

**EASTERN RIO BLANCO METROPOLITAN
RECREATION AND PARK DISTRICT**

**FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITOR'S REPORT**

DECEMBER 31, 2023

EASTERN RIO BLANCO METROPOLITAN RECREATION AND PARK DISTRICT

2023 BOARD OF DIRECTORS

John Strate, President

Kent Walter, Vice President

Ginny Love, Treasurer

Kim Kendall, Secretary

Lisa Moffitt

ADMINISTRATIVE STAFF

Dondi Glasscock, Interim Executive Director/Administrative Services Manager

CONTENTS

	Page
INDEPENDENT AUDITORS' REPORT	1-2
MANAGEMENT DISCUSSION & ANALYSIS	3-6
FINANCIAL STATEMENTS	
Statement of Net Position	9
Statement of Activities	10
Balance Sheet – Governmental Fund	11
Reconciliation of Governmental Fund Balance to Net Position of Governmental Activities	12
Combined Statement of Revenues, Expenditures and Changes in Fund Balances – All Governmental Fund Types	13
Reconciliation of the Changes in Fund Balance of Governmental Funds to the Statement of Activities	14
Notes to Financial Statements	17-40
REQUIRED SUPPLEMENTARY INFORMATION	
Budgetary Comparison Schedule – General Fund	43
Schedule of the District's Proportionate Share of the Net Pension Liability – PERA Pension Plan	44
Schedule of the District's Contributions – PERA Pension Plan	45
Schedule of District's Proportionate Share of the Net OPEB Liability	46
Schedule of District Contributions – PERA OPEB Plan	47



INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Eastern Rio Blanco Metropolitan Recreation and Park District

Opinions

We have audited the accompanying financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of the Eastern Rio Blanco Metropolitan Recreation and Park District, as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the Eastern Rio Blanco Metropolitan Recreation and Park District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the major fund, and the aggregate remaining fund information of the Eastern Rio Blanco Metropolitan Recreation and Park District, as of December 31, 2023, 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. 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 Eastern Rio Blanco Metropolitan Recreation and Park 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 opinions.

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 Eastern Rio Blanco Metropolitan Recreation and Park 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 generally accepted auditing standards 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.

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In performing an audit in accordance with generally accepted auditing standards, 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 Eastern Rio Blanco Metropolitan Recreation and Park 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 Eastern Rio Blanco Metropolitan Recreation and Park 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, budgetary comparison schedule, schedule of the District's Proportionate Share of the Net Pension Liability – PERA Pension Plan, schedule of the District's Contributions – PERA Pension Plan, schedule of District's Proportionate Share of the Net OPEB Liability, and schedule of District Contributions – PERA OPEB Plan 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.

CaloCPA Services, PC

Rangely, Colorado
June 6, 2024

MANAGEMENT DISCUSSION AND ANALYSIS

The discussion and analysis of the Eastern Rio Blanco Metropolitan Recreation and Park District's (the "District") financial performance provides readers with an overall review of the financial activities of the District for the year ended December 31, 2023. The intent of this discussion and analysis is to look at the District's financial performance as a whole; readers should also review the basic financial statements to enhance their understanding of the District's financial performance.

FINANCIAL HIGHLIGHTS

- The District's assets and deferred outflows exceeded liabilities and deferred inflows of resources by \$16,747,734 at December 31, 2023.
- Total District's cash and investments increased by \$38,195 or less than one percent from 2022.
- The December 31, 2023 General Fund balance is \$52,868 more than the previous year. The total fund balance is 286 percent of 2023 General Fund operating expenditures.

USING THIS ANNUAL REPORT

This Annual report consists of a series of financial statements and notes to those statements. These statements are prepared and organized so the reader can understand the District as a financial whole or as an entire operating entity. The statements then proceed to provide an increasingly detailed look at our specific financial conditions.

The Statement of Net Position and Statement of Activities provides information about the activities of the whole District, presenting both an aggregate view of the District's finances and a longer-term view of those assets. The Statement of Activities shows a net (expense) revenue and changes to net assets related to each department of the District. Fund financial statements tell how services were funded as well as what dollars remain for future spending.

