

**ESTES VALLEY RECREATION  
AND PARK DISTRICT**

**FINANCIAL STATEMENTS**

**December 31, 2023 and 2022**



**Logan and Associates, LLC**  
CERTIFIED PUBLIC ACCOUNTANTS

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## INDEPENDENT AUDITOR'S REPORT

Members of the Board of Directors  
Estes Valley Recreation and Park District  
Estes Park, Colorado

### *Opinions*

We have audited the financial statements Estes Valley Recreation and Park District (the "District") which comprise the statements of net position as of December 31, 2023 and 2022, and the related statements of revenues, expenses and changes in fund net position and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the District as of December 31, 2023 and 2022, and the respective changes in financial position and cash flows 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 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 opinion.

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

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements and related notes to the financial statements that collectively comprise the District's basic financial statements. The accompanying supplementary information is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

*Logan and Associates, LLC*

Aurora, Colorado  
April 23, 2024

**MANAGEMENT’S DISCUSSION AND ANALYSIS**  
**(Unaudited)**

This discussion and analysis of the financial performance of the Estes Valley Recreation and Park District (the District) provides an overview of the District’s financial activities for the fiscal year ended December 31, 2023. Please read in conjunction with the financial statements and accompanying notes.

**FINANCIAL HIGHLIGHTS**

For the year ended December 31, 2023 as compared to 2022, the District’s:

- Net position increased by \$2,228,880 or 8.8%.
- Unrestricted portion of net position increased by \$759,488, or 11.4%.
- Operating revenues increased by \$429,238 or 8.9% and operating expenses increased by \$638,016 or 9.5%.
- Total Assets increased by \$883,527, or 1.9%; Total liabilities decreased by \$1,561,777, or -8%.

Following is a Capital Summary for 2023 and looking ahead to 2024:

Facility	2023 Capital Additions / Work in Progress	2024 Budgeted Capital Additions
District		<ul style="list-style-type: none"> <li>▪ New website</li> </ul>
Campgrounds	<ul style="list-style-type: none"> <li>▪ ML phase 5 shade shelters</li> <li>▪ ML day-use sidewalks/shelters</li> <li>▪ Utility vehicle replacements (2)</li> <li>▪ EP day-use vault toilet</li> </ul>	<ul style="list-style-type: none"> <li>▪ ML pool/pumphouse building</li> <li>▪ EP water/sewer engineered drawings</li> </ul>
Community Ctr/Aquatics	<ul style="list-style-type: none"> <li>▪ Golf simulator replacement</li> <li>▪ Lap pool decking &amp; walls</li> <li>▪ Utility vehicle for snow removal</li> </ul>	<ul style="list-style-type: none"> <li>▪ Scissor lift</li> <li>▪ Emergency lighting system upgrade</li> <li>▪ New PA system</li> <li>▪ Replace wireless access points</li> </ul>
Golf Courses	<ul style="list-style-type: none"> <li>▪ Completion of new irrigation system</li> <li>▪ New soil grinder, utility tractor and fertigation pump</li> <li>▪ 18H restroom renovation</li> <li>▪ 9H new floors &amp; front desk</li> </ul>	<ul style="list-style-type: none"> <li>▪ New POS system</li> <li>▪ Replace 18H pro shop exterior doors</li> <li>▪ New door on 18H cart barn</li> <li>▪ Bunker rake</li> </ul>
Marina	<ul style="list-style-type: none"> <li>▪ New pontoon boat</li> <li>▪ Kayak racks</li> </ul>	<ul style="list-style-type: none"> <li>▪ Outdoor counter for rental transactions</li> <li>▪ ADA ramp for docks</li> <li>▪ Replace 2 boat motors</li> <li>▪ Monument sign</li> </ul>
Parks and Trails	<ul style="list-style-type: none"> <li>▪ SP completion of tennis courts</li> <li>▪ SP skatepark design</li> <li>▪ LET shoreline repair</li> <li>▪ LET fishing pier rebuild</li> </ul>	<ul style="list-style-type: none"> <li>▪ SP new skatepark construction</li> <li>▪ SP security system, paint shelters, laser level ballfields</li> <li>▪ SP/LET shore stabilization, erosion control</li> <li>▪ Parks/Trails utility vehicles</li> </ul>
ML = Estes Park Campground at Mary’s Lake      SP = Stanley Park EP = Estes Park Campground at East Portal      LET = Lake Estes Trail		

- In November 2022, the District entered into a lease agreement for 82 Yamaha golf carts, with possession beginning in 2023 and continuing through October 2029. These “right-to-use” assets and associated lease liability were recorded at the future value of lease payments, \$279,486. Financial Statement Note 6 provides the details of this transaction and a schedule of future lease payments.
- In addition to the District’s General Operating Mill Levy of 1.781 (before any abatement or TABOR credit adjustments), the following levies serve purposes described:
  - 2008 Ballot question 4C, 1.200 mills for Community Center/aquatics, Stanley Park, trails, fleet equipment and tree maintenance. Funds for Community Center/aquatics are used to offset operating costs. Funds for Stanley Park are used for improvement and maintenance projects. Funds for trails have been used to leverage GOCO trails funding, complete a trails master plan, set aside for future trails, and for ongoing maintenance of trails within the District. Trees were treated for pine beetle, and new trees continue to be planted and cultivated. A portion of this levy is used to purchase/lease a variety of fleet equipment.
  - November 2015 Ballot question 4C authorized up to \$200,000/year in Community Center operating funds for 10 years after starting operation. The District began levying this amount in 2018. The corresponding 2022 levy collected and received in 2023 was .426 mills.
  - November 2015 Ballot question 4D authorized issuance of \$19,830,000 in General Obligation Bonds to finance construction of the Community Center. These funds were combined with 1A sales tax revenue from the Town of Estes Park, and supplemental (grant) funds, to construct and equip the \$27 million, 70,000 square foot facility. The building site for the new facility was conveyed to the District in 2016 by the Estes Park R-3 School District. The conveyance also included the existing aquatics facility. (See Financial Statement Note 8.) Construction of the new Community Center was completed in early 2018, and the grand opening was held March 3, 2018. In 2021 the District refinanced the Series 2015 and a portion of the Series 2016 bonds that were purchased to finance Community Center construction, resulting in an economic gain of \$837,793 and a decrease in the aggregate debt service payment by \$951,519. The debt service mill levy for 2022 which was collected/received in 2023 was 2.997 to fund \$1,410,944 in bond principal and interest payments.
- In April 2014 the electors of the Town of Estes Park passed Ballot Issue 1A, which provided for the collection and distribution by the Town of a portion of the Town’s sales tax for the construction and equipping of a community center, including facilities for senior services. Following the District’s successful November 2015 election for funding and operation of the Estes Valley Community Center, the District and Town negotiated an IGA for transfer of the 1A funds to the project (see Financial Statement Note 3). For the year ended December 31, 2023, the amount of 1A funds collected by the Town and transferred to the District for this purpose was \$1,142,774. This funding measure expires at the end of June 2024.
- The District continued its Assistance Agreement with the Bureau of Reclamation for implementing physical changes to existing facilities to meet requirements of the Americans with Disabilities Act and maintaining Bureau of Reclamation properties the District manages. The 2023 activity under this agreement included \$12,649 for shoreline repair of 2013 flood damage along the Lake Estes Trail; \$8,500 cost share of day-use improvements at Mary’s Lake and \$30,000 cost share for a new vault toilet at the East Portal day-use area.

