| Supplies | 20,500 | 17,837 | 2,663 | 17,911 |
| Advertising | 200 | 740 | (540) | 245 |
| Accounting | 9,650 | 9,440 | 210 | 8,440 |
| Insurance | 11,278 | 11,279 | (1) | 10,843 |
| Other | 15,245 | 27,839 | (12,594) | 16,516 |
| Debt Service | | | | |
| Principal | - | 8,179 | (8,179) | - |
| Interest | - | - | - | - |
| TOTAL EXPENDITURES | 364,215 | 394,612 | (30,397) | 330,302 |
| NET INCOME (Budget Basis) | \$ 39,990 | (23,081) | \$ (63,071) | 21,667 |
| GAAP BASIS ADJUSTMENTS | | | | |
| Capital Outlay | | - | | - |
| Depreciation | | (78,441) | | (79,408) |
| Principal Paid on Long Term Debt | | 8,179 | | - |
| NET INCOME (LOSS), GAAP BASIS | | (93,343) | | (57,741) |
| NET POSITION, Beginning | | 2,290,919 | | 2,348,660 |
| NET POSITION, Ending | | <u>\$ 2,197,576</u> | | <u>\$ 2,290,919</u> |

See the accompanying independent auditors' report.