OVERVIEW OF THE DISTRICTS FINANCIAL STATEMENTS

Government-wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the District's finances. The Statement of Net Position and Statement of Activities include all assets and liabilities using the accrual basis of accounting similar to the accounting method used by the private sector. The basis for this accounting takes into account all of the year's revenues and expenses regardless of when the cash was received or paid.

These two statements report the District's net position and the changes in those positions. These changes in position are important because it tells the reader whether, for the District as a whole, the financial position of the District has improved or diminished. However, in evaluating the overall position of the District, non-financial information such as changes in the District's tax base and the condition of District capital assets will also need to be evaluated.

In the Statement of Net Position and Statement of Activities, all of the District's activities are reported as Governmental Activities.

Fund Financial Statements

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 as well as 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 funding 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 funding decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 17 through 40 of this report.

Budgetary Comparisons. The District adopts an annual appropriated budget for the General Fund. A budgetary comparison schedule has been provided for the General Fund on page 43 of this report.

REPORTING THE DISTRICT AS A WHOLE

Net Position. As noted earlier, net assets may serve over time as a useful indicator of a government's financial position.

The following table provides a summary of the District's net position for 2022 and 2023.

	Governmental Activities	
	<u>2022</u>	<u>2023</u>
Assets		
Current and other assets	\$ 11,909,551	\$ 12,346,593
Capital assets	9,388,617	9,277,093
Total assets	<u>21,298,168</u>	<u>21,623,686</u>
Deferred Outflows of Resources	<u>205,123</u>	<u>995,577</u>
Liabilities		
Current and other liabilities	121,984	118,112
Long-term liabilities	144,873	2,052,498
Total Liabilities	<u>266,857</u>	<u>2,170,610</u>
Deferred Inflows of Resources	<u>4,664,704</u>	<u>3,700,919</u>
Net Position		
Net invested in capital assets	9,388,617	9,277,093
Restricted	374,005	431,903
Unrestricted	6,809,108	7,038,738
Total net position	<u>\$ 16,571,730</u>	<u>\$ 16,747,734</u>

A significant portion of the District's position represents unrestricted net position of \$7,038,738 which may be used to meet the ongoing obligations to patrons and creditors.

Another significant portion of the District's net position reflects its investment in capital assets. These assets include land, buildings, and equipment. These capital assets are used to provide services to patrons; consequently, they are not available for future spending.

An additional \$431,903 of the District's net position represents resources that are subject to external restrictions on how they may be used. Included in this category are the TABOR emergency reserve of \$117,346 and restricted for conservation trust of \$314,557.

The following table indicates the changes in net position.

	Governmental Activities	
	2022	2023
Revenues:		
Program revenues:		
Charge for services	\$ 263,736	\$ 275,961
Capital grants and contributions	30,160	40,611
General revenues:		
General property taxes	2,540,659	3,016,422
Specific ownership tax	102,958	110,399
Investment earnings	108,963	434,009
Other	44,231	34,145
Gain on disposal of assets	7,650	-
Total revenues	<u>3,098,357</u>	<u>3,911,547</u>
Expenses:		
Administration	2,251,882	2,724,514
Aquatics/Rec Programs	1,020,370	1,011,029
Total expenses	<u>3,272,252</u>	<u>3,735,543</u>
Increase in net position	<u>\$ (173,895)</u>	<u>\$ 176,004</u>

Governmental Activities. Governmental activities increased the District's net position by \$176,004 in 2023. Key elements of this increase are as follows:

General property taxes revenues was \$3,016,422, up 19 percent from the prior year.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUND

Information about the District's governmental fund begins on page 11. This fund is accounted for using the modified accrual basis of accounting.

As of December 31, 2023, the total fund balances of the District's governmental fund was \$8,662,257. Approximately 95 percent of this consists of unassigned fund balance, which is available as working capital and for current spending in accordance with the purposes of the District. The remainder of fund balance is reserved to indicate that it is not available for new spending because it is committed for the following purposes: (1) a State-Constitution mandated emergency reserve (\$117,346) and (2) conservation trust fund (\$314,557). The District had governmental revenues of \$3,911,547 and expenditures of \$3,858,679.

GENERAL FUND BUDGETARY HIGHLIGHTS

The District's general fund budget is prepared according to Colorado statutes.

