

CLEAR CREEK METROPOLITAN
RECREATION DISTRICT

FINANCIAL STATEMENTS

December 31, 2022



Logan and Associates, LLC
CERTIFIED PUBLIC ACCOUNTANTS

TABLE OF CONTENTS

Independent Auditor's Report	a - c
Management's Discussion and Analysis	i - v
Basic Financial Statements	
Statement of Net Position	1
Statement of Activities	2
Balance Sheet – Governmental Funds	3
Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental Funds	4
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	5
Notes to Financial Statements	6 - 16
Required Supplementary Information	
Budgetary Comparison Schedule – General Fund	17
Budgetary Comparison Schedule – Conservation Trust Fund	18
Notes to Required Supplementary Information	19
Other Information	
Schedule of Assessed Valuation, Mill Levy and Property Taxes Collected	20



INDEPENDENT AUDITOR'S REPORT

Members of the Board of Directors
Clear Creek Metropolitan Recreation District
Clear Creek County, Colorado

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities and each major fund of the Clear Creek Metropolitan Recreation District (the "District") as of and for the year ended December 31, 2022, 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 referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Clear Creek Metropolitan Recreation District as of December 31, 2022, and the respective changes in financial position for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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 Clear Creek Metropolitan Recreation District, and to meet our 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 opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the 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 for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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 opinions. 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 judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgement 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 of 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 of 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 judgement, 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, and budgetary comparison schedules on pages i – v and on pages 17 – 19 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements as a whole. The accompanying schedule of assessed valuation, mill levy, and property taxes collected is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The other information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Logan and Associates, LLC

Aurora, Colorado
March 21, 2024

MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of the financial performance of the Clear Creek Metropolitan Recreation District (the "District") provides an overview of the District's financial activities for the year ended December 31, 2022. Please read it in conjunction with the transmittal letter and the District's financial statements.

FINANCIAL HIGHLIGHTS

- The District remains in a strong financial position, with assets exceeding liabilities at the close of 2022 by \$10,365,010 (net position). Of this amount, \$1,933,587, or 19 percent, is unrestricted and may be used to meet the District's ongoing obligations to citizens and creditors.
- At the end of 2022, the fund balance in the General Fund was \$1,988,351, a decrease of \$104,452. Of this amount, \$971,082, or 49 percent, was not restricted.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis are intended to introduce the basic financial statements of the Clear Creek Metropolitan Recreation District. The District's basic financial statements include three components: 1) the government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains required supplementary information and other supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the Clear Creek Metropolitan Recreation District's finances in a manner similar to a private-sector business.

The **Statement of Net Position** presents information on all the District's assets and liabilities, with the difference between the two reported as net position. Thus, increases or decreases in net position over time may serve as a helpful indicator of whether the District's financial position is improving or deteriorating.

The **Statement of Revenues, Expenses, and Changes in Fund Net Position** presents information showing how the District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenue and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., earned but unused vacation leave).

Fund Financial Statements

A fund is a grouping of related accounts used to maintain control over resources that have been segregated for specific activities or objectives. Some funds are required to be established by the State. In addition, the District's Board of Directors establishes other funds to help control and manage money for particular purposes. All the District's funds are Governmental Funds.

Governmental funds - Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources and on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenue, expenditures, and changes in fund balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District maintains two individual governmental funds, both of which are considered to be major funds. Therefore, information is presented separately in the governmental fund balance sheet and the governmental fund statement of revenue, expenditures, and changes in fund balances.

Notes to Financial Statements

The notes provide additional information essential to a complete understanding of the data provided in the government-wide and fund financial statements.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a helpful indicator of a government's financial position. For example, in the case of the District, assets exceed liabilities by \$10,365,010 at the close of 2022.

