

THOMPSON RIVERS PARKS AND
RECREATION DISTRICT

FINANCIAL STATEMENTS

Year Ended December 31, 2021



TABLE OF CONTENTS

Independent Auditors' Report.....	1
MANAGEMENT DISCUSSION AND ANALYSIS.....	4
STATEMENT OF NET POSITION.....	7
STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION.....	8
STATEMENT OF CASH FLOWS	9
NOTES TO FINANCIAL STATEMENTS.....	10
SUPPLEMENTARY INFORMATION	18



Independent Auditors' Report

Board of Directors
Thompson Rivers Parks and Recreation District
Milliken, Colorado

Opinion

We have audited the accompanying financial statements of the business- type activities of Thompson Rivers Parks and Recreation District (the District) as of December 31, 2021 and for the year then ended, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the District as of December 31, 2021, and the results of their operations and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern within one year after the date that the financial statements are issued or available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

Supplementary Information

Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The Schedule of Revenues and Expenses –Actual (Budgetary Basis) Compared to Budget on pages 19 and 20 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 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. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Anderson & Whitney, P.C.

June 29, 2022

MANAGEMENT DISCUSSION AND ANALYSIS

This is an analysis and overview of the financial activities of Thompson Rivers Parks and Recreation District (the District) for the year ended December 31, 2021. This information should be read in conjunction with the financial statements and notes which follow:

FINANCIAL HIGHLIGHTS

- As of December 31, 2021, approximately \$5,374,328 was held in net position for the provision of future services to citizens.
- For fiscal year 2021, the total net position increased by \$203,163 from 2020. This was primarily from increased charges for services.
- Operating revenue for 2021 totaled \$177,932, which is an increase of 179% from 2020.

OVERVIEW OF THE FINANCIAL STATEMENTS

The following discussion and analysis is intended to serve as an introduction to the District's financial statements which follow. The statements include:

1. Statement of Net Position
2. Statement of Revenue, Expenses, and Changes in Net Position
3. Statement of Cash Flows
4. Notes to Financial Statements.

The *statement of revenue, expenses, and changes in net position* presents District revenue and expenses for the year ended December 31, 2021.

The *statement of cash flows* shows the net cash flows from activities for the year ended December 31, 2021.

These statements are in compliance with Governmental Accounting Standards Board (GASB) Statements. These pronouncements address the requirements for financial statement presentation and certain disclosures for state and local governmental entities. The District's financial statements comply with all material requirements of these pronouncements.

These statements provide a snapshot of The District's assets and liabilities as of December 31, 2021 and the activities which occurred during the year. All statements were prepared using the accrual basis of accounting as required by GASB.

Notes to financial statements provide additional information which is essential to a full understanding of the basic financial statements.

FINANCIAL ANALYSIS

As of December 31, the District's net position was:

December 31	2021	2020
Cash	\$ 763,073	\$ 716,699
Property tax receivable	1,519,816	1,537,444
Other receivables	2,481	12,681
Prepaid items	-	4,300
Security deposits	2,000	1,800
Capital assets, net	11,110,702	11,369,526
Total Assets	13,398,072	13,642,450
Less Liabilities and Deferred Inflows of Resources	8,023,744	8,471,285
Net Position	\$ 5,374,328	\$ 5,171,165

The following is a comparison of the District's results of operations:

Year Ended December 31	2021	2020
Revenues:		
Charges for services	\$ 177,932	\$ 63,698
Property taxes	1,571,678	1,692,402
Other nonoperating revenues	328,291	256,880
Conservation trust funds	155,523	124,354
Specific ownership taxes	77,038	84,605
Earning from investments	5,977	2,664
Total Revenues	\$ 2,316,439	\$ 2,224,603
Expenses:		
Program costs	695,570	676,253
Administrative and operating costs	906,918	930,998
Depreciation	288,620	326,808
Other nonoperating expenses	222,168	300,472
Total Expenses	2,113,276	2,234,531
Capital Contributions	--	153,326
Net Income	\$ 203,163	\$ 143,398

Net position has changed due to the following:

- During 2021, total revenues remained consistent, but property taxes fell and charges for services increased.
- During 2021, operating expenses decreased by approximately 2.2%.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets. The District's investment in capital assets for its enterprise fund activities as of December 31, 2021 totals \$11,110,692 (net of accumulated depreciation.) This investment includes all land, buildings and equipment. The total decrease in investment in capital assets for the current year was \$259,451, due to depreciation in excess of limited additions for the year.