2023 General Fund Budget

	<u>Original Budget</u>	<u>Amend- ments</u>	<u>Final Budget</u>	<u>Actual</u>
Beginning Fund Balance	\$ 8,500,000	\$ -	\$ 8,500,000	\$ 8,609,389
Revenue and other funding sources	3,522,000	-	3,522,000	3,911,547
Expenditures and other funding uses	(4,712,000)	-	(4,712,000)	(3,858,679)
Ending Fund Balance	<u>\$ 7,310,000</u>	<u>\$ -</u>	<u>\$ 7,310,000</u>	<u>\$ 8,662,257</u>

Actual expenditures and other financing uses were under budget by \$853,321. The difference includes capital outlay being budgeted for \$1,239,000 but was actually \$833,816.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets. The District's net investment in capital assets for its governmental type activities as of December 31, 2023 totaled \$9,277,093 (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 \$111,524 or one percent.

The District uses the straight-line depreciation method under GASB 34 for its capital assets, except for land and construction in progress which are not depreciated.

The District completed the natatorium dehum system for a total cost of \$864,499 and had continued improvements to Circle Park of \$39,624.

ECONOMIC FACTORS AND OTHER MATTERS

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 2024 budget:

- * An increase in property tax revenue of \$565,000.
- * Completion of Phase II for Circle park for a cost of \$365,000.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the District's finances for all those with an interest in the District's finances. Questions concerning any of the information provided or for additional financial information should be addressed to the District, 101 Ute Road, Meeker, Colorado 81641.

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FINANCIAL STATEMENTS

**EASTERN RIO BLANCO METROPOLITAN
RECREATION AND PARK DISTRICT**

STATEMENT OF NET POSITION
December 31, 2023

ASSETS

Cash and cash equivalents - unrestricted	\$ 7,057,551
Cash and cash equivalents - restricted	431,903
Investments	1,221,369
Receivable - county treasurer	9,600
Accounts receivable	33,531
Property taxes receivable	3,592,639
Capital assets, nondepreciable	625,042
Capital assets, net of accumulated depreciation	<u>8,652,051</u>
TOTAL ASSETS	<u>21,623,686</u>

DEFERRED OUTFLOWS OF RESOURCES

Deferred outflows related to pensions	985,804
Deferred outflows related to postemployment benefit (OPEB)	<u>9,773</u>
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>995,577</u>

LIABILITIES

Accrued salaries	105,509
Accrued liabilities	12,603
Noncurrent liabilities	
Net pension liability	1,926,040
Net OPEB liability	<u>126,458</u>
TOTAL LIABILITIES	<u>2,170,610</u>

DEFERRED INFLOWS OF RESOURCES

Unearned property tax revenue	3,592,639
Deferred inflows related to pensions	47,804
Deferred inflows related to OPEB	<u>60,476</u>
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>3,700,919</u>

NET POSITION

Net investment in capital assets	9,277,093
Restricted for Tabor emergencies	117,346
Restricted for conservation trust fund	314,557
Unrestricted	<u>7,038,738</u>
TOTAL NET POSITION	<u>\$ 16,747,734</u>

The accompanying "Notes to Financial Statements" are an integral part of the statement.

**EASTERN RIO BLANCO METROPOLITAN
RECREATION AND PARK DISTRICT**

STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2023

		Program Revenues		Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services	Capital Grants and Contributions	Governmental Activities
GOVERNMENTAL ACTIVITIES				
Administration	\$ 2,724,514	\$ -	\$ -	\$(2,724,514)
Aquatics/Rec Programs	<u>1,011,029</u>	<u>275,961</u>	<u>40,611</u>	<u>(694,457)</u>
TOTAL GOVERN- MENTAL ACTIVITIES	<u>\$ 3,735,543</u>	<u>\$ 275,961</u>	<u>\$ 40,611</u>	<u>(3,418,971)</u>
GENERAL REVENUES				
				3,016,422
				110,399
				434,009
				<u>34,145</u>
		TOTAL GENERAL REVENUES		<u>3,594,975</u>
		CHANGE IN NET POSITION		176,004
		NET POSITION - BEGINNING OF YEAR		<u>16,571,730</u>
		NET POSITION - END OF YEAR		<u>\$16,747,734</u>

The accompanying "Notes to Financial Statements" are an integral part of the statement.