- In addition to federal funding from the Bureau of Reclamation, the District received the following grants, contributions, and donations during 2023:
  - Final cost reimbursement of \$17,958 from FEMA (passed through the State of Colorado) for 2013 flood repairs at the 18-hole golf course.
  - Transfers from the Estes Valley Rec & Park Foundation totaling \$18,890 for Community Center memberships, youth sports scholarships, Junior Golf and trails projects.
  
- In 2013, the Board adopted a continuing goal of increasing reserves by at least \$50,000 per year. The reserve amount at December 31, 2023 was \$4,873,574, a \$79,453 increase from the December 31, 2022 balance of \$4,794,121. Approximately \$653,794 of these reserves is designated for trail development and maintenance; \$992,110 is set aside as improvement or program funds; \$155,760 is Conservation Trust Fund designated; \$98,845 TABOR reserve; and the remaining \$2,973,065 is available for operations.

### **USING THIS FINANCIAL REPORT**

This annual financial report consists of three parts:

- Management’s Discussion and Analysis
- Financial Statements
- Supplementary notes that provide additional information to some of the information in the financial statements.

### **REQUIRED FINANCIAL STATEMENTS**

The financial statements of the District reflect accounting methods similar to those used by private sector companies. These statements offer important, transparent financial information about the District and its activities.

#### **Statement of Net Position**

The Statement of Net Position provides information about the nature and amounts of investments in resources (assets) and obligations to District creditors (liabilities). The Statement of Net Position is one way to measure the District’s financial position.

#### **Statement of Revenues, Expenses, and Changes in Fund Net Position**

This statement measures the results of the District’s operations during the past year. The statement presents the income and expenses of the District and enables the reader to determine whether the District has successfully recovered its costs through user fees and other revenues.

#### **Statement of Cash Flows**

The final required financial statement is the Statement of Cash Flows. This statement provides the reader with information about the sources and uses of the District’s cash during the year. The statement includes cash activity for operations, non-capital financing activities, capital and related financing activities and investing activities. The statement provides a comprehensive summary to the changes in cash and cash equivalents for the District during the fiscal year.

## FINANCIAL ANALYSIS OF THE DISTRICT

One of the most important questions asked about the District’s finances is, “Is the District as a whole better off or worse off as a result of this year’s activities?” The Statement of Net Position and the Statement of Revenues, Expenses, and Changes in Fund Net Position report information about the District’s activities in a way that can help answer that question. These two statements report the District’s net position and the changes in it. Over time, increases or decreases in the District’s net position are indicators of whether its financial health is improving. However, other non-financial factors, such as changes in economic conditions, population changes and, specifically for the District, severe weather changes, must also be considered.

### NET POSITION

As part of our analysis, we provide a summary of the District’s Statement of Net Position as presented below.

Summarized Statement of Net Position						
	2023	2022	\$ Change	2022	2021	\$ Change
Current Assets	\$ 11,544,238	\$ 10,371,000	\$ 1,173,238	\$ 10,371,000	\$ 9,518,148	\$ 852,852
Noncurrent Assets	36,958,996	37,248,707	(289,711)	37,248,707	35,158,451	2,090,256
<b>Total Assets</b>	<b>48,503,234</b>	<b>47,619,707</b>	<b>883,527</b>	<b>47,619,707</b>	<b>44,676,599</b>	<b>2,943,108</b>
Deferred Outflows of Resources	72,383	78,417	(6,034)	78,417	84,452	(6,035)
<b>Total Assets and Deferred Outflows</b>	<b>\$ 48,575,617</b>	<b>\$ 47,698,124</b>	<b>\$ 877,493</b>	<b>\$ 47,698,124</b>	<b>\$ 44,761,051</b>	<b>\$ 2,937,073</b>
Current Liabilities	1,912,389	2,300,831	(388,442)	2,300,831	2,003,680	297,151
Noncurrent Liabilities	16,099,302	17,272,637	(1,173,335)	17,272,637	16,703,850	568,787
<b>Total Liabilities</b>	<b>18,011,691</b>	<b>19,573,468</b>	<b>(1,561,777)</b>	<b>19,573,468</b>	<b>18,707,530</b>	<b>865,938</b>
Deferred Inflows of Resources	2,994,130	2,783,740	210,390	2,783,740	2,745,820	37,920
<b>Net Position</b>						
Net Investment in Capital Assets	19,657,806	18,313,872	1,343,934	18,313,872	16,905,473	1,408,399
Restricted:						
Debt Service	208,847	168,508	40,339	168,508	149,710	18,798
Tabor Reserve	98,845	80,475	18,370	80,475	101,992	(21,517)
Conservation Trust/Lottery	155,760	89,011	66,749	89,011	370,200	(281,189)
Unreserved	7,448,538	6,689,050	759,488	6,689,050	5,780,329	908,721
<b>Total Net Position</b>	<b>27,569,796</b>	<b>25,340,916</b>	<b>2,228,880</b>	<b>25,340,916</b>	<b>23,307,704</b>	<b>2,033,212</b>
<b>Total Liabilities, Deferred Inflows and Net Position</b>	<b>\$ 48,575,617</b>	<b>\$ 47,698,124</b>	<b>\$ 877,493</b>	<b>\$ 47,698,124</b>	<b>\$ 44,761,054</b>	<b>\$ 2,937,070</b>

As seen in the summary, the District’s total net position increased by \$2,228,880 in 2023.

While the Statement of Net Position shows the change in financial position of the District, the Statement of Revenues, Expenses, and Changes in Fund Net Position provides the information as the source of this overall change.