Net Position

The combined net position of the Clear Creek Metropolitan Recreation District on December 31, 2022, and 2021 was:

	Governmental Activities	
	2022	2021
Capital assets	\$8,283,983	\$ 8,491,915
Other assets	2,678,523	2,785,317
Total assets	10,962,506	11,277,232
Other liabilities	86,381	84,468
Total liabilities	86,381	84,468
Deferred Inflow Resources	511,115	560,730
Net position:		
Invested in capital assets, net of related debt	8,283,983	8,491,915
Restricted	147,440	95,300
Unrestricted	1,933,587	2,044,819
Total net position	\$10,365,010	10,632,034

By far, the largest portion of the District's net position (80% or \$8,283,984) is an investment in capital assets, net of related debt; 1% or \$147,440 is restricted for TABOR emergencies and capital projects. The District uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending.

At the end of 2022, the District is able to report positive balances in all three categories of net position.

Changes in Net Position

The District's program and general revenue of \$1,512,455 fell short of program expenses of \$1,779,479 by \$267,024. The main reason for this was a decrease in property tax revenue, increase in program expenses, and decreased grants received. The table below shows the summarized revenue and expenses for 2022 and 2021.

**Governmental
Activities**

	<u>2022</u>	<u>2021</u>
Program revenue:		
Charges for services	\$ 564,303	\$ 345,940
Operating grants	46,618	45,746
Capital grants	141,553	211,602
General revenue:		
Property taxes	\$ 560,962	\$ 594,943
Specific ownership tax	42,014	47,227
Grants not restricted	90,358	132,341
Net investment income	3,640	5,866
Insurance Proceeds	33,656	
Other general revenue	29,351	16,788
Total revenue	\$ 1,482,785	\$1,409,473
Program expenses		
General government	529,095	461,059
Recreation Center & Programs	1,205,765	974,244
Athletic Fields & Parks	44,619	44,291
Total expenses	\$ 1,779,479	\$1,479,594
Increase (decrease) in net position	(267,024)	(70,121)
Net Position-Beginning	10,632,034	10,702,155
Net Position-Ending	\$10,365,010	\$10,632,034

Governmental Activities

Governmental Activities reflect a decrease in net position of \$267,024. The main reason for the unfavorable decrease in net position is attributable to the declining tax revenue, decrease in grants received, and increase and recreation center and programs expenses.

THE DISTRICT'S FUNDS

As noted, Clear Creek Metropolitan Recreation District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The Governmental Funds are accounted for using the modified accrual basis of accounting. As the District completed the year, its Governmental Funds reported a combined fund balance of \$2,099,791. Of that fund balance, \$147,440 was restricted. Accordingly, a fund balance of \$981,269 is assigned to capital projects. The remaining balance of \$971,082 was unassigned and is available for spending at the District's discretion.

At the end of 2022, the unrestricted fund balance of the General Fund was \$971,082, while the total fund balance reached \$1,952,351. As a measure of the General Fund's liquidity, it may be useful to compare both unrestricted fund balance and total fund balance to total fund expenditures. Unrestricted fund balance represents 62 percent of total general fund expenditures for 2022, approximately 7 1/2 months of operations. The restricted fund balance represents 9 percent of that same amount.

The fund balance of the General Fund decreased by \$104,452 during the current fiscal year. The primary reason for the decrease in fund balance was related to the reduction in property tax revenue, decreased grants received, and increases in recreation center and program expenses.

The Conservation Trust Fund has a total fund balance of \$111,440, all of which are restricted to park maintenance and capital projects. Therefore, the net decrease of \$48,140 represents lottery proceeds received that exceed park and maintenance costs and capital expenditures.

CAPITAL ASSETS AND DEBT ADMINISTRATION

At the end of 2022, the District had invested in a broad range of capital assets.

The following table summarizes total capital assets, net of depreciation where applicable, on December 31, 2022.