**EASTERN RIO BLANCO METROPOLITAN
RECREATION AND PARK DISTRICT**

BALANCE SHEET
GOVERNMENTAL FUND
December 31, 2023

	<u>General Fund</u>
ASSETS	
Cash and cash equivalents - unrestricted	\$ 7,057,551
Cash and cash equivalents - restricted	431,903
Investments	1,221,369
Receivable - county treasurer	9,600
Accounts receivable	33,531
Property taxes receivable	<u>3,592,639</u>
TOTAL ASSETS	<u><u>\$ 12,346,593</u></u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	
LIABILITIES	
Accrued salaries	\$ 79,094
Accrued liabilities	<u>12,603</u>
TOTAL LIABILITIES	<u>91,697</u>
DEFERRED INFLOWS OF RESOURCES	
Unearned property tax revenue	<u>3,592,639</u>
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>3,592,639</u>
FUND BALANCES	
Fund balances:	
Restricted for	
Labor emergencies	117,346
Conservation trust fund	314,557
Unassigned	<u>8,230,354</u>
TOTAL FUND BALANCES	<u>8,662,257</u>
TOTAL LIABILITIES AND FUND BALANCES	<u><u>\$ 12,346,593</u></u>

The accompanying "Notes to Financial Statements" are an integral part of the statement.

**EASTERN RIO BLANCO METROPOLITAN
RECREATION AND PARK DISTRICT**

RECONCILIATION OF GOVERNMENTAL FUND BALANCE TO
NET POSITION OF GOVERNMENTAL ACTIVITIES
December 31, 2023

TOTAL GOVERNMENTAL FUND BALANCE		\$ 8,662,257
<i>Amounts reported for governmental activities in the statement of net position are different because:</i>		
Capital assets used in governmental activities are not financial resources and, therefore, not reported in the funds.		9,277,093
Half of compensated liabilities are not recorded in governmental funds because they are not generally expected to be liquidated with current expendable available financial resources.		(26,415)
Long-term liabilities, including net pension liability, are not due and payable in the current period and, therefore, are not reported as liabilities in the funds.		(2,052,498)
Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds.		
Deferred outflows of resources related to pensions	985,804	
Deferred outflows of resources related to OPEB	9,773	
Deferred inflows of resources related to pensions	(47,804)	
Deferred inflows of resources related to OPEB	<u>(60,476)</u>	
Net deferred outflows (inflows)		<u>887,297</u>
NET POSITION OF GOVERNMENTAL ACTIVITIES		<u><u>\$ 16,747,734</u></u>

The accompanying "Notes to Financial Statements" are an integral part of the statement.

**EASTERN RIO BLANCO METROPOLITAN
RECREATION AND PARK DISTRICT**

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - ALL GOVERNMENTAL FUND TYPE
For the Year Ended December 31, 2023

	<u>General Fund</u>
REVENUES	
General property taxes	\$ 3,016,422
Specific ownership tax	110,399
Conservation trust fund	33,508
Investment income	434,009
Charges for services	275,961
Grants and donations	7,103
Other income	34,145
	<u>3,911,547</u>
TOTAL REVENUES	<u>3,911,547</u>
EXPENDITURES	
Current operating	
Administration	2,391,430
Swimming pool	5,397
Recreation and sports programs	60,292
County treasurer's fees	150,808
Facility maintenance	400,094
Guest services	16,842
Capital outlay	833,816
	<u>3,858,679</u>
TOTAL EXPENDITURES	<u>3,858,679</u>
EXCESS OF OPERATING REVENUE OVER (UNDER) OPERATING EXPENDITURES	52,868
FUND BALANCE - BEGINNING OF YEAR	<u>8,609,389</u>
FUND BALANCE - END OF YEAR	<u>\$ 8,662,257</u>

The accompanying "Notes to Financial Statements" are an integral part of the statement.

