

CAÑON CITY AREA METROPOLITAN  
RECREATION AND PARK DISTRICT

FINANCIAL STATEMENTS

December 31, 2020



Logan and Associates, LLC  
CERTIFIED PUBLIC ACCOUNTANTS

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

## INDEPENDENT AUDITOR'S REPORT

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities and each major fund of the Cañon City Area Metropolitan Recreation and Park District (the "District") as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

#### *Management's Responsibility for the Financial Statements*

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

#### *Auditor's Responsibility*

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

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

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

## *Opinions*

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities and each major fund of the Cañon City Area Metropolitan Recreation and Park District as of December 31, 2020, and the respective changes in financial position and cash flows, where applicable, for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

## *Other Matters*

### Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, and budgetary comparison schedules on pages i – vi and on pages 22 - 24 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the GASB who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### Supplementary Information

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

The supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

*Logan and Associates, LLC*

Aurora, Colorado  
February 25, 2021

# CAÑON CITY AREA METROPOLITAN RECREATION AND PARK DISTRICT

## MANAGEMENT'S DISCUSSION AND ANALYSIS

The discussion and analysis section is intended to be an easily readable analysis of the Cañon City Area Metropolitan Recreation and Park District's financial activities based on current known facts, decisions, or conditions. This analysis focuses on the fiscal year ended December 31, 2020 and should be read in conjunction with the financial statements.

### REPORT LAYOUT

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

### BASIC FINANCIAL STATEMENTS

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

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

## DISTRICT AS A WHOLE

### **GOVERNMENT-WIDE FINANCIAL STATEMENTS**

Comparisons in this section discuss and analyze significant differences between the fiscal year 2019 and 2020. A condensed version of the statement of net position at December 31, 2019 and 2020 follows:

#### Net Position at Year-End

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Cash/Investments	\$ 979,808	\$ 796,190	\$ 278,102	\$ 267,718
Other Assets	1,006,104	843,707	2,039	2,176
Capital Assets, Net	<u>3,812,366</u>	<u>3,732,457</u>	<u>19,828</u>	<u>21,826</u>
Total Assets	<u>5,798,278</u>	<u>5,372,354</u>	<u>299,969</u>	<u>291,720</u>
Current Liabilities	257,635	68,413	7,861	11,792
Long Term Liabilities	<u>9,373</u>	<u>9,200</u>	<u>764</u>	<u>287</u>
Total Liabilities	<u>267,008</u>	<u>77,613</u>	<u>8,625</u>	<u>12,079</u>
Deferred inflows of resources				
Property Taxes	<u>816,282</u>	<u>734,820</u>	<u>-</u>	<u>-</u>
Net Position:				
Net investment in capital assets	3,812,366	3,732,457	19,828	21,826
Restricted for Tabor	34,300	30,000	-	-
Restricted for parks projects	129,193	84,154	-	-
Unrestricted	<u>739,129</u>	<u>639,991</u>	<u>271,516</u>	<u>257,815</u>
Total Net Position	<u>\$ 4,714,988</u>	<u>\$ 4,486,602</u>	<u>\$ 291,344</u>	<u>\$ 279,641</u>

#### Financial Analysis

Increased property tax revenues and grant funding in 2020 contributed to the District's greater year end position in total assets.

The replacement of the playground at Rouse Park was funded by a grant from Great Outdoors Colorado. The project was completed in late December, resulting in a higher balance in current liabilities in 2020 compared to 2019.

## GOVERNMENTAL ACTIVITIES

A condensed statement of activities for the governmental activities for the years ending December 31, 2020 and 2019 follows:

	<u>Governmental Activities</u>	
	<u>2020</u>	<u>2019</u>
Program revenues		
Charges for services	\$ 23,508	\$ 26,038
Operating grants and contributions	141,652	158,202
Capital grants and contributions	168,063	6,000
General revenues		
Property taxes	802,923	735,860
Specific ownership taxes	124,368	125,088
Unrestricted investment earnings	8,408	22,887
Grants and Contributions not Restricted to Specific Programs	11,772	-
Other	16,097	17,691
Total Revenues	<u>1,296,791</u>	<u>1,091,766</u>
Expenses		
General government	558,575	571,953
Parks and recreation	469,930	458,517
Total Expenses	<u>1,028,505</u>	<u>1,030,470</u>
Change in net position before transfers	268,286	61,296
Transfers	(39,900)	(59,100)
Change in net position after transfers	<u>228,386</u>	<u>2,196</u>
Net position, beginning of year	<u>4,486,602</u>	<u>4,484,406</u>
Net position, end of year	<u>\$ 4,714,988</u>	<u>\$ 4,486,602</u>

### Financial Analysis

Property tax revenue increased \$67,063 in 2020 because of an increase in the assessed valuation.

The Recreation District's investment earnings decreased \$14,479 from the prior year due to the COVID-19 pandemic's negative economic impact.

However, the District's general fund received \$11,310 in CARES Act funding as reimbursement for the added expenses the District incurred to continue operations while complying with COVID-19 restrictions.

Capital grants increased because the District was awarded a Great Outdoors Colorado grant to replace the playground equipment at Rouse Park.

Total expenses remained fairly static, decreasing only \$1,965 in 2020.

## BUSINESS -TYPE ACTIVITIES

A condensed statement of activities for the business-type activities for the years ending December 31, 2020 and 2019 follows:

	Business-Type Activities	
	2020	2019
Operating Revenues		
Charges for services	\$ 224,495	\$ 384,760
Operating grants and contributions	21,067	13,873
Other Revenues		
Other	6,167	11,429
Unrestricted investment earnings	1,946	4,598
Total Revenues	253,675	414,660
Expenses		
Program activities	252,948	344,945
Pool	28,924	112,770
Total Expenses	281,872	457,715
Increase/(Decrease) in net position before transfers	(28,197)	(43,055)
Transfers	39,900	59,100
Change in net position	11,703	16,045
Net position, beginning of year	279,641	263,596
Net position, end of year	\$ 291,344	\$ 279,641

### Financial Analysis

The Corona Virus Pandemic severely impacted the revenues of the District's business type activities.