**CAPITAL ASSETS AT YEAR-END
(net of depreciation)**

	Governmental Activities	
	<u>2022</u>	<u>2021</u>
Land	\$ 75,514	\$ 75,514
Construction in Progress	0	410,126
Total non-depreciable assets	75,514	485,640
Buildings	7,107,522	6,803,199
Improvements other than building	776,246	856,216
Equipment & Vehicles	324,701	346,860
Total Capital Assets	\$ 8,283,983	\$ 8,491,915

The District remains committed to the upkeep and maintenance of the District's assets. More detailed information about the District's capital assets is presented in Note 3 to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND FEES

The Clear Creek Metropolitan Recreation District is in a strong financial position. However, in preparing the 2023 Budget, the District had to consider several factors. Most noteworthy of all, with 50% of property taxes coming from one taxpaying entity, which is in the extraction industry and is seeing tapering production. This correlates with a declining assessed value. The entity is forecasted to cease operations within 10 - 20 years. Further, in 2020 - 2022, the District underwent an energy efficiency upgrade, including the installation of a 100kW solar panel array. This pursuit is projected to contribute to electrical utility cost savings in the years ahead. The District forecasts steady increases in program revenues as related to increasing confidence as related to the stabilization of post-pandemic economic conditions.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the District's finances and to show the District's accountability for the funds and assets it receives. If you have questions about this report, or should you need additional information, contact the District's Finance Department at Clear Creek Metropolitan Recreation District, P.O. Box 1149, Idaho Springs, CO 80452.

BASIC FINANCIAL STATEMENTS

CLEAR CREEK METROPOLITAN RECREATION DISTRICT

STATEMENT OF NET POSITION
December 31, 2022

	<u>GOVERNMENTAL ACTIVITIES</u>
ASSETS	
Cash and Investments	\$ 2,145,943
Receivables	
County Treasurer	3,061
Grants	1,211
Other	17,193
Property Taxes	511,115
Capital Assets, Not Depreciated	75,514
Capital Assets, Depreciated Net of Accumulated Depreciation	<u>8,208,469</u>
TOTAL ASSETS	<u>10,962,506</u>
LIABILITIES	
Accounts Payable	36,725
Retainage Payable	-
Accrued Salaries and Benefits	28,539
Customer Deposits	2,353
Noncurrent Liabilities	
Compensated Absences	<u>18,764</u>
TOTAL LIABILITIES	<u>86,381</u>
DEFERRED INFLOW OF RESOURCES	
Deferred Property Tax Revenue	<u>511,115</u>
NET POSITION	
Net Investment in Capital Assets	8,283,983
Restricted for Emergencies	36,000
Restricted for Parks Maintenance and Capital	111,440
Unrestricted	<u>1,933,587</u>
TOTAL NET POSITION	<u><u>\$ 10,365,010</u></u>

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

CLEAR CREEK METROPOLITAN RECREATION DISTRICT

STATEMENT OF ACTIVITIES
Year Ended December 31, 2022

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES			NET (EXPENSE)
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	REVENUE AND CHANGE IN NET POSITION
PRIMARY GOVERNMENT					
Governmental Activities					GOVERNMENTAL ACTIVITIES
General Government	\$ 529,095	\$ 32,200	\$ -	\$ -	\$ (496,895)
Recreation Center and Programs	1,205,765	532,103	46,618	141,553	(485,491)
Athletic Fields and Parks	44,619	-	-	-	(44,619)
Total Governmental Activities	<u>1,779,479</u>	<u>564,303</u>	<u>46,618</u>	<u>141,553</u>	<u>(1,027,005)</u>
		GENERAL REVENUES			
					560,962
					42,014
					90,358
					3,640
					33,656
					29,351
					<u>759,981</u>
					<u>759,981</u>
					(267,024)
					<u>10,632,034</u>
					<u>\$ 10,365,010</u>