**EASTERN RIO BLANCO METROPOLITAN
RECREATION AND PARK DISTRICT**

RECONCILIATION OF THE CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2023

NET CHANGE IN FUND BALANCE - TOTAL GOVERNMENTAL FUNDS		\$ 52,868
<i>Amounts reported for governmental activities in the statement of activities are different because:</i>		
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities, the costs of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.</p>		
Capital outlay	833,816	
Current year depreciation	<u>(945,340)</u>	
TOTAL		(111,524)
<p>One-half of PTO leave is deemed to be vacation pay and is considered a current liability. The other one-half of PTO leave is not deemed to be vacation pay and is not considered a current liability. This is the amount by which the one-half of PTO leave that is not considered a current liability decreased in the current period.</p>		
		7,383
<p>Governmental funds report District pension contributions as expenditures. However, in the statement of activities, the cost of pension benefits earned net of employee contributions is reported as pension income</p>		
		203,019
<p>Governmental funds recognize District OPEB contributions as expenditures at the time of payment whereas the Statement of Activities factors in items related to OPEB on a full accrual perspective.</p>		
		<u>24,258</u>
CHANGE IN NET POSITION		<u>\$ 176,004</u>

The accompanying "Notes to Financial Statements" are an integral part of the statement.

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NOTES TO FINANCIAL STATEMENTS

**EASTERN RIO BLANCO METROPOLITAN
RECREATION AND PARK DISTRICT**

NOTES TO FINANCIAL STATEMENTS
December 31, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of Eastern Rio Blanco Metropolitan Recreation and Park District (the District) conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant policies consistently used in the preparation of the financial statements.

A. Reporting Entity

An elected five member Board of Directors governs the District. No additional separate government units, agencies, or nonprofit corporations are included in the financial statements of the District as component units. Component units are legally separate entities for which the District is financially accountable. Financial accountability is defined as the ability to appoint a voting majority of the organization's governing body and either (1) the District's ability to impose its will over the organization or (2) the potential that the organization will provide a financial benefit to, or impose a financial burden on the District.

The District's major operations are the recreation center, swimming pool, and park maintenance.

B. Government-wide and fund financial statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the non-fiduciary activities of the primary government. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately for business-type activities, which rely to a significant extent on fees and charges for support.

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

C. 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. Revenues are recorded when earned and expenses are recorded when a 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 revenues as soon as all eligibility requirements imposed by the provider have been met.

Governmental funds 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 collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. 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 and claims and judgments, are recorded only when payment is due.

Governmental Fund

General Fund

The General Fund is the District's general operating fund and is used to account for all financial transactions except those required to be accounted for in another fund. The major revenue sources are local property taxes and charges for services. Expenditures include all costs associated with the daily operations of the District.

**EASTERN RIO BLANCO METROPOLITAN
RECREATION AND PARK DISTRICT**

NOTES TO FINANCIAL STATEMENTS
December 31, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in the government-wide financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities, subject to this same limitation. The District has elected not to follow subsequent private-sector guidance.

When committed, assigned, or unassigned funds are available for use, it is the government's policy to use committed amounts first, then assigned amounts, and then unassigned amounts as they are needed.

D. Budgets and Budgetary Accounting

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

1. Prior to October 15, the Executive Director submits to the Board of Directors a proposed budget for the fiscal year commencing the following January 1. The budget includes anticipated revenues and proposed expenditures.
2. Public hearings are conducted to obtain the taxpayers' comments.
3. Prior to December 15, the budget is legally enacted through passage of a resolution.
4. Budgets are adopted for the General and Bond Funds. All budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).
5. Appropriations lapse at the end of each calendar year.
6. The District's Board of Directors may authorize supplemental appropriations during the year. There was no supplemental appropriation made during the year ended December 31, 2023.

E. Property Taxes

Property taxes are levied on December 15 of each year and attach as an enforceable lien on property as of January 1. Taxes are due as of January 1 of the following year and are payable in full by June 15, if paid in installments, or April 30 with a single payment. Taxes are delinquent as of June 16. If the taxes are not paid within subsequent statutory periods, the property will be sold at public auction. The County bills and collects the property taxes and remits collections to the District on a monthly basis. No provision has been made for uncollected taxes, in that the District's experience indicates that all material amounts will be collected and paid to the District.

F. Capital Assets

Capital assets, which include property, plant and equipment, are reported in the applicable governmental column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated 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 their estimated market value at the date of donation.