In 2020 revenues decreased \$160,985 from 2019, primarily because programs and activities were cancelled. Also as a result of COVID-19 restrictions, the District's outdoor swimming pool did not open for the 2020 season.

Social distancing and other precautions negatively impacted participation numbers, and sports programming and event offerings. The District's Programs Activities Fund received \$13,305 in CARES Act funding, with the majority supporting child care operations.

In 2020, \$19,900 was transferred from the Conservation Trust Fund and \$20,000 from the General Fund (both governmental funds) to the Swimming Pool Fund (a business activity fund)

**FUND FINANCIAL STATEMENT ANALYSIS  
GENERAL FUND**

The general fund is the major operating fund of the District, providing most of the resources for the District's operations. Revenues of the general fund totaled \$ 982,845 for the year ended December 31, 2020 compared to \$914,486 for the year ended December 31, 2019. Expenditures of the general fund were \$ 897,254 for 2020 compared to \$937,444 for 2019. The following table reflects a summarization of revenues and expenditures for the general fund:

	<u>2020</u>	<u>2019</u>
Revenues		
Property taxes	\$802,923	\$735,860
Specific ownership taxes	124,368	125,088
Other	<u>55,554</u>	<u>53,538</u>
Total revenues	<u>982,845</u>	<u>914,486</u>
Expenditures		
General government	461,046	469,008
Parks and trails	436,208	412,853
Capital Outlay	<u>0</u>	<u>55,583</u>
Total expenditures	<u>897,254</u>	<u>937,444</u>
Excess (deficiency) of revenues over expenditures	85,591	(22,958)
Net Transfers	<u>25,000</u>	<u>50,000</u>
Net change in fund balance	110,591	27,042
Fund balance, beginning of year	<u>489,641</u>	<u>462,599</u>
Fund balance, end of year	<u><u>\$600,232</u></u>	<u><u>\$489,641</u></u>

Financial Analysis

The increase in total general fund revenues from 2019 to 2020 is \$68,359 due almost entirely to additional property taxes.

In 2020 the District did not make any expenditures for capital outlay in the general fund. Total expenditures were \$40,190 less in 2020 than in 2019.

Due to the COVID-19 pandemic, the District increased its expenditures in technology for remote work. This was partially offset by a reduction in costs related to travel, training and meetings.

Wage and health insurance costs also increased in 2020.

## CAPITAL ASSETS

The District's investment in capital assets, net of accumulated depreciation, for its governmental and business type activities totaled \$3,832,194 at December 31, 2020 compared to \$3,754,283 at December 31, 2019.

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Land	\$1,781,421	\$1,781,421	\$6,000	\$6,000
Intangibles	14,100	14,100	-	-
Buildings	385,273	406,480	1,225	2,449
Improvements	1,508,969	1,390,505	12,603	13,377
Equipment	122,603	139,951		-
	<hr/>	<hr/>	<hr/>	<hr/>
Subtotal	<u>3,812,366</u>	<u>3,732,457</u>	<u>19,828</u>	<u>21,826</u>
Capital Assets Net	<u><u>\$3,812,366</u></u>	<u><u>\$3,732,457</u></u>	<u><u>\$19,828</u></u>	<u><u>\$21,826</u></u>

The District's change in capital assets in governmental activities resulted from depreciation and the installation of new playground equipment at Rouse Park. For the business type activities, the change resulted from depreciation.

### FINANCIAL CONTACT

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

## **BASIC FINANCIAL STATEMENTS**

CAÑON CITY AREA METROPOLITAN RECREATION AND PARK DISTRICT

STATEMENT OF NET POSITION  
December 31, 2020

	GOVERNMENTAL ACTIVITIES	BUSINESS TYPE ACTIVITIES	TOTAL
<b>ASSETS</b>			
Cash and Investments	\$ 979,808	\$ 278,102	\$ 1,257,910
Receivables			
County Treasurer	9,669	-	9,669
Grants	154,737	-	154,737
Other	-	2,039	2,039
Property Taxes	816,282	-	816,282
Deposits	222	-	222
Prepaid Expenses	25,194	-	25,194
Capital Assets, Not Depreciated	1,795,521	6,000	1,801,521
Capital Assets, Depreciated Net of Accumulated Depreciation	<u>2,016,845</u>	<u>13,828</u>	<u>2,030,673</u>
<b>TOTAL ASSETS</b>	<u>5,798,278</u>	<u>299,969</u>	<u>6,098,247</u>
<b>LIABILITIES</b>			
Accounts Payable	207,123	3,085	210,208
Accrued Salaries and Benefits	21,642	4,011	25,653
Customer Deposits	750	-	750
Noncurrent Liabilities			
Due in One Year	28,120	765	28,885
Due in More Than One Year	<u>9,373</u>	<u>764</u>	<u>10,137</u>
<b>TOTAL LIABILITIES</b>	<u>267,008</u>	<u>8,625</u>	<u>275,633</u>
<b>DEFERRED INFLOW OF RESOURCES</b>			
Deferred Property Tax Revenue	<u>816,282</u>	<u>-</u>	<u>816,282</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	3,812,366	19,828	3,832,194
Restricted for Emergencies	34,300	-	34,300
Restricted for Parks and Recreation	129,193	-	129,193
Unrestricted	<u>739,129</u>	<u>271,516</u>	<u>1,010,645</u>
<b>TOTAL NET POSITION</b>	<u>\$ 4,714,988</u>	<u>\$ 291,344</u>	<u>\$ 5,006,332</u>