**ACTIVITIES**

A summary of the District’s Statement of Revenues, Expenses, and Changes in Fund Net Position is presented below:

<b>Summarized Statement of Revenues, Expenses, and Changes in Fund Net Position</b>						
	2023	2022	\$ Change	2022	2021	\$ Change
Operating Revenues	\$ 5,270,752	\$ 4,841,514	\$ 429,238	\$ 4,841,514	\$ 4,674,223	\$ 167,291
Non-Operating Revenues	4,699,920	4,323,777	376,143	4,323,777	4,151,207	172,570
<b>Total Revenues</b>	<b>9,970,672</b>	<b>9,165,291</b>	<b>805,381</b>	<b>9,165,291</b>	<b>8,825,430</b>	<b>339,861</b>
Operating Expenses	7,344,201	6,706,185	638,016	6,706,185	6,865,560	(159,375)
Non-Operating Expenses	397,591	425,894	(28,303)	425,894	733,271	(307,377)
<b>Total Expenses</b>	<b>7,741,792</b>	<b>7,132,079</b>	<b>609,713</b>	<b>7,132,079</b>	<b>7,598,831</b>	<b>(466,752)</b>
Increase (Decrease) in Net Position before Contributions	2,228,880	2,033,212	195,668	2,033,212	1,226,599	806,613
Contributed Capital	-	-	-	-	-	-
Change in Net Position	2,228,880	2,033,212	195,668	2,033,212	1,226,599	806,613
Beginning Net Position	25,340,916	23,307,704	2,033,212	23,307,704	22,081,105	1,226,599
<b>Ending Net Position</b>	<b>\$ 27,569,796</b>	<b>\$ 25,340,916</b>	<b>\$ 2,228,880</b>	<b>\$ 25,340,916</b>	<b>\$ 23,307,704</b>	<b>\$ 2,033,212</b>

As displayed above, the District’s net position increased by \$2,228,880. 2023 operating revenues increased due to continued improvement in post-pandemic user activity, along with scheduled fee increases.

**BUDGETARY HIGHLIGHTS**

Colorado State Law requires that the District adopt a budget and appropriate funds for the following year by December 15th of each year. If an amendment is necessary, the Board of Directors will approve a supplemental appropriation at a public hearing and file it with the State of Colorado.

Senate Bill SB23B-001 was signed by Governor Polis on 11/20/2023. This bill required a temporary reduction of assessed property values and extended the standard Budget Calendar to allow County Assessors time for implementation of the reductions.

To facilitate uninterrupted operation, the Board adopted the 2024 Budget on 12/13/2023, with the provision that minor adjustments would be necessary upon receipt of final Certifications of Valuation from the County Assessors. The Board adjusted the 2024 budget appropriation at its January 9, 2024 meeting to reflect final assessed valuations impacted by SB23B-001.

**CAPITAL ASSETS**

At December 31, 2023, the District had \$36.7 million invested in a broad range of property and equipment, net of accumulated depreciation. The following schedule summarizes the District’s property and equipment, and changes from 2022 to 2023, and 2021 to 2022:

	2023	2022	\$ Change	2022	2021	\$ Change
Non-Depreciable Assets	\$ 2,395,812	\$ 4,948,461	\$ (2,552,649)	\$ 4,948,461	\$ 2,352,643	\$ 2,595,818
Depreciable Assets	45,842,869	42,540,955	3,301,914	42,540,955	41,697,205	843,750
Accumulated Depreciation	(11,519,244)	(10,240,709)	(1,278,535)	(10,240,709)	(8,891,397)	(1,349,312)
Total Depreciable Assets, Net	34,323,625	32,300,246	2,023,379	32,300,246	32,805,808	(505,562)
Total Capital Assets, Net	\$ 36,719,437	\$ 37,248,707	\$ (529,270)	\$ 37,248,707	\$ 35,158,451	\$ 2,090,256

**LONG-TERM DEBT**

**CAPITAL LEASE OBLIGATIONS**

The District entered into a lease-purchase agreement during each of the years 2016-2018, one agreement in 2021, and one in 2020. Appropriations for lease payments are made annually and do not extend beyond the current year. The related capital assets have been recorded in the statement of net position as capital assets. During 2022, the District adopted GASB Statement 87 – Lease Accounting which changed the reporting for capital lease obligations to financing leases.

**GENERAL OBLIGATION BONDS**

As described in the Financial Highlights above, and in Note 5 in the Financial Statements, on November 3, 2015, District voters approved Ballot Issues 4C and 4D regarding the construction and operation of a Community Recreation Center. Ballot Issue 4D authorized the District to issue \$19,830,000 in General Obligation Bonds to finance construction of the Community Center. The District issued \$9,000,000 in bonds for this project during 2015, and \$10,830,000 in 2016. Both bond issues were sold at a premium, and have interest rates ranging from 3.00 to 5.00%, with maturity dates ranging from 2016 to 2035. In December 2021, the District issued Series 2021 bonds in the amount of \$14,260,000 with interest rates ranging from 0.60% to 2.62%. The proceeds were used to refund the principal balance of the Series 2015 bonds and a portion of the Series 2016 bonds. The following summary outlines the change in long-term debt from 2022 to 2023 and 2021 to 2022.

<b>Long-term Debt</b>	2023	2022	\$ Change	2022	2021	\$ Change
Total Bonds Payable	\$ 14,760,000	\$ 15,805,000	\$ (1,045,000)	\$ 15,805,000	\$ 16,845,000	\$ (1,040,000)
Total Leases Payable	2,303,805	3,067,415	(763,610)	3,067,415	1,280,965	1,786,450
	17,063,805	18,872,415	(1,808,610)	18,872,415	18,125,965	746,450
Bond Premium	70,209	140,837	(70,628)	140,837	211,465	
Total	\$ 17,134,014	\$ 19,013,252	\$ (1,879,238)	\$ 19,013,252	\$ 18,337,430	\$ (1,040,000)

## ECONOMIC FACTORS AND NEXT YEAR’S BUDGET RATES

The 2024 budget reflects a conservative approach in consideration of post-pandemic and inflationary economic conditions. Capital expenses include improvement projects in Stanley Park, and infrastructure and equipment purchases for the community center, golf courses, campgrounds, and marina.

The Board of Directors considers many factors when setting the District’s budget, including user fees and charges. During the 2024 budget process fees were not materially changed from the prior year. Operating revenues for 2024 have been budgeted conservatively to recognize the unknowns of weather, visitation, natural and pandemic disasters, and general economic conditions.