Additional information on the District's capital assets can be found in Note 3 of this report.

Long-term Debt. At December 31, 2021, the District had \$6,407,004 of long-term debt primarily related to the capital lease collateralized by the Nelson Ballfield property and the Milliken Athletic Complex and land. Additional information on the District's debt can be found in Note 4.

OTHER MATTERS

The following factors are expected to have a significant effect on the District's financial position and results of operations and were taken into account in developing the 2022 budget:

- The District experienced a slight decrease in assessed valuation in 2021 due to depressed oil and gas values. A large portion of the revenue lost from oil and gas was offset by increased revenue from new home construction and the increase in value of existing homes. The District expects significant increases in its assessed valuation beginning in 2023 due to increased oil and gas commodity prices, a strong housing market and new commercial development.
- Due to COVID-19 the District had low participation in activities in 2020 (50% of 2019 numbers), however gained participation in 2021 (80% of 2019 numbers). The District expects 2022 numbers to exceed 2019 numbers.
- The District limited capital equipment and capital improvement project expenditures in 2021 and 2022 to preserve reserves and will return to its normal capital equipment plan in 2022 and begin budgeting capital improvement projects in 2023.
- While the COVID-19 pandemic adversely affected finances the District was able to maintain reserves and retain staff. Management feels the District is well positioned to grow and work towards our mission: Building a healthy, happy community through people, parks, programs and partnerships.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

The financial report is designed to provide a general overview of the District's finances for those with an interest. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the District, 320 Centennial Drive, Milliken, Colorado 80543.

THOMPSON RIVERS PARK AND RECREATION DISTRICT

STATEMENT OF NET POSITION

December 31	2021
<u>ASSETS</u>	
Current Assets:	
Cash and cash equivalents	\$ 763,073
Property taxes receivable	1,519,816
Other receivables	2,481
Total Current Assets	2,285,370
Capital Assets:	
Land	1,672,000
Building	6,117,588
Land improvements	5,067,280
Vehicles and equipment	874,514
Total Capital Assets	13,731,382
Less Accumulated Depreciation	(2,620,680)
Total Capital Assets, Net	11,110,702
Other Assets:	
Security deposit	2,000
TOTAL ASSETS	\$ 13,398,072
<u>LIABILITIES AND DEFERRED INFLOWS</u>	
Current Liabilities:	
Accrued wages and compensated absences payable	\$ 46,864
Accrued interest payable	50,060
Current portion of capital lease obligations	447,770
Capital Lease Obligations, net of current portion	5,959,234
Deferred Inflows of Resources:	
Unearned revenue - property taxes	1,519,816
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	8,023,744
<u>NET POSITION</u>	
Net Investment in Capital Assets	4,703,698
Restricted for Emergencies	69,493
Unrestricted	601,137
TOTAL NET POSITION	\$ 5,374,328

See Accompanying Notes to Financial Statements.

THOMPSON RIVERS PARK AND RECREATION DISTRICT

STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION

Year Ended December 31	2021
Operating Revenues:	
Charges for services	\$ 177,932
Operating Expenses:	
Program costs	695,570
Administrative and operating costs	906,918
Depreciation	288,620
Total Operating Expenses	1,891,108
Operating Loss	(1,713,176)
Nonoperating revenues (expenses):	
Property taxes	1,571,678
Conservation trust funds	155,523
Other nonoperating revenues	328,291
Specific ownership taxes	77,038
Earnings from investments	5,977
County treasurer fees	(23,650)
Interest expense	(198,518)
Net Nonoperating Revenues	1,916,339
Income Before Contributions	203,163
Capital contributions	-
Change in Net Position	203,163
Net Position, Beginning of Year	5,171,165
Net Position, End of the Year	\$ 5,374,328

See Accompanying Notes to Financial Statements.