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

CAÑON CITY AREA METROPOLITAN RECREATION AND PARK DISTRICT

STATEMENT OF ACTIVITIES  
Year Ended December 31, 2020

FUNCTIONS/PROGRAMS	EXPENSES	CHARGES FOR SERVICES	PROGRAM REVENUES	
			OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS
<b>PRIMARY GOVERNMENT</b>				
<b>Governmental Activities</b>				
General Government	\$ 558,575	\$ 23,508	\$ -	\$ -
Parks and Recreation	469,930	-	141,652	168,063
Total Governmental Activities	1,028,505	23,508	141,652	168,063
<b>Business-Type Activities</b>				
Swimming Pool	28,924	-	-	-
Program Activities	252,948	224,495	21,067	-
Total Business-Type Activities	281,872	224,495	21,067	-
Total Primary Government	\$ 1,310,377	\$ 248,003	\$ 162,719	\$ 168,063

GENERAL REVENUES  
Property Taxes  
Specific Ownership Taxes  
Grants and Contributions not  
Restricted to Specific Programs  
Interest  
Miscellaneous  
TRANSFERS

TOTAL GENERAL REVENUES

CHANGE IN NET POSITION

NET POSITION, Beginning

NET POSITION, Ending

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

NET (EXPENSE) REVENUE AND  
CHANGE IN NET POSITION

GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTALS
\$ (535,067)	\$ -	\$ (535,067)
(160,215)	-	(160,215)
(695,282)	-	(695,282)
-	(28,924)	(28,924)
-	(7,386)	(7,386)
-	(36,310)	(36,310)
(695,282)	(36,310)	(731,592)
802,923	-	802,923
124,368	-	124,368
11,772		11,772
8,408	1,946	10,354
16,097	6,167	22,264
(39,900)	39,900	-
923,668	48,013	971,681
228,386	11,703	240,089
4,486,602	279,641	4,766,243
<u>\$ 4,714,988</u>	<u>\$ 291,344</u>	<u>\$ 5,006,332</u>

CAÑON CITY AREA METROPOLITAN RECREATION AND PARK DISTRICT

BALANCE SHEET  
GOVERNMENTAL FUNDS  
December 31, 2020

	GENERAL FUND	CONSERVATION TRUST FUND	CAPITAL PROJECTS FUND	TOTALS
<b>ASSETS</b>				
Cash and Investments	\$ 611,102	\$ 129,193	\$ 239,513	\$ 979,808
Accounts Receivable - County Treasurer	9,669	-	-	9,669
Grants Receivable	2,212	-	152,525	154,737
Property Taxes Receivable	816,282	-	-	816,282
Deposits	222	-	-	222
Prepaid Expenses	25,194	-	-	25,194
<b>TOTAL ASSETS</b>	<b>1,464,681</b>	<b>129,193</b>	<b>392,038</b>	<b>1,985,912</b>
<b>LIABILITIES, DEFERRED INFLOWS AND FUND EQUITY</b>				
<b>LIABILITIES</b>				
Accounts Payable	25,775	-	181,348	207,123
Accrued Salaries and Benefits	21,642	-	-	21,642
Customer Deposits	750	-	-	750
<b>TOTAL LIABILITIES</b>	<b>48,167</b>	<b>-</b>	<b>181,348</b>	<b>229,515</b>
<b>DEFERRED INFLOW OF RESOURCES</b>				
Deferred Property Tax Revenue	816,282	-	-	816,282
<b>FUND EQUITY</b>				
Fund Balance				
Nonspendable	25,416	-	-	25,416
Restricted for Emergencies	34,300	-	-	34,300
Restricted for Parks and Recreation	-	129,193	-	129,193
Assigned for Subsequent Years Expenditures	113,470	-	111,400	224,870
Assigned for Capital Projects	-	-	99,290	99,290
Unassigned	427,046	-	-	427,046
<b>TOTAL FUND EQUITY</b>	<b>600,232</b>	<b>129,193</b>	<b>210,690</b>	<b>940,115</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS, AND FUND EQUITY</b>	<b>\$ 1,464,681</b>	<b>\$ 129,193</b>	<b>\$ 392,038</b>	<b>\$ 1,985,912</b>

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

Total Fund Balances of Governmental Funds	940,115
Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds.	3,812,366
Long-term liabilities and related items are not due and payable in the current period and are not reported in the funds. These include accrued compensated absences.	(37,493)
<b>Net position of governmental activities</b>	<b>\$ 4,714,988</b>

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

CAÑON CITY AREA METROPOLITAN RECREATION AND PARK DISTRICT

STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS  
Year Ended December 31, 2020

	GENERAL FUND	CONSERVATION TRUST FUND	CAPITAL PROJECTS FUND	TOTALS
REVENUES				
Taxes	\$ 927,291	\$ -	\$ -	\$ 927,291
Grants and Contributions	11,772	-	168,063	179,835
Intergovernmental	-	141,652	-	141,652
Charges for Services	23,508	-	-	23,508
Interest	4,177	787	3,444	8,408
Miscellaneous	16,097	-	-	16,097
TOTAL REVENUES	<u>982,845</u>	<u>142,439</u>	<u>171,507</u>	<u>1,296,791</u>
EXPENDITURES				
General Government	461,046	-	-	461,046
Parks and Recreation	436,208	-	210,465	646,673
TOTAL EXPENDITURES	<u>897,254</u>	<u>-</u>	<u>210,465</u>	<u>1,107,719</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	85,591	142,439	(38,958)	189,072
OTHER FINANCING SOURCES (USES)				
Transfers In	45,000	-	32,500	77,500
Transfers Out	(20,000)	(97,400)	-	(117,400)
	<u>25,000</u>	<u>(97,400)</u>	<u>32,500</u>	<u>(39,900)</u>
NET CHANGE IN FUND BALANCES	110,591	45,039	(6,458)	149,172
FUND BALANCES, Beginning	<u>489,641</u>	<u>84,154</u>	<u>217,148</u>	<u>790,943</u>
FUND BALANCES, Ending	<u>\$ 600,232</u>	<u>\$ 129,193</u>	<u>\$ 210,690</u>	<u>\$ 940,115</u>