The 2024 budgeted revenues exceed expenditures. The Board has appropriated funds for 2024 compared to 2023 appropriations as follows:

<b>Annual Budgets</b>	2024	2023	\$ Change	2023	2022	\$ Change
Fees and Charges	\$ 5,295,650	\$ 5,160,167	\$ 135,483	\$ 5,160,167	\$ 5,133,481	\$ 26,686
Conservation Trust/Lottery	70,000	72,000	(2,000)	72,000	69,550	2,450
Taxes	3,218,020	2,986,119	231,901	2,986,119	2,950,161	35,958
Interest Income	312,000	355,000	(43,000)	355,000	118,065	236,935
Transfer from (to) Reserves	201,100	(43,645)	244,745	(43,645)	(6,873)	(36,772)
Loan Issuance Proceeds	-	-	-	-	2,425,000	(2,425,000)
Intergovernmental Revenues	487,500	1,153,107	(665,607)	1,153,107	1,121,266	31,841
Miscellaneous	9,850	37,036	(27,186)	37,036	59,645	(22,609)
<b>Total Revenues</b>	<b>9,594,120</b>	<b>9,719,784</b>	<b>(125,664)</b>	<b>9,719,784</b>	<b>11,870,295</b>	<b>(2,150,511)</b>
<b>Operating Expenses</b>	<b>6,394,571</b>	<b>6,115,676</b>	<b>278,895</b>	<b>6,115,676</b>	<b>5,293,042</b>	<b>822,634</b>
Conservation Trust/Lottery	-	-	-	-	-	-
Interest Expense	67,325	81,089	(13,764)	81,089	64,305	16,784
Bond Issue Costs/Reserves	67,222	71,505	(4,283)	71,505	43,293	28,212
Lease Payments	161,512	763,617	(602,105)	763,617	638,550	125,067
Bond Debt Service	1,410,764	1,411,644	(880)	1,411,644	1,417,800	(6,156)
Capital Outlay	1,276,000	729,910	546,090	729,910	4,048,276	(3,318,366)
Right-to-Use Leased Assets		277,918		277,918	-	277,918
Reserves & Contingencies	141,090	131,421	9,669	131,421	110,955	20,466
<b>Total Expenses</b>	<b>\$ 9,518,484</b>	<b>\$ 9,582,780</b>	<b>\$ 213,622</b>	<b>\$ 9,582,780</b>	<b>\$ 11,616,221</b>	<b>\$ (2,033,441)</b>

## DISTRICT ASSESSED VALUATIONS, MILL LEVIES AND PROPERTY TAX COLLECTIONS

The following summaries provide historical analysis of assessed valuations, mill levies and actual property tax collections for the District.

<b>History of District's Assessed Valuation</b>						
Levy/Collection						
Year	Boulder County	Larimer County	Total	Percent Change		
2012/2013	\$6,826,660	\$330,589,160	\$337,415,820	-0.25%		
2013/2014	\$6,404,578	\$314,576,380	\$320,980,958	-4.87%		
2014/2015	\$6,352,917	\$303,171,420	\$309,524,337	-3.57%		
2015/2016	\$7,020,065	\$337,864,366	\$344,884,431	11.42%		
2016/2017	\$6,963,622	\$339,602,502	\$346,566,124	0.49%		
2017/2018	\$7,295,538	\$362,165,198	\$369,460,736	6.61%		
2018/2019	\$7,180,061	\$362,617,046	\$369,797,107	0.09%		
2019/2020	\$8,049,377	\$415,324,211	\$423,373,588	14.49%		
2020/2021	\$8,060,700	\$415,258,017	\$423,318,717	-0.01%		
2021/2022	\$9,435,967	\$443,733,946	\$453,169,913	7.05%		
2022/2023	\$9,260,643	\$435,806,471	\$445,067,114	-1.79%		
2023/2024	\$11,107,004	\$584,078,452	\$595,185,456	33.73%		
<b>History of District's Mill Levy</b>						
Levy/Collection		Temporary Tax		Capital /		Total Mill
Year	General Fund	Credit	Bond Fund	Special	Abatements	Levy
2012/2013	1.781	(0.328)	0	0.973	0.012	2.438
2013/2014	1.781	(0.205)	0	0.973	0.008	2.558
2014/2015	1.781	(0.095)	0	1.200	0.006	2.892
2015/2016	1.781	(0.203)	3.900	1.200	0.008	6.686
2016/2017	1.781	(0.162)	4.167	1.200	0.021	7.007
2017/2018	1.781	(0.207)	3.777	1.724	0.215	7.290
2018/2019	1.781	(0.150)	3.909	1.723	0.018	7.281
2019/2020	1.781	(0.323)	3.350	1.648	0.041	6.497
2020/2021	1.781	(0.274)	3.337	1.646	0.027	6.517
2021/2022	1.781	(0.326)	2.963	1.618	0.033	6.069
2022/2023	1.781	(0.174)	2.997	1.626	0.035	6.265
2023/2024	1.781	(0.508)	2.242	1.519	0.005	5.039
<b>Historical Property Tax Collections</b>						
Levy/Collection	Total Taxed	Total Taxes	Percent of Levy			
Year	Levied	Collected	Collected			
2012/2013	\$822,619	\$819,743	99.65%		0.29%	
2013/2014	\$820,749	\$815,235	99.33%		-0.23%	
2014/2015	\$895,145	\$889,497	99.37%		9.06%	
2015/2016	\$2,305,864	\$2,290,197	99.32%		157.60%	
2016/2017	\$2,428,543	\$2,419,333	99.62%		5.32%	
2017/2018	\$2,692,986	\$2,681,145	99.56%		10.89%	
2018/2019	\$2,692,416	\$2,682,796	99.64%		-0.02%	
2019/2020	\$2,750,656	\$2,736,327	99.48%		2.16%	
2020/2021	\$2,754,598	\$2,746,807	99.72%		0.14%	
2021/2022	\$2,745,820	\$2,744,699	99.96%		-0.32%	
2022/2023	\$2,783,512	\$2,780,518	99.89%		1.37%	
2023/2024	\$2,994,130				7.57%	

For further information regarding these reports, please contact Tom Carosello, Executive Director, Estes Valley Recreation & Park District, P.O. Box 1379, Estes Park, Colorado 80517, (970)586-8191.