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

**EASTERN RIO BLANCO METROPOLITAN
RECREATION AND PARK DISTRICT**

NOTES TO FINANCIAL STATEMENTS
December 31, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

F. Capital Assets, continued

Property, plant, and equipment of the primary government is depreciated using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Land Improvements	5-20
Equipment	5-30
Recreation building and improvements	5-40
Pool facility and improvements	5-10

G. Encumbrances

The District does not use encumbrance accounting. Accordingly, no encumbrances have been recorded in the financial statements.

H. Compensated Absences

The District has a policy that allows employees to accumulate unused PTO up to a certain maximum hours. Compensated absences are accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in the governmental funds in the amount of 1/2 of accrued paid time off. The District's General Fund is used to pay compensated absences of the governmental activities. At the end of 2023, \$26,415 was accrued for paid time off.

I. Use of Estimates

The preparation of the governmental funds financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2 – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

- A. There are certain differences between the governmental fund balance sheet and the government-wide statement of net assets. A reconciliation of the differences can be found on page 12 of the financial statements.
- B. There are certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balance and the government-wide statement of activities. A reconciliation of the differences can be found on page 14 of the financial statements.

**EASTERN RIO BLANCO METROPOLITAN
RECREATION AND PARK DISTRICT**

NOTES TO FINANCIAL STATEMENTS
December 31, 2023

NOTE 3 - CASH AND INVESTMENTS

The District's bank accounts and certificates of deposit at year-end were entirely covered by federal depository insurance or by collateral held by the Authority's custodial banks under provisions of the Colorado Public Deposit Protection Act.

The Colorado Public Deposit Protection Act 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 included municipal bonds, U.S. government securities, mortgage, and deeds of trust.

State statutes specify the instruments in which the District is authorized to invest, including such instruments and local government investment pools identified in Parts 6 and 7 of Article 74 of Title 24 of the Colorado Revised Statutes.

The District's investment policy is not more restrictive than State statutes. The District's investments are concentrated in local government investment pools, U.S. government and agency securities, and bank CDs.

Colorado Revised Statutes limit investment maturities to five years or less from the date of purchase. This limit on investment maturities is a means of limiting exposure to fair value arising from increasing interest rates.

Investments for the District are reported at market value. Investments held are as follows:

December 31, 2023	Cost	Market Value
Colotrust	\$ 7,102,222	\$ 7,098,259
Negotiable Certificates of Deposit	1,221,000	1,219,396
Total	<u>\$ 8,323,222</u>	<u>\$ 8,317,655</u>

Included in cash and cash equivalents are amounts held in the Colorado Local Government Liquid Asset Trust (the Trust), and investment vehicle established for local government entities in Colorado to pool surplus funds. The Trust offer shared in three portfolios, COLOTRUST Prime, COLOTRUST Plus+, and COLOTRUST EDGE. COLOTRUST Prime and COLOTRUST Plus+ operates similarly to a money market fund and each share is equal in value to \$1.00. COLOTRUST EDGE is a variable NAV fund managed to approximate a \$10.00 transactional share price, calculated and publishing a fair value NAV on a daily basis. Investments of COLOTRUST consist of U.S. Treasury bills, notes and note strips and repurchase agreements collateralized by U.S. Treasury securities. A designated custodial bank provides safekeeping and depository services to COLOTRUST in connection with the direct investment and withdrawal function of COLOTRUST. Substantially all securities owned by COLOTRUST are held by the Federal Reserve Bank in the account maintained for the custodial bank. The custodian's internal records identify the investments owned by COLOTRUST. At December 31, 2023, the District invested \$1,941,817 in COLOTRUST Plus+ and \$5,156,442 in COLTRUST EDGE. The District's investment in the COLOTRUST Plus+ is rated AAAM by S&P Global Ratings and COLOTRUST EDGE is rated AAAs/S1 by FitchRatings.