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

CAÑON CITY AREA METROPOLITAN RECREATION AND PARK DISTRICT

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
Year Ended December 31, 2020

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

Net Changes in Fund Balances - Total Governmental Funds	\$ 149,172
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay 190,784 exceeded depreciation expense (110,875), in the current period.	79,909
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds. This includes the change in accrued compensated absences.	<u>(695)</u>
Change in Net Position of Governmental Activities	<u>\$ 228,386</u>

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

CAÑON CITY AREA METROPOLITAN RECREATION AND PARK DISTRICT

STATEMENT OF NET POSITION  
 PROPRIETARY FUNDS  
 December 31, 2020

	SWIMMING POOL FUND	PROGRAM ACTIVITIES FUND	TOTALS
<b>ASSETS</b>			
Current Assets			
Cash and Investments	\$ 31,071	\$ 247,031	\$ 278,102
Accounts Receivable	-	2,039	2,039
Total Current Assets	<u>31,071</u>	<u>249,070</u>	<u>280,141</u>
Noncurrent Assets			
Capital Assets, Not Being Depreciated	6,000	-	6,000
Capital Assets, Net of Accumulated Depreciation	<u>7,174</u>	<u>6,654</u>	<u>13,828</u>
Total Noncurrent Assets	<u>13,174</u>	<u>6,654</u>	<u>19,828</u>
<b>TOTAL ASSETS</b>	<u>44,245</u>	<u>255,724</u>	<u>299,969</u>
<b>LIABILITIES</b>			
Current Liabilities			
Accounts Payable	233	2,852	3,085
Accrued Salaries	-	4,011	4,011
Accrued Compensated Absences	<u>-</u>	<u>765</u>	<u>765</u>
Total Current Liabilities	<u>233</u>	<u>7,628</u>	<u>7,861</u>
Noncurrent Liabilities			
Accrued Compensated Absences	<u>-</u>	<u>764</u>	<u>764</u>
Total Noncurrent Liabilities	<u>-</u>	<u>764</u>	<u>764</u>
<b>TOTAL LIABILITIES</b>	<u>233</u>	<u>8,392</u>	<u>8,625</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	13,174	6,654	19,828
Unreserved	<u>30,838</u>	<u>240,678</u>	<u>271,516</u>
<b>TOTAL NET POSITION</b>	<u>\$ 44,012</u>	<u>\$ 247,332</u>	<u>\$ 291,344</u>

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

CAÑON CITY AREA METROPOLITAN RECREATION AND PARK DISTRICT

STATEMENT OF REVENUES, EXPENSES  
AND CHANGES IN NET POSITION  
PROPRIETARY FUNDS  
Year Ended December 31, 2020

	SWIMMING POOL FUND	PROGRAM ACTIVITIES FUND	TOTALS
OPERATING REVENUES			
Athletic and Program Fees	\$ -	\$ 224,495	\$ 224,495
Grants and Contributions	-	5,761	5,761
Miscellaneous	1,217	4,950	6,167
<b>TOTAL OPERATING REVENUES</b>	<b>1,217</b>	<b>235,206</b>	<b>236,423</b>
OPERATING EXPENSES			
Salaries	-	132,813	132,813
Employee Benefits	-	26,971	26,971
Supplies	825	80,843	81,668
Purchased Services	26,545	11,877	38,422
Depreciation	1,554	444	1,998
<b>TOTAL OPERATING EXPENSES</b>	<b>28,924</b>	<b>252,948</b>	<b>281,872</b>
<b>OPERATING INCOME</b>	<b>(27,707)</b>	<b>(17,742)</b>	<b>(45,449)</b>
NON-OPERATING REVENUES			
Grant Revenue	-	15,306	15,306
Interest Income	1,931	15	1,946
<b>TOTAL NON-OPERATING REVENUES</b>	<b>1,931</b>	<b>15,321</b>	<b>17,252</b>
<b>INCOME (LOSS) BEFORE TRANSFERS</b>	<b>(25,776)</b>	<b>(2,421)</b>	<b>(28,197)</b>
TRANSFERS			
Transfers In	39,900	-	39,900
<b>TOTAL TRANSFERS</b>	<b>39,900</b>	<b>-</b>	<b>39,900</b>
<b>CHANGE IN NET POSITION</b>	<b>14,124</b>	<b>(2,421)</b>	<b>11,703</b>
NET POSITION, Beginning	29,888	249,753	279,641
NET POSITION, Ending	<u>\$ 44,012</u>	<u>\$ 247,332</u>	<u>\$ 291,344</u>

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

CAÑON CITY AREA METROPOLITAN RECREATION AND PARK DISTRICT

STATEMENT OF CASH FLOWS  
 PROPRIETARY FUNDS  
 Year Ended December 31, 2020  
 Increase (Decrease) in Cash and Cash Equivalents