## **BASIC FINANCIAL STATEMENTS**

# ESTES VALLEY RECREATION AND PARK DISTRICT

## STATEMENTS OF NET POSITION

December 31, 2023 and 2022

	BUSINESS-TYPE ACTIVITIES	
	2023	2022
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and Investments	\$ 5,135,571	\$ 4,687,497
Restricted Cash and Investments	2,836,185	2,363,378
Accounts Receivable	199,256	156,199
Property Taxes Receivable	2,994,130	2,783,740
Inventory	158,029	149,176
Prepaid Expenses	221,067	231,010
Total Current Assets	11,544,238	10,371,000
<b>Noncurrent Assets</b>		
Right-To-Use Assets, Net of Accumulated Amortization	239,559	-
Capital Assets, Not Being Depreciated	2,395,815	4,948,461
Capital Assets, Net of Accumulated Depreciation	34,323,622	32,300,246
Total Noncurrent Assets	36,958,996	37,248,707
<b>TOTAL ASSETS</b>	48,503,234	47,619,707
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred Amount on Debt Refunding	72,383	78,417
<b>LIABILITIES</b>		
<b>Current Liabilities</b>		
Accounts Payable	308,795	243,418
Accrued Interest Payable	57,735	60,989
Accrued Salaries and Benefits	102,317	78,707
Unearned Revenue - Fees	103,599	93,833
Accrued Compensated Absences	60,914	83,269
Right-To-Use Assets Lease Payable - Current	36,646	-
Bonds Payable - Current	1,080,000	1,045,000
Financing Leases Payable - Current	162,383	695,615
Total Current Liabilities	1,912,389	2,300,831
<b>Noncurrent Liabilities</b>		
Right-To-Use Assets Lease Payable	207,671	-
Bonds Payable	13,680,000	14,760,000
Financing Leases Payable	2,141,422	2,371,800
Bond Premium	70,209	140,837
Total Noncurrent Liabilities	16,099,302	17,272,637
<b>TOTAL LIABILITIES</b>	18,011,691	19,573,468
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Deferred Property taxes	2,994,130	2,783,740
<b>NET POSITION</b>		
Net Investment in Capital Assets	19,657,806	18,313,872
Restricted:		
Debt Service	208,847	168,508
TABOR Emergency Reserve	98,845	80,475
Conservation Trust/Lottery	155,760	89,011
Unreserved	7,448,538	6,689,050
<b>TOTAL NET POSITION</b>	\$ 27,569,796	\$ 25,340,916

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

# ESTES VALLEY RECREATION AND PARK DISTRICT

## STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION

For the Years Ended December 31, 2023 AND 2022

	<u>BUSINESS-TYPE ACTIVITIES</u>	
	<u>2023</u>	<u>2022</u>
OPERATING REVENUES		
Fees and Charges for Services	\$ 5,238,829	\$ 4,831,295
Miscellaneous	31,923	10,219
TOTAL OPERATING REVENUES	<u>5,270,752</u>	<u>4,841,514</u>
OPERATING EXPENSES		
General and Administrative	895,889	786,932
Community Center	1,846,118	1,639,534
Golf Courses and Pro Shops	1,441,209	1,445,154
Marina	650,055	528,974
Parks	398,631	198,375
Campgrounds	639,778	605,309
Depreciation	1,472,521	1,501,907
TOTAL OPERATING EXPENSES	<u>7,344,201</u>	<u>6,706,185</u>
OPERATING LOSS	<u>(2,073,449)</u>	<u>(1,864,671)</u>
NON-OPERATING REVENUES (EXPENSES)		
Taxes	2,988,459	2,937,011
Conservation Trust/Lottery	80,521	73,067
Intergovernmental Revenues	1,211,882	1,182,431
Investment Income	399,113	131,268
Interest Expense	(397,591)	(415,626)
Gain (Loss) on Disposal of Capital Assets	19,945	(10,268)
TOTAL NON-OPERATING REVENUES	<u>4,302,329</u>	<u>3,897,883</u>
CHANGE IN NET POSITION	2,228,880	2,033,212
NET POSITION, Beginning	<u>25,340,916</u>	<u>23,307,704</u>
NET POSITION, Ending	<u>\$ 27,569,796</u>	<u>\$ 25,340,916</u>

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

# ESTES VALLEY RECREATION AND PARK DISTRICT

## STATEMENTS OF CASH FLOWS

Increase (Decrease) in Cash and Cash Equivalents  
For the Years Ended December 31, 2023 and 2022

	2023	2022
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash Received from Customers	\$ 5,205,538	\$ 4,842,645
Cash Received from Others	31,923	10,219
Cash Paid to Suppliers	(2,562,272)	(2,754,961)
Cash Paid to Employees	(3,241,686)	(2,337,126)
Net Cash Provided (Used) by Operating Activities	(566,497)	(239,223)
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
Intergovernmental Receipts	1,292,403	1,255,498
Taxes Received	2,988,459	2,937,011
Net Cash Provided by Non-Capital Financing Activities	4,280,862	4,192,509
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Capital Asset Acquisitions	(906,099)	(3,602,181)
Proceeds from Disposal of Capital Assets	22,719	-
Loan Proceeds	-	2,425,000
Bond, Loan and Lease Principal Payments	(1,808,610)	(1,678,550)
Right-to-Use Leased Asset Principal Payments	(35,168)	-
Interest Paid on Bonds and Loans	(465,439)	(442,106)
Net Cash Provided (Used) by Capital and Related Financing Activities	(3,192,597)	(3,297,837)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest Received	399,113	131,268
Net Cash Provided by Investing Activities	399,113	131,268
Net Increase (Decrease) in Cash and Cash Equivalents	920,881	786,717
CASH AND CASH EQUIVALENTS, Beginning	7,050,875	6,264,158
CASH AND CASH EQUIVALENTS, Ending	\$ 7,971,756	\$ 7,050,875
<b>SUMMARY OF CASH AND INVESTMENTS</b>		
Cash and Investments	\$ 5,135,571	\$ 4,687,497
Restricted Cash and Investments	2,836,185	2,363,378
Total Cash and Investments	\$ 7,971,756	\$ 7,050,875
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>		
Operating Income (Loss)	\$ (2,073,449)	\$ (1,864,671)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities		
Depreciation	1,472,521	1,501,907
Changes in Assets and Liabilities		
Accounts Receivable	(43,057)	8,441
Inventory	(8,853)	(31,058)
Prepaid Expenses	9,943	(5,595)
Accounts Payable	65,377	133,553
Unearned Revenue	9,766	2,909
Accrued Payroll Liabilities	1,255	15,291
Total Adjustments	1,506,952	1,625,448
Net Cash Provided (Used) by Operating Activities	\$ (566,497)	\$ (239,223)

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

ESTES VALLEY RECREATION AND PARK DISTRICT

NOTES TO FINANCIAL STATEMENTS

December 31, 2023

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

**Nature of Operations**

The Estes Valley Recreation and Park District (the "District"), a quasi-municipal corporation, operates pursuant to the provisions of the Colorado Revised Statutes of the Colorado Special District Act. The District is governed by a five-member Board of Directors. The District was organized in 1955 under provisions of Colorado statutes to provide recreational programs and facilities, including golf courses, a marina, campgrounds, trails and an aquatic center for the residents of and visitors to Estes Valley and the surrounding area. The District was originally created under the name of Rocky Mountain Metropolitan Recreation District and in 1985 changed its name to the current name, Estes Valley Recreation and Park District.