THOMPSON RIVERS PARK AND RECREATION DISTRICT

STATEMENT OF CASH FLOWS

Year Ended December 31	2021
Cash Flows from Operating Activities:	
Cash receipts from customers	\$ 188,132
Payments to suppliers and employees	(1,612,005)
Net Cash Provided (Used) by Operating Activities	(1,423,873)
Cash Flows from Noncapital Financing Activities:	
Property and specific ownership taxes	1,709,565
Conservation trust funds	77,038
Other nonoperating revenues	235,044
Grants	128,511
Treasurer fees	(23,650)
Net Cash Provided (Used) by Noncapital Financing Activities	2,126,508
Cash Flows from Capital and Related Financing Activities:	
Acquisition of property, plant and equipment	(29,796)
Interest paid	(198,518)
Payments on capital lease	(433,924)
Net Cash Provided (Used) by Capital and Related Financing Activities	(662,238)
Cash Flows from Investing Activities:	
Interest received	5,977
Net Cash Provided by Investing Activities	5,977
Net Increase in Cash and Cash Equivalents	46,374
Cash and Cash Equivalents, Beginning of Year	716,699
Cash and Cash Equivalents, End of Year	\$ 763,073
Reconciliation of Operating Loss to Net Cash Provided by Operating Activities:	
Operating loss	\$ (1,713,176)
Depreciation expense	288,620
Change in operating assets and liabilities:	
(Increase) decrease in:	
Receivables and unearned revenue	(7,428)
Prepays and other assets	4,100
Accrued wages and compensated absences payable	4,011
Net Cash Used by Operating Activities	\$ (1,423,873)

See Accompanying Notes to Financial Statements.

THOMPSON RIVERS PARKS AND RECREATION DISTRICT

NOTES TO FINANCIAL STATEMENTS

NOTE 1 – Summary of Significant Accounting Policies:

This summary of Thompson Rivers Parks and Recreation District's significant accounting policies is to assist the reader with interpreting the financial statements and other data in this report. The policies are considered essential and should be read in conjunction with the accompanying financial statements.

Form of Organization:

Thompson Rivers Parks and Recreation District is an independent governmental entity organized in April 1994, under the provisions of the Colorado Revised Statutes. The District's Board of Directors is elected by residents of the District and has the responsibilities for designation of management, operational decisions, and budget matters. The District is fully responsible for its financial matters and is not financially interdependent with another governmental unit. Revenues are derived by service charges determined by the Board. The District exists for the benefit of its residents and services of the District are generally available to the residents of the District.

Financial Reporting Entity:

In conformity with GASB financial reporting standards, the District is reporting entity for financial reporting purposes. The District is the primary government financially accountable for all activities of the District. The District meets the criteria of a primary government: its Board of Directors is the publicly elected governing body; it is a legally separate entity; and it is fiscally independent. The District is not included in any other governmental reporting entity.

As defined by GAAP, established by the GASB, the financial reporting entity consists of the primary government, as well as component units, which are legally separate organizations for which elected officials of the primary government are financially accountable. Financial accountability is defined as:

- 1) Appointment of voting majority of the component unit's governing board, and either, a) the ability to impose its will by the primary government, or b) there is a potential for the component unit to provide specific financial benefits to, or impose specific financial burdens on, the primary government; or
- 2) Fiscal dependency on the primary government and there is a potential for the organization to provide specific benefits to, or impose specific financial burdens on the primary government regardless of whether the organization has (1) a separately elected governing board, (2) a governing board appointment by a higher level of government, or (3) a jointly appointed board.