	SWIMMING POOL FUND	PROGRAM ACTIVITIES FUND	TOTALS
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash Received from Customers	\$ -	\$ 224,632	\$ 224,632
Cash Received from Others	1,217	10,711	11,928
Cash Paid to Suppliers	(27,419)	(97,287)	(124,706)
Cash Paid to Employees	-	(158,622)	(158,622)
Net Cash Provided (Used) by Operating Activities	<u>(26,202)</u>	<u>(20,566)</u>	<u>(46,768)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Grants Received	-	15,306	15,306
Receipts from Other Funds	39,900	-	39,900
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>39,900</u>	<u>15,306</u>	<u>55,206</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest Received	1,931	15	1,946
Net Cash Provided by Investing Activities	<u>1,931</u>	<u>15</u>	<u>1,946</u>
Net Increase (Decrease) in Cash and Cash Equivalents	15,629	(5,245)	10,384
CASH AND CASH EQUIVALENTS, Beginning	<u>15,442</u>	<u>252,276</u>	<u>267,718</u>
CASH AND CASH EQUIVALENTS, Ending	<u>\$ 31,071</u>	<u>\$ 247,031</u>	<u>\$ 278,102</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>			
Operating Income (Loss)	\$ (27,707)	\$ (17,742)	\$ (45,449)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities			
Depreciation and Amortization	1,554	444	1,998
Changes in Assets and Liabilities			
Accounts Receivable	-	137	137
Accounts Payable	(49)	(4,567)	(4,616)
Accrued Salaries and Compensated Absences	-	1,162	1,162
Prepaid Item	-	-	-
Total Adjustments	<u>1,505</u>	<u>(2,824)</u>	<u>(1,319)</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ (26,202)</u>	<u>\$ (20,566)</u>	<u>\$ (46,768)</u>

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

CAÑON CITY AREA METROPOLITAN RECREATION AND PARK DISTRICT

NOTES TO FINANCIAL STATEMENTS

December 31, 2020

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

**Nature of Operations**

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

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

**Reporting Entity**

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

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

**Government-Wide and Fund Financial Statements**

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

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

CAÑON CITY AREA METROPOLITAN RECREATION AND PARK DISTRICT

NOTES TO FINANCIAL STATEMENTS

December 31, 2020

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

**Government-Wide and Fund Financial Statements** (Continued)

The statement of activities demonstrates the degree to which the direct expenses and allocated indirect expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or activity; 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or activity; and 3) grants and contributions that are restricted to meeting the capital requirements of a particular function or activity. Taxes and other items not properly included among program revenues are reported instead as general revenues. The net cost by function or business-type activity is normally covered by general revenue such as property taxes, specific ownership taxes or unrestricted revenues.

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

**Measurement Focus, Basis of Accounting and Financial Statement Presentation**

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both "measurable and available". Revenues are considered to be "available" when they are collected within the current year or soon enough thereafter to pay liabilities of the current year. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current year, except for expenditure driven grants as defined in the following paragraph.

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

CAÑON CITY AREA METROPOLITAN RECREATION AND PARK DISTRICT

NOTES TO FINANCIAL STATEMENTS

December 31, 2020

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

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

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

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

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

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

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

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

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

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

CAÑON CITY AREA METROPOLITAN RECREATION AND PARK DISTRICT

NOTES TO FINANCIAL STATEMENTS

December 31, 2020

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

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

The District reports the following major proprietary funds:

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

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

**Assets, Liabilities, Fund Balance/Net Assets**

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

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

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

*Capital Assets* – Capital assets, which include property, plant, buildings and related improvements, equipment, vehicles, and all infrastructure owned by the District, are reported in the applicable government-wide or business-type activities columns of the government-wide financial statements and the proprietary funds in the fund financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

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

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

CAÑON CITY AREA METROPOLITAN RECREATION AND PARK DISTRICT

NOTES TO FINANCIAL STATEMENTS

December 31, 2020

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

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

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

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

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

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

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

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

CAÑON CITY AREA METROPOLITAN RECREATION AND PARK DISTRICT

NOTES TO FINANCIAL STATEMENTS

December 31, 2020

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

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

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

**Property Taxes**

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

CAÑON CITY AREA METROPOLITAN RECREATION AND PARK DISTRICT

NOTES TO FINANCIAL STATEMENTS

December 31, 2020

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Interfund Transactions**

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

**Use of Estimates**

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

**Subsequent Events**

The District has evaluated events subsequent to the year ended December 31, 2020 through February 25, 2021, the date of these financial statements were issued, and has incorporated any required recognition into these financial statements.

**NOTE 2: CASH AND INVESTMENTS**

A summary of cash and investments at December 31, 2020, follows:

Cash Deposits	\$ 49,845
Petty Cash	150
Investments	<u>1,207,915</u>
Total	<u>\$ 1,257,910</u>

**Deposits**

The Colorado Public Deposit Protection Act (PDPA) requires that all local government entities deposit cash in eligible public depositories. Eligibility is determined by State regulations. Amounts on deposit in excess of Federal Deposit Insurance Corporation (FDIC) levels must be collateralized by eligible collateral as determined by the PDPA. The FDIC insures depositors up to \$250,000 for each financial institution. The PDPA allows the financial institution to create a single collateral pool for all public funds held. The pool is to be maintained by another institution, or held in trust for all uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits. At December 31, 2020, the District had bank deposits totaling \$51,361, all of which were insured by FDIC.

CAÑON CITY AREA METROPOLITAN RECREATION AND PARK DISTRICT

NOTES TO FINANCIAL STATEMENTS

December 31, 2020

**NOTE 2: CASH AND INVESTMENTS (Continued)**

**Investments**

The District has not adopted a formal investment policy; however, the District follows State statutes regarding investments. The District generally limits its concentration of investments to Local Government Investment Pools, obligations of the United States and certain U.S. government agency securities, which are believed to have a minimal credit risk; minimal interest rate risk and no foreign currency risk. Additionally, the District is not subject to concentration risk disclosure requirements or subject to investment custodial credit risk for investments that are in the possession of another party.

Colorado revised statutes limit investment maturities to five years or less unless formally approved by the District Board of Directors, such actions are generally associated with debt service reserve or sinking fund requirements.