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**

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.

In 2018, the District established the Estes Valley Recreation and Park Foundation (the "Foundation"). The Foundation is a 501(c)(3) nonprofit organization created to provide support for youth sports programs, financial assistance to low-income residents and improved park facilities. The District's accountability for the Foundation does not extend beyond making appointments to the Board of Directors. Members of the District's Board of Directors may serve on the Foundation Board, but do not serve in a controlling capacity. The Foundation is considered a related organization. The District received donations in the amount of \$18,890 from the Foundation during 2023.

Based on the application of the criteria, the District does not include additional organizations in its reporting entity, nor is it a component unit of any other governmental entity.

ESTES VALLEY RECREATION AND PARK DISTRICT

NOTES TO FINANCIAL STATEMENTS

December 31, 2023

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

**Fund Accounting**

The District uses a proprietary fund to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions and activities.

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

The District uses a proprietary fund-type, an enterprise fund, to account for its activities of providing recreation and park services to District residents and visitors. The enterprise fund uses the economic resources measurement focus and the accrual basis of accounting for reporting. Revenues are recognized when earned and expenses are recognized when incurred, regardless of the timing of the related cash flows.

The activities of the fund are accounted for with a separate set of self-balancing accounts that comprise the District's assets, deferred outflows of resources, liabilities, deferred inflows of resources, net position, revenues and expenses. The fund distinguishes operating revenues and expenses from non-operating revenues and expenses, and capital contributions. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the fund's principal ongoing operations. Operating expenses include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses or capital contributions.

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

**Assets, Liabilities and Net Position**

*Cash Equivalents and Investments* – Cash equivalents include cash deposits and highly liquid investments with original maturities of three months or less when purchased. Investments are reported at fair value or the net asset value method.

*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.

ESTES VALLEY RECREATION AND PARK DISTRICT

NOTES TO FINANCIAL STATEMENTS

December 31, 2023

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

**Assets, Liabilities and Net Position** (Continued)

*Inventory* – Inventory consists of supplies and items held for resale. Inventory held at the golf courses is valued on an average cost basis and the remainder of the District’s inventory is valued on the First-in, First-out basis.

*Capital Assets* – Capital assets, which include water rights, easements, land, buildings and related improvements, vehicles and equipment, are reported in the financial statements net of accumulated depreciation. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

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

Buildings and Improvements	5 – 50 years
Vehicles	5 – 15 years
Equipment	5 – 20 years

*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 has an item related to debt refunding costs that is reported as deferred outflows of resources at December 31, 2023.

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 unavailable revenue – property taxes that is reported as deferred inflows of resources at December 31, 2023.

*Unearned Revenue* – Unearned revenue arises when resources are received by the District before it has legal claim to them. For example, prepaid membership fees and program registration fees received in the current year, are for memberships that extend into following year and programs that will occur in the following year.

ESTES VALLEY RECREATION AND PARK DISTRICT

NOTES TO FINANCIAL STATEMENTS

December 31, 2023

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

**Assets, Liabilities and Net Position** (Continued)

*Compensated Absences* – Full-time employees of the District are allowed to accumulate unused vacation and sick time. Vacation accumulates up to 35 days based on years of service. Employees will be paid for all accrued vacation time upon separation of employment. Employees are allowed to accumulate up to 60 days of sick leave. Upon termination of employment, employees are not paid for accumulated sick leave, unless they have completed 20 years of continuous service, for which they will be paid 50% of their accumulated sick leave (maximum of 240 hours) at their current pay rate.

*Long-Term Debt* - Long-term debt and other long-term obligations are reported at face value, net of unamortized debt premiums and discounts, as liabilities in the financial statements. Debt premiums and discounts are deferred and amortized over the life of the debt using the straight-line method.

*Net Position* – Net position results from the accumulation of net earnings from operating and non-operating income and expenses and are classified in the financial statements as follows:

- Net Investment in Capital Assets – This classification is intended to report the portion of net position which is associated with non-liquid capital assets, reduced by the long-term debt issued to acquire, construct, or improve those related capital assets.
- 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.
- Unrestricted – This classification includes the residual net position that does not meet the classification of “net investment in capital assets” or “restricted.”

**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 Treasurers’ Offices collect property taxes and remit 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.

ESTES VALLEY RECREATION AND PARK DISTRICT

NOTES TO FINANCIAL STATEMENTS

December 31, 2023

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

**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, 2023 through April 23, 2024, the date of these financial statements were issued, and has incorporated any required recognition into these financial statements.

**NOTE 2: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**Budgets and Budgetary Accounting**

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

- The budget is legally adopted by the District. The budget is adopted on a non-GAAP budgetary basis. Capital outlay and long-term debt principal payments are budgeted as expenditures, and depreciation, and amortization of debt premium/discounts, and costs of debt refunding are not budgeted.
- Prior to October 15, management submits to the Board of Directors a proposed operating budget for the fiscal year commencing the following January 1. The Board of Directors reviews the budget at a special October meeting to obtain taxpayer comments.
- The operating budget includes proposed expenditures and the means of financing them.
- Prior to December 15, the budget is legally enacted through passage of a resolution.
- Management is authorized to transfer budgeted amounts between departments within the fund. However, any revisions that alter the total expenditures of the fund must be approved by the Board of Directors.
- All appropriations lapse at year end. Colorado governments may not exceed budgeted appropriations at the fund level.