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

CLEAR CREEK METROPLITAN RECREATION DISTRICT

BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2022

	GENERAL FUND	CONSERVATION TRUST FUND	TOTALS
ASSETS			
Cash and Investments	\$ 2,034,503	\$ 111,440	\$ 2,145,943
Accounts Receivable - County Treasurer	3,061	-	3,061
Accounts Receivable - Other	17,193	-	17,193
Grants Receivable	1,211	-	1,211
Property Taxes Receivable	511,115	-	511,115
TOTAL ASSETS	<u>2,567,083</u>	<u>111,440</u>	<u>2,678,523</u>
LIABILITIES, DEFERRED INFLOWS AND FUND EQUITY			
LIABILITIES			
Accounts Payable	36,725	-	36,725
Accrued Salaries and Benefits	28,539	-	28,539
Customer Deposits	2,353	-	2,353
TOTAL LIABILITIES	<u>67,617</u>	<u>-</u>	<u>67,617</u>
DEFERRED INFLOW OF RESOURCES			
Deferred Property Tax Revenue	511,115	-	511,115
FUND EQUITY			
Fund Balance			
Restricted for Emergencies	36,000	-	36,000
Restricted for Parks Maintenance and Capital	-	111,440	111,440
Assigned for Capital Projects	981,269	-	981,269
Unassigned	971,082	-	971,082
TOTAL FUND EQUITY	<u>1,988,351</u>	<u>111,440</u>	<u>2,099,791</u>
TOTAL LIABILITIES, DEFERRED INFLOWS, AND FUND EQUITY	<u>\$ 2,567,083</u>	<u>\$ 111,440</u>	<u>\$ 2,678,523</u>

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

Total Fund Balances of Governmental Funds	2,099,791
Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds.	8,283,983
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.	<u>(18,764)</u>
Net position of governmental activities	<u>\$ 10,365,010</u>

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

CLEAR CREEK METROPLITAN RECREATION DISTRICT

STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
Year Ended December 31, 2022

	GENERAL FUND	CONSERVATION TRUST FUND	TOTALS
REVENUES			
Taxes	\$ 602,976	\$ -	\$ 602,976
Grants and Contributions	231,911	-	231,911
Intergovernmental	-	46,618	46,618
Charges for Services	564,303	-	564,303
Interest	1,998	1,642	3,640
Insurance Proceeds	33,656	-	33,656
Sales of Assets	361	-	361
Miscellaneous	28,990	-	28,990
TOTAL REVENUES	<u>1,464,195</u>	<u>48,260</u>	<u>1,512,455</u>
EXPENDITURES			
General Government			
Administration	<u>523,832</u>	-	<u>523,832</u>
Recreation Center and Programs			
Recreation Center	426,217	-	426,217
Aquatics	156,686	-	156,686
Children's Programs - Kids Korner			
Before and After School	96,401	-	96,401
Summer Camp/Toddler Time	75,182	-	75,182
Youth and Adult Programs	92,631	-	92,631
Total Recreation Center and Programs	<u>847,117</u>	-	<u>847,117</u>
Athletic Fields and Parks	<u>44,499</u>	<u>120</u>	<u>44,619</u>
Capial Outlay	<u>153,199</u>	-	<u>153,199</u>
TOTAL EXPENDITURES	<u>1,568,647</u>	<u>120</u>	<u>1,568,767</u>
NET CHANGE IN FUND BALANCES	(104,452)	48,140	(56,312)
FUND BALANCES, Beginning	<u>2,092,803</u>	<u>63,300</u>	<u>2,156,103</u>
FUND BALANCES, Ending	<u>\$ 1,988,351</u>	<u>\$ 111,440</u>	<u>\$ 2,099,791</u>

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

CLEAR CREEK METROPLITAN RECREATION DISTRICT

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
Year Ended December 31, 2022

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

Net Changes in Fund Balances - Total Governmental Funds	\$ (56,312)
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 depreciation expense (\$361,131) exceeded capital outlay \$153,199 in the current period.	(207,932)
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>(2,780)</u>
Change in Net Position of Governmental Activities	<u>\$ (267,024)</u>

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

CLEAR CREEK METROPOLITAN RECREATION DISTRICT

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

The Clear Creek Metropolitan Recreation 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 elected Board of Directors. The District provides recreational activities and programs for the residents in Clear Creek County, Colorado.

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. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported in a single column.

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.

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

CLEAR CREEK METROPOLITAN RECREATION DISTRICT

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Government-Wide and Fund Financial Statements (Continued)

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 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 is normally covered by general revenue such as property taxes, specific ownership taxes or unrestricted revenues.

Major individual governmental funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

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

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.

CLEAR CREEK METROPOLITAN RECREATION DISTRICT

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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.

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 maintenance of the District, except for those activities 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 State of Colorado. Expenditures generally involve eligible expenditures for improvements or maintenance of facilities, and equipment used for recreation and park purposes.