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

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

At December 31, 2020, the District had the following investments:

	<u>Maturity</u>	<u>2020</u>
Colorado Liquid Government Asset Trust (COLOTRUST)	Weighted Average under 60 days	<u>\$ 1,207,915</u>

The District invested in the Colorado Local Government Liquid Asset Trust (COLOTRUST) (the Trust), an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all State statutes governing the Trust. The Trust operates similarly to a money market fund and each share is equal in value to \$1.00. The Trust offers shares in two portfolios, COLOTRUST PRIME and COLOTRUST PLUS +. Both portfolios may invest in U.S. Treasury securities and repurchase agreements collateralized by U.S. Treasury securities. COLOTRUST PLUS+ may also invest in certain obligations of U.S. government agencies, highest rates commercial paper

CAÑON CITY AREA METROPOLITAN RECREATION AND PARK DISTRICT

NOTES TO FINANCIAL STATEMENTS

December 31, 2020

**NOTE 2: CASH AND INVESTMENTS (Continued)**

**Investments (Continued)**

and any security allowed under CRS 24-75-601. A designated custodial bank serves as custodian for the Trust's investment portfolios and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by the Trust. COLOTUST is rated AAAM by Standard & Poor's. COLOTRUST records its investments at fair value and the District records its investment in COLOTRUST using the net asset value method. There are no unfunded commitments, the redemption frequency is daily and there is no redemption notice period.

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

**NOTE 3: CAPITAL ASSETS**

Capital asset activity for the year ended December 31, 2020, is summarized below:

	Balances 12/31/2019	Additions	Deletions	Balances 12/31/2020
<b>Governmental Activities:</b>				
Capital Assets, not being depreciated				
Land	\$ 1,781,421	\$ -	\$ -	\$ 1,781,421
Water Rights	14,100	-	-	14,100
	<u>1,795,521</u>	<u>-</u>	<u>-</u>	<u>1,795,521</u>
Capital Assets, being depreciated				
Buildings	762,194	-	-	762,194
Improvements	2,448,160	190,784	76,487	2,562,457
Equipment	334,745	-	-	334,745
Total Capital Assets, being depreciated	<u>3,545,099</u>	<u>190,784</u>	<u>76,487</u>	<u>3,659,396</u>
Less accumulated depreciation				
Buildings	(355,715)	(21,206)	-	(376,921)
Improvements	(1,057,654)	(72,321)	(76,487)	(1,053,488)
Equipment	(194,794)	(17,348)	-	(212,142)
Total accumulated depreciation	<u>(1,608,163)</u>	<u>(110,875)</u>	<u>(76,487)</u>	<u>(1,642,551)</u>
Total Capital Assets, being depreciated, net	<u>1,936,936</u>	<u>79,909</u>	<u>-</u>	<u>2,016,845</u>
Governmental Activities Capital Assets, net	<u><b>\$ 3,732,457</b></u>	<u><b>\$ 79,909</b></u>	<u><b>\$ -</b></u>	<u><b>\$ 3,812,366</b></u>

CAÑON CITY AREA METROPOLITAN RECREATION AND PARK DISTRICT

NOTES TO FINANCIAL STATEMENTS  
December 31, 2020

**NOTE 3: CAPITAL ASSETS (Continued)**

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

General Government	\$ 14,041
Parks and Recreation	<u>96,834</u>
<b>Total</b>	<b><u>\$ 110,875</u></b>

	<u>Balances 12/31/2019</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balances 12/31/2020</u>
<b>Business-type Activities:</b>				
Capital Assets, not being depreciated				
Land	\$ 6,000	\$ -	\$ -	\$ 6,000
Capital Assets, being depreciated				
Buildings	134,268	-	-	134,268
Improvements	87,458	-	-	87,458
Equipment	34,644	-	220	34,424
Total Capital Assets, being depreciated	<u>256,370</u>	<u>-</u>	<u>220</u>	<u>256,150</u>
Less accumulated depreciation				
Buildings	(131,819)	(1,224)	-	(133,043)
Improvements	(74,081)	(774)	-	(74,855)
Equipment	(34,644)	-	(220)	(34,424)
Total accumulated depreciation	<u>(240,544)</u>	<u>(1,998)</u>	<u>(220)</u>	<u>(242,322)</u>
Total Capital Assets, being depreciated, net	<u>15,826</u>	<u>(1,998)</u>	<u>-</u>	<u>13,828</u>
Business-type Activities Capital Assets, net	<u>\$ 21,826</u>	<u>\$ (1,998)</u>	<u>\$ -</u>	<u>\$ 19,828</u>

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

Swimming Pool Fund	\$ 1,554
Program Activities Fund	<u>444</u>
<b>Total</b>	<b><u>\$ 1,998</u></b>

CAÑON CITY AREA METROPOLITAN RECREATION AND PARK DISTRICT

NOTES TO FINANCIAL STATEMENTS  
December 31, 2020

**NOTE 4: LONG-TERM DEBT**

**Governmental Activities**

Following is a summary of long-term debt transactions for the governmental activities for the year ended December 31, 2020.

	Balance 12/31/2019	Additions	Deletions	Balance 12/31/2020	Due Within One Year
<b>Governmental Activities</b>					
Accrued Compensated Absences	\$ 36,798	\$ 25,532	\$ 24,837	\$ 37,493	\$ 28,120
	<b><u>\$ 36,798</u></b>	<b><u>\$ 25,532</u></b>	<b><u>\$ 24,837</u></b>	<b><u>\$ 37,493</u></b>	<b><u>\$ 28,120</u></b>

**Business-type Activities**

Following is a summary of long-term debt transactions for the business-type activities for the year ended December 31, 2020.