**EASTERN RIO BLANCO METROPOLITAN
RECREATION AND PARK DISTRICT**

NOTES TO FINANCIAL STATEMENTS
December 31, 2023

NOTE 3 - CASH AND INVESTMENTS, Continued

A summary of cash and investments on the balance sheet is as follows:

Cash		
Cash on hand	\$	900
Cash deposits		<u>390,295</u>
Total Cash		<u>391,195</u>
Investments		
Money Market		1,973
Negotiable - Certificates of Deposit		<u>1,219,396</u>
Sub-Total		1,221,369
Colostrust		<u>7,098,259</u>
Total Investments		<u>8,319,628</u>
Total Cash and Cash Equivalents		<u>\$ 8,710,823</u>

The District generally limits its concentration of investments to those 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.

NOTE 4 - PROPERTY TAX

Property taxes for 2023, collectible in 2024, were levied by the County Commissioners on December 15, 2023. Property taxes attached as an enforceable lien on January 1, 2023, are due in total April 30, 2024, or in equal installments February 28, 2024, and June 15, 2024, at the option of the taxpayer. The County Treasurer remits taxes collected to the District by the 10th day of the month following collection.

Property taxes for 2023, collectible in 2024, are shown as property taxes receivable and unearned revenue on the balance sheet in the amount of the assessed taxes less estimated uncollectible amounts.

	<u>Assessed Valuation</u>	<u>Mill Levy</u>	<u>Estimated Percent Collectible</u>	<u>Taxes Receivable</u>	<u>Unearned Revenue</u>
General Fund	\$630,398,160	5.699	100.00%	\$ 3,592,639	\$ 3,592,639

Revenue Recognized in 2023

Local property taxes levied for 2022 and collected in 2023 are recognized as revenue in these financial statements as shown below:

	<u>Assessed Valuation</u>	<u>Mill Levy</u>	<u>Amount of Taxes</u>		<u>Percent Collected</u>
			<u>Levied</u>	<u>Collected</u>	
General Fund	\$531,089,990	5.699	\$ 3,026,682	\$ 3,016,066	99.65%

**EASTERN RIO BLANCO METROPOLITAN
RECREATION AND PARK DISTRICT**

NOTES TO FINANCIAL STATEMENTS
December 31, 2023

NOTE 5 – CAPITAL ASSETS

A summary of changes in capital assets during 2023 follows:

	Balance January 1, 2023	Additions	Deletions	Balance December 31, 2023
Governmental activities:				
Capital assets, nondepreciable				
Land/Park	\$ 585,418	\$ -	\$ -	\$ 585,418
Construction in progress	82,397	39,624	(82,397)	39,624
Total capital assets, nondepreciable	<u>667,815</u>	<u>39,624</u>	<u>(82,397)</u>	<u>625,042</u>
Capital assets, being depreciated:				
Land improvements	5,586,718	-	-	5,586,718
Equipment	3,247,982	876,590	-	4,124,572
Recreation building and improvements	9,258,059	-	-	9,258,059
Total capital assets, being depreciated	<u>18,092,759</u>	<u>876,590</u>	<u>-</u>	<u>18,969,349</u>
Less accumulated depreciation for:				
Land improvements	(3,457,213)	(421,164)	-	(3,878,377)
Equipment	(2,545,252)	(256,658)	-	(2,801,910)
Recreation building and improvements	(3,369,492)	(267,519)	-	(3,637,011)
Total accumulated depreciation	<u>(9,371,957)</u>	<u>(945,341)</u>	<u>-</u>	<u>(10,317,298)</u>
Total capital assets, being depreciated, net	<u>8,720,802</u>	<u>(68,751)</u>	<u>-</u>	<u>8,652,051</u>
Governmental activities capital assets, net	<u>\$ 9,388,617</u>	<u>\$ (29,127)</u>	<u>\$ (82,397)</u>	<u>\$ 9,277,093</u>

Depreciation expense was charged to function/programs of the primary government as follows:

Governmental activities:	
General government	
Aquatics/Rec Programs/Total depreciation expense – governmental activities	<u>\$ 945,341</u>

NOTE 6 - DEFINED BENEFIT PENSION PLAN

Summary of Significant Accounting Policies

Pensions. The Eastern Rio Blanco Metropolitan Recreation and Park District participates in the Local Government Division Trust Fund (LGDTF), a cost-sharing multiple-employer defined benefit pension fund administered by the Public Employees' Retirement Association of Colorado (PERA). The net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position (FNP) and additions to/deductions from the FNP of the LGDTF have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