Based on the above criteria, there are no other organizations that would be considered component units of the District. The district meets the criteria of an "other stand-alone government."

THOMPSON RIVERS PARKS AND RECREATION DISTRICT

NOTES TO FINANCIAL STATEMENTS

NOTE 1 – Summary of Significant Accounting Policies - Continued:

Scope of Reporting Entity:

The financial statements of the District have been prepared in conformity with accounting principles generally accepted in the United States (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

Basis of Accounting:

The accounting policies of the District conform to generally accepted accounting principles as applicable to enterprise funds. The following is a summary of the significant policies:

Basis of accounting refers to when revenues and expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made regardless of the measurement focus used.

Thompson Rivers Parks and Recreation District follows the accrual basis of accounting. Revenues are recognized when they are earned, and expenses are recognized when they are incurred.

Enterprise funds are accounted for on the cost of services or “capital maintenance” measurement focus. This means that all assets and all liabilities (whether current or non-current) associated with their activity are included in the balance sheet. The reported fund equity (total net position) is segregated into amounts investment in capital assets and unrestricted net position components. The operating statement presents increases (revenue) and decreased (expenses) in total net position.

Budgets and Budgetary Accounting:

Annual budgets are adopted as required by Colorado statutes. Formal budgetary integration is employed as a management control device during the year. Prior to September the department heads submit their budgets to the budget officer, who is designated as the person responsible for the budget. Prior to October 15th, the district manager submits the budgets to the District board. Prior to December 15th the District board after reviewing the budgets adopts the budget with a certified copy sent to the Division of Local Government prior to January 30th, and passes a resolution making the appropriation for the ensuing fiscal year.

The Board approves total budget appropriations only. Budgeted amounts within the fund may be transferred as long as total appropriations are not altered. If the total appropriations must be revised, an official amended budget is approved and a resolution making additional appropriations is passed.

THOMPSON RIVERS PARKS AND RECREATION DISTRICT

NOTES TO FINANCIAL STATEMENTS

NOTE 1 – Summary of Significant Accounting Policies - Continued:

Budgets and Budgetary Accounting - Continued:

The level of budgetary responsibility is by total appropriations; however, for report purposes, this level has been expanded to a functional basis. Budgets are adopted on the accrual basis and the budgetary comparisons shown in these financial statements under supplementary information are shown on that basis.

Cash and Cash Equivalents:

Colorado state statutes govern the entity's deposits of cash. For deposits in excess of federally insured limits, Colorado Revised Statutes require the depository institution to maintain collateral on deposit with an official custodian (as authorized by State Banking Board). The Colorado Public Deposit Protection Act ("PDPA") requires state regulators to certify eligible depositories for public deposit. PDPA requires the eligible depositories with public deposits in excess of the amounts insured by the Federal Deposit Insurance Corporation ("FDIC") to create a single institutional collateral pool of obligations of the State of Colorado or local Colorado Governments and obligations secured by first lien mortgages on real property located in the State. The pool is to be maintained by another institution or held in trust for all uninsured public deposits.

The Board authorizes the District to invest in certificates of deposit and U.S. Treasury bills at various financial institutions that are FDIC insured, or repurchase agreements provided that approved securities are pledged to secure those funds on deposit in an amount equal to the amount of those funds.

Cash and cash equivalents referred to in the Statement of Cash Flows comprise cash on hand, cash in checking accounts, cash in money market accounts and cash temporarily invested in certificates of deposits with maturity within three months from the financial statement dates.

Compensated Absences:

Vacation and sick leave accumulated by an employee are recorded as a liability and current operating expense of the District at the employee's current rate of pay. Accrued compensated absences totaled \$41,534 at December 31, 2021.

THOMPSON RIVERS PARKS AND RECREATION DISTRICT

NOTES TO FINANCIAL STATEMENTS

NOTE 1 – Summary of Significant Accounting Policies - Continued:

Capital Assets:

Capital assets purchased or acquired with an original cost of \$5,000 or more are stated at cost except for property received by donation or contribution, which is stated at its estimated fair market value at the time it is received by the District. The cost of maintenance and repairs is charged against income as incurred; significant renewals, betterments, and improvements are capitalized.