	Balance 12/31/2019	Additions	Deletions	Balance 12/31/2020	Due Within One Year
<b>Business-Type Activities</b>					
Accrued Compensated Absences	\$ 574	\$ 1,377	\$ 422	\$ 1,529	\$ 765
	<b><u>\$ 574</u></b>	<b><u>\$ 1,377</u></b>	<b><u>\$ 422</u></b>	<b><u>\$ 1,529</u></b>	<b><u>\$ 765</u></b>

**NOTE 5: INTERFUND TRANSFERS**

Interfund transfers for the year ended December 31, 2020, consisted of the following:

<u>Transfers In</u>	<u>Transfers Out</u>	<u>Amount</u>
General	Conservation Trust	\$ 45,000
Capital Projects	Conservation Trust	32,500
Swimming Pool	General	20,000
Swimming Pool	Conservation Trust	<u>19,900</u>
Total		<b><u>\$ 117,400</u></b>

During the year ended December 31, 2020, transfers to the General Fund were reimbursements for operating, parks and recreation expenses. The General Fund transferred funds to the Swimming Pool Fund to subsidize pool operations and maintenance. The Conservation Trust Fund transferred funds to the Capital Projects and Swimming Pool Funds for reimbursement of parks and recreation expenses.

CAÑON CITY AREA METROPOLITAN RECREATION AND PARK DISTRICT

NOTES TO FINANCIAL STATEMENTS

December 31, 2020

**NOTE 6: RISK MANAGEMENT**

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

**NOTE 7: RETIREMENT COMMITMENTS**

The District contributes to a simple IRA defined-contribution plan (the Plan) for all of its full-time employees. The contribution requirements of Plan participants and the District are established and may be amended by the Board of Directors. The Plan is administered by Elk Mountain Financial LLC. The Plan allows employees to defer a portion of their compensation as provided by the Internal Revenue Code. The District will match eligible employee's contributions up to 3% of their compensation. Employees are 100% vested in the District's contributions. For the year ended December 31, 2020, employee contributions totaled \$8,336 and the District recognized pension expense of \$8,336.

**NOTE 8: COMMITMENTS AND CONTINGENCIES**

**Tabor Amendment**

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

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

In May 2000, voters within the District approved the District's request to retain the excess 1999 fiscal year spending any excess fiscal year spending for all future years.

CAÑON CITY AREA METROPOLITAN RECREATION AND PARK DISTRICT

NOTES TO FINANCIAL STATEMENTS

December 31, 2020

**NOTE 8: COMMITMENTS AND CONTINGENCIES**

**Tabor Amendment**

As such, the fiscal year spending limitations outlined in the amendment no longer apply to the District. However, the District is subject to other provisions of the amendment.

The District has established an emergency reserve, representing 3% of qualifying fiscal year spending, as required by the Amendment. At December 31, 2020, the emergency reserve of \$34,300 was reported as a restriction of fund balance and net position in the General Fund and Governmental Activities, respectively.

**Uncertainty – Coronavirus Pandemic**

On January 30, 2020, the World Health Organization declared the coronavirus outbreak a “Public Health Emergency of International Concern” and on March 10, 2020, declared it to be a pandemic. The coronavirus and actions taken by government and public health officials to mitigate it have had and are expected to continue to have an adverse impact on the economies and financial markets in many countries, including the geographical area in which the District is located. It is unknown how long these conditions will last and what the complete financial impact will be to the District.

## REQUIRED SUPPLEMENTARY INFORMATION

CAÑON CITY AREA METROPOLITAN RECREATION AND PARK DISTRICT

BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND

Year Ended December 31, 2020

(With Comparative Totals for December 31, 2019)

	2020		VARIANCE Positive (Negative)	2019
	ORIGINAL AND FINAL BUDGET	ACTUAL		ACTUAL
REVENUES				
Taxes				
Property Taxes	\$ 809,135	\$ 802,923	\$ (6,212)	\$ 735,860
Specific Ownership Taxes	100,000	124,368	24,368	125,088
Charges for Services				
Rental Fees	6,000	4,688	(1,312)	8,828
Property Leases	18,100	18,820	720	17,210
Grants and Contributions	300	11,772	11,472	-
Interest	6,000	4,177	(1,823)	9,809
Miscellaneous	8,050	16,097	8,047	17,691
<b>TOTAL REVENUES</b>	<b>947,585</b>	<b>982,845</b>	<b>35,260</b>	<b>914,486</b>
EXPENDITURES				
Current				
General Government	553,000	461,046	91,954	469,008
Parks and Recreation	480,900	436,208	44,692	412,853
Capital Outlay	40,000	-	40,000	55,583
<b>TOTAL EXPENDITURES</b>	<b>1,073,900</b>	<b>897,254</b>	<b>176,646</b>	<b>937,444</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(126,315)</b>	<b>85,591</b>	<b>211,906</b>	<b>(22,958)</b>
OTHER FINANCING SOURCES				
Transfers In	45,000	45,000	-	90,000
Transfers Out	(165,925)	(20,000)	145,925	(40,000)
<b>NET CHANGE IN FUND BALANCE</b>	<b>(247,240)</b>	<b>110,591</b>	<b>357,831</b>	<b>27,042</b>
FUND BALANCE, Beginning	489,643	489,641	(2)	462,599
FUND BALANCE, Ending	<u>\$ 242,403</u>	<u>\$ 600,232</u>	<u>\$ 357,829</u>	<u>\$ 489,641</u>

See the accompanying Independent Auditor's Report.

CAÑON CITY AREA METROPOLITAN RECREATION AND PARK DISTRICT

BUDGETARY COMPARISON SCHEDULE  
 CONSERVATION TRUST FUND  
 Year Ended December 31, 2020  
 (With Comparative Totals for December 31, 2019)

	2020		VARIANCE Positive (Negative)	2019
	ORIGINAL AND FINAL BUDGET	ACTUAL		ACTUAL
REVENUES				
Lottery Revenues	\$ 125,000	\$ 141,652	\$ 16,652	\$ 155,597
Interest	2,000	787	(1,213)	3,004
TOTAL REVENUES	127,000	142,439	15,439	158,601
OTHER FINANCING SOURCES (USES)				
Transfers Out	(125,000)	(97,400)	27,600	(137,500)
NET CHANGE IN FUND BALANCE	2,000	45,039	43,039	21,101
FUND BALANCE, Beginning	84,154	84,154	-	63,053
FUND BALANCE, Ending	\$ 86,154	\$ 129,193	\$ 43,039	\$ 84,154

See the accompanying Independent Auditor's Report.