Assets, Liabilities, Net Position/Fund Balances

Cash and Investments – Cash and investments consist of cash on hand, cash in bank(s) and short-term investments, with maturities of less than three months from acquisition date. Investments are reported at fair value.

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, land, buildings and related improvements, improvements other than buildings, equipment and vehicles, owned by the District, are reported in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$2,500 and an estimated useful life in excess of two years. 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.

CLEAR CREEK METROPOLITAN RECREATION DISTRICT

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

Buildings and Improvements	40 years
Improvements other than Buildings	40 years
Equipment and Vehicles	5 – 15 years

Long-Term Debt - In the government-wide financial statements long-term debt and other long-term obligations are reported as liabilities. 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. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as current period debt service expenditures.

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 due in the governmental funds. A long-term liability is reported in the government-wide financial statements for accrued compensated absences.

Deferred Outflows/Inflows of Resources – In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement classification represents a consumption of net position that applies to a future period(s) and therefore will not be recognized as an outflow of resources (expense/expenditures) until then. The District had no items that qualify for reporting in this category.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement classification represents an acquisition of net position that applies to a future period(s) and therefore will not be recognized as an inflow of resources (revenue) until then. The District has an item related to property taxes levied in the current year for collection in the following year that is reported as deferred inflows of resources at December 31, 2022.

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

CLEAR CREEK METROPOLITAN RECREATION DISTRICT

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

- 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 limitations 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.
- 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 maintenance and capital 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 next year's budget expenditures and future capital projects.

CLEAR CREEK METROPOLITAN RECREATION DISTRICT

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

- 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.

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, 2022 through March 21, 2024, the date 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, 2022, follows:

Cash Deposits	\$ 2,035,164
Petty Cash	750
Investments	<u>110,029</u>
Total	<u>\$ 2,145,943</u>

CLEAR CREEK METROPOLITAN RECREATION DISTRICT

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

NOTE 2: CASH AND INVESTMENTS (Continued)

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, 2022, the District had bank deposits totaling \$2,039,421 \$250,011 of which were insured by FDIC and \$1,789,410 were collateralized with securities held by the financial institutions' agents but not in the District's name.

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

CLEAR CREEK METROPOLITAN RECREATION DISTRICT

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

NOTE 2: CASH AND INVESTMENTS (Continued)

At December 31, 2022, the District had the following investments:

	<u>Maturity</u>	<u>2022</u>
Colorado Liquid Government Asset Trust (COLOTRUST)	Weighted Average under 60 days	\$ <u>110,029</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 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. COLOTRUST 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.

The remainder of this page has been intentionally left blank.

CLEAR CREEK METROPOLITAN RECREATION DISTRICT

NOTES TO FINANCIAL STATEMENTS
December 31, 2022

NOTE 3: CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2022, is summarized below:

	Balances 12/31/2021	Additions	Deletions	Balances 12/31/2022
Governmental Activities:				
Capital Assets, not being depreciated				
Land & Land Improvements	\$ 75,514	\$ -	\$ -	\$ 75,514
Construction in Progress	410,126	-	410,126	-
Total Capital Assets, not depreciated	<u>485,640</u>	<u>-</u>	<u>410,126</u>	<u>75,514</u>
Capital Assets, being depreciated				
Buildings & Improvements	9,043,358	534,132	-	9,577,490
Improvements other than Buildings	1,495,134	-	-	1,495,134
Equipment and Vehicles	999,752	29,193	2,600	1,026,345
Total Capital Assets, being depreciated	<u>11,538,244</u>	<u>563,325</u>	<u>2,600</u>	<u>12,098,969</u>
Less accumulated depreciation				
Buildings & Improvements	(2,240,159)	(229,809)	-	(2,469,968)
Improvements other than Buildings	(638,918)	(79,970)	-	(718,888)
Equipment and Vehicles	(652,892)	(51,352)	(2,600)	(701,644)
Total accumulated depreciation	<u>(3,531,969)</u>	<u>(361,131)</u>	<u>(2,600)</u>	<u>(3,890,500)</u>
Total Capital Assets, being depreciated, net	<u>8,006,275</u>	<u>202,194</u>	<u>-</u>	<u>8,208,469</u>
Governmental Activities Capital Assets, net	<u>\$ 8,491,915</u>	<u>\$ 202,194</u>	<u>\$ 410,126</u>	<u>\$ 8,283,983</u>