Depreciation of exhaustible fixed assets used by enterprise funds is charged as an expense against its operation over the assets' estimated useful lives. Accumulated depreciation is reported on the enterprise fund balance sheet. Depreciation has been provided over the estimated useful lives on the straight-line basis. Useful lives by type of asset are as follows:

Description	Years
Land	N/A
Land Improvements	20-50 Years
Vehicles & Equipment	4-20 years
Building	50 years

Net Position:

Net position is classified in the following categories:

Net Investment in Capital Assets – This category groups all capital assets, including infrastructure, into one component of net position. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction, or improvement of these assets reduce this category.

Restricted Net Position – This category presents external restrictions imposed by creditors, grantors, contributors, or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.

Unrestricted Net Position – This category represents the net position of the District, which is not restricted for any project or other purpose. A deficit will require future funding.

Operating and Non-Operating Revenues:

Operating revenues are defined as those revenues that are generated directly from the primary activity of the District. These revenues are for recreational program and classes which are earned as the service is provided. Nonoperating revenues consist of property tax revenue, conservation trust fund revenue and specific ownership tax revenue.

THOMPSON RIVERS PARKS AND RECREATION DISTRICT

NOTES TO FINANCIAL STATEMENTS

NOTE 1 – Summary of Significant Accounting Policies - Continued:

Use of Estimates:

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, deferred inflows of resources and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates and such differences could be material.

NOTE 2 – Cash and Cash Equivalents:

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories, eligibility is determined by state regulators. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. PDPA allows the institution to create a single collateral pool held in trust for all public funds. The pool is to be maintained by another institution or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to the aggregate uninsured deposits.

At December 31, 2021 and 2020, the District had deposits with two financial institutions with carrying amount of \$758,759 and \$713,579, respectively. The bank balances with the financial institutions were \$727,430 and \$741,694, respectively, of which \$250,126 and \$491,265 respectively was covered by FDIC and the excess was covered by PDPA.

Investments are stated at fair value as required by the Governmental Accounting Standards Board Statement 31.

The PDPA requires financial institutions to pledge collateral having a market value of at least 102% of the aggregate public deposits not insured by federal depository insurance. Eligible collateral includes municipal bonds, US government securities, mortgages and deeds of trust.

Credit risk – The District’s investment policy authorizes the District to invest in bonds or other interest-bearing obligations of the United States of America or its agencies thereof, certificates of deposit and local investment pools.

Interest rate risk – The District’s investment policy limits all federal securities to maturities of 5 years or less from the date of purchase.

THOMPSON RIVERS PARKS AND RECREATION DISTRICT

NOTES TO FINANCIAL STATEMENTS

NOTE 2 – Cash and Cash Equivalents – Continued:

Custodial Credit Risk – Custodial credit risk is the risk that in the event of a bank failure, the District’s deposits may not be returned to it. The District does have a deposit policy that allows investments only in U.S. instrumentalities or deposits insured by federal depository insurance. The District’s bank accounts at year-end were entirely covered by federal depository insurance or by collateral held by the District’s custodial banks in the name of the District under provisions of PDPA.

NOTE 3 – Capital Assets:

	Balance 1/1/21	Additions	Deletions	Balance 12/31/21
Capital assets not being depreciated:				
Land	\$ 1,673,100	\$ --	\$(1,100)	\$ 1,672,000
Capital Assets Being Depreciated:				
Land Improvements	5,067,280	--	--	5,067,280
Building	6,116,489	1,099	--	6,117,588
Vehicles and equipment	845,334	29,180	--	874,514
Total Capital Assets, Being Depreciated	12,029,103	30,279	--	12,059,382
Accumulated depreciation	(2,332,677)	(288,620)	617	(2,620,680)
Capital Assets, Net	\$11,369,526	\$ (258,341)	\$ (483)	\$ 11,110,702