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

December 31, 2020

**NOTE 1: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**Budgets**

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

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

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

## **SUPPLEMENTARY INFORMATION**

CAÑON CITY AREA METROPOLITAN RECREATION AND PARK DISTRICT

BUDGETARY COMPARISON SCHEDULE

CAPITAL PROJECTS FUND

Year Ended December 31, 2020

(With Comparative Totals for December 31, 2019)

	2020		VARIANCE Positive (Negative)	2019
	ORIGINAL AND FINAL BUDGET	ACTUAL		ACTUAL
REVENUES				
Grants and Contributions	\$ 190,600	\$ 168,063	\$ (22,537)	\$ 8,605
Interest	3,500	3,444	(56)	10,074
TOTAL REVENUES	194,100	171,507	(22,593)	18,679
EXPENDITURES				
Parks and Recreation	296,500	210,465	86,035	31,790
TOTAL EXPENDITURES	296,500	210,465	86,035	31,790
EXCESS OF REVENUES OVER EXPENDITURES	(102,400)	(38,958)	63,442	(13,111)
OTHER FINANCING SOURCES				
Transfers In	50,000	32,500	(17,500)	28,400
TOTAL OTHER FINANCING SOURCES	50,000	32,500	(17,500)	28,400
NET CHANGE IN FUND BALANCE	(52,400)	(6,458)	45,942	15,289
FUND BALANCE, Beginning	217,149	217,148	(1)	201,859
FUND BALANCE, Ending	\$ 164,749	\$ 210,690	\$ 45,941	\$ 217,148

See the accompanying Independent Auditor's Report.

CAÑON CITY AREA METROPOLITAN RECREATION AND PARK DISTRICT

BUDGETARY COMPARISON SCHEDULE  
SWIMMING POOL FUND

Year Ended December 31, 2020

(With Comparative Totals for December 31, 2019)

	2020		VARIANCE Positive (Negative)	2019
	ORIGINAL AND FINAL BUDGET	ACTUAL		ACTUAL
REVENUES				
Athletic and Program Fees	\$ 57,400	\$ -	\$ (57,400)	\$ 47,476
Rental Fees	7,000	-	(7,000)	5,236
Contributions from Sponsors	750	-	(750)	1,720
Investment Income	2,000	1,931	(69)	4,552
Miscellaneous	-	1,217	1,217	-
Transfers In	195,925	39,900	(156,025)	69,100
<b>TOTAL REVENUES</b>	<b>263,075</b>	<b>43,048</b>	<b>(220,027)</b>	<b>128,084</b>
EXPENDITURES				
Salaries	68,600	-	68,600	57,978
Employee Benefits	2,600	-	2,600	6,040
Supplies	11,850	825	11,025	11,298
Facilities	51,675	26,545	25,130	29,289
Capital Outlay	142,225	-	142,225	-
Contingency Reserve	2,000	-	2,000	-
<b>TOTAL EXPENDITURES</b>	<b>278,950</b>	<b>27,370</b>	<b>251,580</b>	<b>104,605</b>
<b>NET INCOME, Budget Basis</b>	<b>\$ (15,875)</b>	<b>15,678</b>	<b>\$ 31,553</b>	<b>23,479</b>
GAAP BASIS ADJUSTMENTS				
Capital Outlay		-		(6,610)
Depreciation		(1,554)		(1,555)
<b>NET INCOME, GAAP Basis</b>		<b>14,124</b>		<b>15,314</b>
NET POSITION, Beginning		29,888		14,574
NET POSITION, Ending		<b>\$ 44,012</b>		<b>\$ 29,888</b>

See the accompanying Independent Auditor's Report.

CAÑON CITY AREA METROPOLITAN RECREATION AND PARK DISTRICT

BUDGETARY COMPARISON SCHEDULE  
PROGRAM ACTIVITIES FUND

Year Ended December 31, 2020

(With Comparative Totals for December 31, 2019)

	2020		VARIANCE Positive (Negative)	2019
	ORIGINAL AND FINAL BUDGET	ACTUAL		ACTUAL
REVENUES				
Athletic and Program Fees	\$ 369,740	\$ 224,495	\$ (145,245)	\$ 332,048
Contributions from Sponsors	10,450	5,761	(4,689)	8,453
Grants	2,000	15,306	13,306	3,700
Investment Income	25	15	(10)	46
Miscellaneous	34,300	4,950	(29,350)	11,429
<b>TOTAL REVENUES</b>	<b>416,515</b>	<b>250,527</b>	<b>(165,988)</b>	<b>355,676</b>
EXPENDITURES				
Salaries	210,850	132,813	78,037	187,872
Employee Benefits	42,090	26,971	15,119	35,028
Supplies	204,980	80,843	124,137	60,546
Facilities	14,450	11,877	2,573	61,055
Transfer Out	-	-	-	10,000
<b>TOTAL EXPENDITURES</b>	<b>472,370</b>	<b>252,504</b>	<b>219,866</b>	<b>354,501</b>
<b>NET INCOME, Budget Basis</b>	<b>\$ (55,855)</b>	<b>(1,977)</b>	<b>\$ 53,878</b>	<b>1,175</b>
GAAP BASIS ADJUSTMENTS				
Depreciation		(444)		(444)
<b>NET INCOME, GAAP Basis</b>		<b>(2,421)</b>		<b>731</b>
NET POSITION, Beginning		249,753		249,022
NET POSITION, Ending		<b>\$ 247,332</b>		<b>\$ 249,753</b>

See the accompanying Independent Auditor's Report.