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

General Government	\$ 3,873
Parks and Recreation	<u>357,258</u>
Total	<u>\$ 361,131</u>

NOTE 4: ACCRUED COMPENSATED ABSENCES

Accrued compensated absences activity for the year ended December 31, 2022, is summarized below:

	Balances 12/31/2021	Additions	Deletions	Balances 12/31/2022
Accrued Compensated Absences	<u>\$ 15,984</u>	<u>\$ 10,130</u>	<u>\$ 7,350</u>	<u>\$ 18,764</u>

Accrued compensated absences are liquidated with funds from the General Fund.

CLEAR CREEK METROPOLITAN RECREATION DISTRICT

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

NOTE 5: DEFERRED COMPENSATION PLAN

The District has a deferred compensation plan in accordance with Internal Revenue Code Section 457. The plan is administered by Lincoln Financial Group. Participation in the plan is optional for all employees. The plan allows employees to defer a portion of their salary until future years. The District matches up to 5% of the participating employee's contributions to the plan. Participants are fully vested immediately in the District's contributions. For the year ended December 31, 2022, employees contributed \$12,667 and the District contributed \$8,397 to the plan.

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 District's Property and Liability 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: INTERGOVERNMENTAL AGREEMENT

On September 22, 2013, the District entered into a twenty-five (25) year intergovernmental agreement with the City of Idaho Springs (the "City") for use of the property that the City owns, known as the Idaho Springs Ballfield Complex, (the "Complex"). The District is responsible for all utilities, maintenance costs and other costs related to operation of the Complex. All improvements, removal and relocation of existing improvements made by the District shall revert to and become the property of the City of Idaho Springs upon expiration of the agreement. At the end of the initial twenty-five (25) year period, the agreement will automatically renew for an additional twenty-five (25) years, unless terminated by either party.

The remainder of this page is intentionally left blank.

CLEAR CREEK METROPOLITAN RECREATION DISTRICT

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

NOTE 8: CONCENTRATION OF RISK

The District receives approximately 50% of the levied property taxes and related specific ownership taxes from one taxpaying entity. The loss of this revenue, if it were to occur could significantly affect the District's operations. District management does not expect any changes related to the one taxpaying entity in the near future.

NOTE 9: 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.

The District has established an emergency reserve, representing 3% of qualifying fiscal year spending, as required by the Amendment. At December 31, 2022, the emergency reserve of \$36,000 was reported as a restriction of fund balance and net position in the General Fund and Governmental Activities, respectively.

REQUIRED SUPPLEMENTARY INFORMATION

CLEAR CREEK METROPLITAN RECREATION DISTRICT

BUDGETARY COMPARISON SCHEDULE
GENERAL FUND

Year Ended December 31, 2022

(With Comparative Actual Totals for the Year Ended December 31, 2021)