NOTE 4 – Long-Term Debt:

A summary of the District’s long term debt as of December 31, 2021 are as follows:

December 31	2021
Various capital leases with a motor credit company, due in annual installments ranging from \$12,688 to \$22,978, including principal and interest, through 2024. Interest accrues at 6.20% per annum. The leases are collateralized by vehicles.	\$ 110,537
\$7,075,517 October 3, 2019, capital lease with the financial institution, due in semi-annual installments of \$291,865 though October 1, 2034. The interest rate is 2.87%. The lease proceeds were used to payoff the October 1, 2015 capital lease and the September 5, 2014 capital lease and pay the issuance costs of this agreement. The lease is collateralized by the Nelson Ballfield property and the Milliken Athletic Complex and Land.	6,296,468
Total Long-Term Debt	\$6,407,004

THOMPSON RIVERS PARKS AND RECREATION DISTRICT

NOTES TO FINANCIAL STATEMENTS

NOTE 4 – Long-Term Debt – Continued:

A summary of the changes in debt for the year ended December 31, 2021, is as follows:

	Beginning Balance	Additions	Retired	Ending Balance	Due Within One Year
Capital Leases	\$6,840,928	\$ -	\$433,924	\$6,407,004	\$447,770
Compensated Absences	35,968	45,430	39,844	41,554	6,233

The annual requirements to amortize all debt outstanding as of December 31, 2021 are as follows:

Year Ending December 31	Principal	Interest	Total
2022	\$ 447,770	\$193,470	\$ 641,240
2023	462,099	183,338	645,437
2024	453,949	168,928	622,877
2025	442,141	141,590	583,731
2026	454,922	128,890	583,812
2027-2031	2,479,626	439,028	2,918,654
2032-2035	1,666,497	84,694	1,751,191
Totals	\$6,407,004	\$1,343,651	\$7,750,655

The book value of assets acquired through capital lease is as follows:

Land	\$ 500,000
Land improvements	4,437,124
Vehicles and tech	342,460
Less: accumulated depreciation	(1,470,987)
Total	\$ 3,808,597

NOTE 5 – Risk Management:

The District is exposed to various risks of loss related to torts, thefts of , damage to, or destruction of assets; errors and omissions; or natural disasters. The District is a member of the Colorado Special Districts Property and Liability Pool (the “Pool”). The Pool is an organization composed of approximately 1,100 members created by an intergovernmental agreement to provide property and general liability, automobile physical damage and liability, publicity, public officials’ liability, and boiler and machinery coverage to its members. The Pool provides coverage for property claims up to claims up to the values declared and liability and public officials coverage for claims up to \$1,000,000.

THOMPSON RIVERS PARKS AND RECREATION DISTRICT

NOTES TO FINANCIAL STATEMENTS

NOTE 6 – Deferred Compensation Plan:

The District offers its employees a deferred compensation plan created in accordance with internal Revenue Code Section 457 (the “Plan”). The Plan, available to all the full time District employees, permits them to defer a portion of their salary until future years. The District may elect to make a discretionary matching contribution. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. For the years ended December 31, 2021 and 2020, the District contributed \$9,978 and \$9,665, respectively.

The Plan complies with Section 457 of the Internal Revenue Code, whereby, trust provisions are incorporated so that plan assets are held to trust for the exclusive benefit of participants and their beneficiaries. As a result, as of December 31, 2021, the assets and liabilities of the deferred compensation plan are not included in accompanying financial statements.

NOTE 7 – Contingencies:

Risk Management:

The District is exposed to various risks of loss related to torts, thefts of, damage to, or destruction of assets, errors and omissions, injuries to employees or acts of God. The District maintains commercial insurance for all risks of loss. Settled claims have not exceeded this commercial coverage in any of the past three years.