ESTES VALLEY RECREATION AND PARK DISTRICT

NOTES TO FINANCIAL STATEMENTS

December 31, 2023

**NOTE 3: CASH AND INVESTMENTS**

A summary of cash and investments at December 31, 2023, follows:

Petty Cash	\$ 2,600
Cash Deposits	704,850
Investments	<u>7,264,306</u>
Total	<u>\$ 7,971,756</u>

Cash and Investments are reported in the financial statements as follows:

Cash and Investments	\$ 5,135,571
Restricted Cash and Investments	<u>2,836,185</u>
Total	<u>\$ 7,971,756</u>

**Deposits**

The Colorado Public Deposit Protection Act (PDPA) requires that all local government entities deposit cash in eligible public depositories. Eligibility is determined by State regulations. Amounts on deposit in excess of Federal Deposit Insurance Corporation (FDIC) levels must be collateralized by eligible collateral as determined by the PDPA. The FDIC insures depositors up to \$250,000 for each financial institution. The PDPA allows the financial institution to create a single collateral pool for all public funds held. The pool is to be maintained by another institution, or held in trust for all uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits. At December 31, 2023, the District had bank deposits totaling \$735,184, of which \$404,779 were insured by FDIC and \$330,405 were collateralized with securities held by the financial institution's agents, but not in their name.

**Investments**

The District has not adopted a formal investment policy; however, the District follows Colorado Revised Statutes regarding investments. The District generally limits its concentration of investments to Local Government Investment Pools, 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.

*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.

ESTES VALLEY RECREATION AND PARK DISTRICT

NOTES TO FINANCIAL STATEMENTS

December 31, 2023

**NOTE 3: CASH AND INVESTMENTS (Continued)**

**Investments (Continued)**

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

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

At December 31, 2023, the District had the following investments:

	<u>Maturity</u>	<u>2023</u>
Colorado Liquid Government Asset Trust (COLOTRUST)	Weighted Average under 60 days	\$ 6,946,156
Colorado Surplus Asset Fund Trust (CSAFE)	Weighted Average under 60 days	<u>318,150</u>
Total		<b><u>\$ 7,264,306</u></b>

COLOTRUST

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.

ESTES VALLEY RECREATION AND PARK DISTRICT

NOTES TO FINANCIAL STATEMENTS

December 31, 2023

**NOTE 3: CASH AND INVESTMENTS (Continued)**

**Investments (Continued)**

CSAFE

The District invested in the Colorado Surplus Asset Fund (CSAFE), an investment vehicle established by state statutes for local government entities to pool surplus assets. The State Securities Commissioner administers and enforces all State statutes governing CSAFE. CSAFE is similar to a money market fund, with each share valued at \$1.00. CSAFE may invest in U.S. Treasury securities, repurchase agreements collateralized by U.S. Treasury securities, certain money market funds, and highest rated commercial paper. A designated custodial bank serves as custodian for CSAFE's portfolios pursuant to a custodian agreement. The custodian acts as safekeeping agent for CSAFE'S investment portfolio and provides services as a depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by CSAFE. CSAFE is rated AAAM by Standard & Poor's. CSAFE records its investments at net asset value and the District records its investment in CSAFE using the net asset value method. There are no unfunded commitments, the redemption frequency is daily and there is no redemption notice period.

**Restricted Cash and Investments**

Restricted cash and investments consist of amounts restricted for several purposes, including:

- debt service reserves as required by the District's bonds,
- TABOR emergency reserve
- unspent conservation trust/lottery funds, and
- funds received from the Town of Estes Park in relation to the 2014 voter approved Ballot Issue 1A authorizing the Town's collection and distribution of a portion of the Town's sales tax for the construction and equipping of the Community Center. These funds are held in a separate COLOTRUST account until used for the allowed purposes, including use in repaying the Bank of Colorado loan issued to construct the Community Center.

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ESTES VALLEY RECREATION AND PARK DISTRICT

NOTES TO FINANCIAL STATEMENTS  
December 31, 2023

**NOTE 4: CAPITAL ASSETS**

Capital asset activity for the year ended December 31, 2023, is summarized below:

	Balances 12/31/2022	Additions	Deletions	Balances 12/31/2023
Capital Assets, not being depreciated				
Land	\$ 2,115,572	\$ -	\$ -	\$ 2,115,572
Water Rights	118,435	-	-	118,435
Easements	4,794	-	-	4,794
Construction in Progress	2,709,660	399,748	2,952,397	157,011
	<u>4,948,461</u>	<u>399,748</u>	<u>2,952,397</u>	<u>2,395,812</u>
Capital Assets, being depreciated				
Buildings and Improvements	39,060,234	3,219,566	95,850	42,183,950
Vehicles	317,248	-	-	317,248
Equipment	3,163,473	239,182	60,984	3,341,671
Total Capital Assets, being depreciated	<u>42,540,955</u>	<u>3,458,748</u>	<u>156,834</u>	<u>45,842,869</u>
Less accumulated depreciation				
Buildings and Improvements	(7,764,557)	(1,183,368)	(93,075)	(8,854,850)
Vehicles	(268,617)	(14,484)	-	(283,101)
Equipment	(2,207,535)	(234,743)	(60,985)	(2,381,293)
Total accumulated depreciation	<u>(10,240,709)</u>	<u>(1,432,595)</u>	<u>(154,060)</u>	<u>(11,519,244)</u>
Total Capital Assets, being depreciated, net	<u>32,300,246</u>	<u>2,026,153</u>	<u>2,774</u>	<u>34,323,625</u>
Total Capital Assets, net	<u><u>\$ 37,248,707</u></u>	<u><u>\$ 2,425,901</u></u>	<u><u>\$ 2,955,171</u></u>	<u><u>\$ 36,719,437</u></u>

Subsequent to December 31, 2023, the District entered into an agreement for the construction of a skate park for approximately \$620,000.