	2022		VARIANCE Positive (Negative)	2021
	ORIGINAL AND FINAL BUDGET	ACTUAL		ACTUAL
REVENUES				
Taxes				
Property Taxes	\$ 560,731	\$ 560,962	\$ 231	\$ 594,943
Specific Ownership Taxes	45,000	42,014	(2,986)	47,227
Charges for Services				
Recreation Center	230,650	277,829	47,179	194,940
Aquatics	20,686	43,976	23,290	16,651
Children's Programs	157,735	114,240	(43,495)	75,115
Youth and Adult Programs	233,664	90,997	(142,667)	25,543
Facilities Rentals	9,000	32,200	23,200	38,100
Vending Sales	-	5,061	5,061	4,591
Grants and Contributions	9,000	231,911	222,911	343,943
Interest	60	1,998	1,938	5,860
Insurance Proceeds	-	33,656	33,656	34,000
Sale of Capital Assets	3,000	361	(2,639)	34,000
Miscellaneous	158,862	28,990	(129,872)	352
TOTAL REVENUES	1,428,388	1,464,195	35,807	1,381,265
EXPENDITURES				
General Government				
Administration	394,942	523,832	(128,890)	467,459
Recreation Center and Programs				
Recreation Center	489,537	426,217	63,320	342,680
Aquatics	148,583	156,686	(8,103)	93,830
Children's Programs - Kids Korner				
Before and After School	102,869	96,401	6,468	65,870
Summer Camp/Toddler Time	51,609	75,182	(23,573)	41,533
Youth and Adult Programs	141,019	92,631	48,388	88,768
Total Recreation Center and Programs	933,617	847,117	86,500	632,681
Athletic Fields and Parks	43,967	44,499	(532)	42,038
Capital Outlay	55,861	153,199	(97,338)	412,882
Contingencies and Capital Reserves	2,091,051	-	2,091,051	-
TOTAL EXPENDITURES	3,519,438	1,568,647	1,950,791	1,555,060
NET CHANGE IN FUND BALANCE	(2,091,050)	(104,452)	1,986,598	(173,795)
FUND BALANCE, Beginning	2,091,050	2,092,803	1,753	2,266,598
FUND BALANCE, Ending	\$ -	\$ 1,988,351	\$ 1,988,351	\$ 2,092,803

See the accompanying Independent Auditor's Report.

CLEAR CREEK METROPLITAN RECREATION DISTRICT

BUDGETARY COMPARISON SCHEDULE
 CONSERVATION TRUST FUND

Year Ended December 31, 2022

(With Comparative Actual Totals for the Year Ended December 31, 2021)

	2022		VARIANCE Positive (Negative)	2021
	ORIGINAL AND FINAL BUDGET	ACTUAL		ACTUAL
REVENUES				
Lottery Revenues	\$ 35,000	\$ 46,618	\$ 11,618	\$ 45,746
Interest	999	1,642	643	26
TOTAL REVENUES	35,999	48,260	12,261	45,772
EXPENDITURES				
Parks Maintenance	5,350	120	5,230	13,117
Capital Outlay	27,525	-	27,525	50,000
Contingency	55,115	-	55,115	-
TOTAL EXPENDITURES	87,990	120	87,870	63,117
NET CHANGE IN FUND BALANCE	(51,991)	48,140	100,131	(17,345)
FUND BALANCE, Beginning	51,991	63,300	11,309	80,645
FUND BALANCE, Ending	\$ -	\$ 111,440	\$ 111,440	\$ 63,300

See the accompanying Independent Auditor's Report.

CLEAR CREEK METROPOLITAN RECREATION DISTRICT

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

December 31, 2022

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 fund 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.

OTHER INFORMATION

CLEAR CREEK METROPOLITAN RECREATION DISTRICT

SCHEDULE OF ASSESSED VALUATION, MILL LEVY AND
PROPERTY TAXES COLLECTED
 December 31, 2022

Year Ended December 31,	Prior Year Assessed Valuation for Current Year Property Tax Levy	Mill Levy Operations	Total Property Taxes		Collection Rate
			Levied	Collected	
2012	\$ 520,353,250	2.004	\$ 1,042,798	\$ 1,040,641	99.79%
2013	548,403,590	2.005	1,099,549	1,099,549	100.00%
2014	556,064,240	4.834	2,688,014	2,682,956	99.81%
2015	548,797,620	4.872	2,673,742	2,674,631	100.03%
2016	543,200,500	4.900	2,661,680	2,662,239	100.02%
2017	474,647,710	5.319	2,524,651	2,519,705	99.80%
2018	418,732,770	5.762	2,412,738	2,408,672	99.83%
2019	350,786,710	2.001	701,924	703,699	100.25%
2020	311,728,090	2.001	623,768	624,019	100.04%
2021	297,565,950	2.001	595,428	594,943	99.92%
2022	280,225,370	2.001	560,730	560,962	100.04%
Estimated for year ended December 31, 2023	280,225,370	2.001	560,730		

Source: Clear Creek County Assessor and Treasurer.