Tax, Spending and Debt Limitations:

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 governments. The amendment is complex and subject to judicial interpretation. The District believes it is in compliance with the requirements of the amendment. However, the District has made certain interpretations of the amendment’s language in order to determine its compliance.

In 1992, the Colorado voters approved the “taxpayer’s Bill of Rights” (TABOR). TABOR requires voter approval for any new tax, tax rate increase, mill levy increase, or new debt. Voter approval is also required to increase annual property taxes, revenue or spending by more than inflation plus a local growth factor. Spending not subject to TABOR includes that from District enterprise activities and federal funds. The District believes it is in compliance with requirements of TABOR.

SUPPLEMENTARY INFORMATION

THOMPSON RIVERS PARK AND RECREATION DISTRICT

Schedule of Revenue and Expenses - Actual (Budgetary Basis) Compared to Budget

Year Ended December 31, 2021	Actual	Final Budget	Variance
Operating Revenues:			
Charges for services	\$ 177,932	\$ 162,900	\$ 15,032
Total Operating Revenue	177,932	162,900	15,032
Nonoperating Revenue:			
Property taxes	1,571,678	1,538,663	33,015
Conservation trust funds	155,523	155,523	-
Specific ownership taxes	77,038	100,000	(22,962)
Other nonoperating revenues	235,044	236,477	(1,433)
Grants and noncapital contributions	93,247	140,100	(46,853)
Interest	5,977	2,000	3,977
Total Nonoperating Income	2,138,507	2,172,763	(34,256)
Total Revenue and Contributions	2,316,439	2,335,663	(19,224)
Expenditures:			
Program costs:			
Communication	557	-	557
Continuing education	-	1,600	(1,600)
Employee benefits	60,526	73,500	(12,974)
Other	27,340	29,000	(1,660)
Repairs and maintenance	57,615	49,600	8,015
Salaries	267,996	257,250	10,746
Supplies	111,488	93,530	17,958
Temporary help	44,059	63,450	(19,391)
Travel and meetings	370	1,250	(880)
Uniforms	23,557	28,250	(4,693)
Utilities	89,591	101,000	(11,409)
Workers' compensation	12,471	13,000	(529)
Total Program Costs	695,570	711,430	(15,860)

Continued on next page.

THOMPSON RIVERS PARK AND RECREATION DISTRICT

Schedule of Revenue and Expenses - Actual (Budgetary Basis) Compared to Budget - Continued

Year Ended December 31, 2021	Actual	Final Budget	Variance
Administrative and operating costs:			
Accounting	\$ 40,250	\$ 34,500	\$ (5,750)
Attorney	7,456	7,000	(456)
Board expense	4,245	1,600	(2,645)
Board member compensation	6,045	6,000	(45)
Communication	27,654	24,030	(3,624)
Computer expense	18,605	30,543	11,938
Continuing education	6,544	12,000	5,456
Contracted services	25,865	25,000	(865)
Copying	3,367	5,500	2,133
Fees/licenses/permits	32,598	48,000	15,402
Interest expense	198,518	198,786	268
Liability insurance	26,836	27,000	164
Office/administrative	48,388	43,640	(4,748)
Office supplies	66,967	77,873	10,906
Payroll taxes	60,442	59,858	(584)
Postage	288	250	(38)
Principal paid	433,923	433,923	-
Salaries	478,872	496,730	17,858
Travel and meetings	1,833	2,000	167
Utilities	50,663	65,000	14,337
Total Administrative and Operating costs	1,539,359	1,599,233	59,874
Other expenses and transfers:			
County treasurer fees	23,650	25,000	1,350
Total other expenses and transfers	23,650	25,000	1,350
Total Expenditures	2,258,579	2,335,663	45,364
Net Income - Budget Basis	\$ 57,860	\$ -	\$ (64,588)
Reconciliation of Net Income - Budget Basis to Net Income - GAAP Basis:			
Depreciation	(288,620)		
Principal paid	433,923		
Net Income - GAAP Basis	\$ 203,163		

See Accompanying Independent Auditors' Report.