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ESTES VALLEY RECREATION AND PARK DISTRICT

NOTES TO FINANCIAL STATEMENTS

December 31, 2023

**NOTE 5: LONG-TERM DEBT**

Following is a summary of long-term debt transactions for the year ended December 31, 2023:

	Balance 12/31/2022	Additions	Deletions	Balance 12/31/2023	Due Within One Year
2016 General Obligation Bonds	\$ 1,755,000	\$ -	\$ 860,000	\$ 895,000	\$ 895,000
2021 General Obligation Refunding Bonds	14,050,000	-	185,000	13,865,000	185,000
Community Center Financing Lease	537,669	-	537,669	-	-
Golf Course Irrigation Financing Lease	2,380,030	-	159,927	2,220,103	95,527
Equipment Financing Lease	149,716	-	66,014	83,702	66,856
	<u>\$ 18,872,415</u>	<u>\$ -</u>	<u>\$ 1,808,610</u>	<u>\$ 17,063,805</u>	<u>\$ 1,242,383</u>
Bond Premium - 2016 GO Bonds	140,837	-	70,628	70,209	-
Total	<u>\$ 19,013,252</u>	<u>\$ -</u>	<u>\$ 1,879,238</u>	<u>\$ 17,134,014</u>	<u>\$ 1,242,383</u>

**Series 2016 General Obligation Bonds**

On February 9, 2016, the District issued Series 2016 General Obligation Bonds (the "2016 Bonds") in the amount of \$10,830,000 for the purpose of financing the construction and operation of the Community Center. In addition, on December 15, 2015, the District issued Series 2015 General Obligation Bonds (the "2015 Bonds") in the amount of \$9,000,000 for the purpose of financing the construction and operation of the Community Center. These two bond issues were approved by the District voters through the November 3, 2015 Ballot Issues 4C and 4D in the total amount of \$19,830,000 for the construction and operation of the Community Center. The 2016 Bonds were sold at a premium of \$1,770,003, with principal payments due annually on December 1, and interest payments due semi-annually on June 1 and December 1 through December 1, 2028. Interest accrues at rates ranging from 3% to 5%. On December 30, 2021, the remaining balance of the 2015 Bonds and a portion of the remaining balance of the 2016 Bonds (principal maturing 2025 through 2028) were refunded through the issuance of the Series 2021 General Obligation Refunding Bonds (see below).

**Series 2021 General Obligation Refunding Bonds**

On December 30, 2021, the District issued Federally Taxable Series 2021 General Obligation Refunding Bonds in the amount of \$14,260,000 to refund the District's Series 2015 and a portion of Series 2016 General Obligation Bonds. Principal payments are due annually on December 1 and interest payments were due semi-annually on June 1 and December 1 through December 1, 2035. Interest accrues at rates ranging from 0.60% to 2.62% per annum.

ESTES VALLEY RECREATION AND PARK DISTRICT

NOTES TO FINANCIAL STATEMENTS

December 31, 2023

**NOTE 5: LONG-TERM DEBT (Continued)**

Annual debt service requirements for the District's outstanding bonds at December 31, 2023 are as follows:

<u>Year Ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	1,080,000	330,064	1,410,064
2025	1,125,000	283,187	1,408,187
2026	1,140,000	267,999	1,407,999
2027	1,160,000	250,329	1,410,329
2028	1,190,000	230,029	1,420,029
2029-2033	6,320,000	785,497	7,105,497
2034-2035	2,745,000	106,982	2,851,982
	<u>\$ 14,760,000</u>	<u>\$ 2,254,087</u>	<u>\$ 17,014,087</u>

**Defeased Debt**

Proceeds from the General Obligation Refunding Bonds, Series 2021 in the amount of \$14,036,566 were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments of the General Obligation Bonds, Series 2015 and a portion of the future debt service payment of the General Obligation Bonds, Series 2016. The defeased bonds are scheduled to be called on December 1, 2024. Although the advance refunding resulted in the recognition of an accounting loss of \$84,461, the District obtained an economic gain (difference between the present values of the old and new debt services payments) of \$837,793, and a decrease in the aggregate debt service by \$951,519. As of December 31, 2023, the balance of the defeased debt totaled \$12,905,000. As a result, the refunded bonds were considered to be defeased and the liability was removed from the District's financial statements.

**Community Center Financing Lease**

On January 17, 2017, the District entered into an agreement with the Bank of Colorado in the amount of \$3,000,000 for the purpose of financing the acquisition of land and the construction of the Community Center. Principal and interest payments of \$136,837 were due quarterly commencing on March 1, 2018 through December 1, 2023, with interest accruing at a rate of 2.99% per annum. This Lease was paid-in-full during the year ended December 31, 2023.

**Golf Course Irrigation Financing Lease**

On February 1, 2022, the District entered into an agreement with the Bank of the San Juans to borrow \$2,425,000 for the purpose of financing the installation of an irrigation system at the Estes Park Golf Course. Principal and interest payments of \$80,618 are due semi-annually February 1 and August 1, through February 1, 2042. Interest accrues at a rate of 2.94% per annum.

ESTES VALLEY RECREATION AND PARK DISTRICT

NOTES TO FINANCIAL STATEMENTS

December 31, 2023

**NOTE 5: LONG-TERM DEBT (Continued)**

**Equipment Financing Lease**

On March 19, 2021, the District entered into a financing lease agreement in the amount of \$263,245, for the purchase of golf course and campground equipment. Principal and interest payments of \$16,900 are due quarterly on March 19, June 19, September 19, and December 19, through March 19, 2025. Interest accrues at a rate of 1.27% per annum.

Annual debt service requirements for the District's outstanding financing leases at December 31, 2023 are as follows:

<u>Year Ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	162,383	66,453	228,836
2025	114,306	63,829	178,135
2026	100,345	60,890	161,235
2027	103,317	57,918	161,235
2028	106,377	54,858	161,235
2029-2033	581,050	225,125	806,175
2034-2038	672,342	133,833	806,175
2039-2042	463,685	30,759	494,444
	<u>\$ 2,303,805</u>	<u>\$ 693,665</u>	<u>\$ 2,997,470</u>

**NOTE 6: RIGHT-TO-USE ASSETS – GOLF CARS**

On November 15, 2022, the District entered into an agreement to lease golf car equipment. Payments of principal and interest totaling \$8,972 are due monthly from May to October each year, for a total of forty-two (42) payments, from May 2023 through October 2029. The value of the right-to-use assets – golf car lease, based on the present value of future lease payments, was \$279,486, with accumulated amortization of \$36,927 at December 31, 2023. The total lease liability, based on the future value of lease payments, was \$279,486, with a balance of \$244,317 at December 31, 2023. The interest rate in the lease agreement is 4.2% per annum. The District recognized principal payments of \$35,168, interest expense of \$21,559 and amortization expense of \$39,927, for the year ended December 31, 2023. Following is the required future right-to-use assets payments as of December 31, 2023:

ESTES VALLEY RECREATION AND PARK DISTRICT

NOTES TO FINANCIAL STATEMENTS

December 31, 2023

**NOTE 6: RIGHT-TO-USE ASSETS – GOLF CARS (Continued)**

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 36,646	\$ 16,936	\$ 53,582
2025	38,187	15,385	53,572
2026	39,791	13,770	53,561
2027	41,464	12,085	53,549
2028	43,207	10,331	53,538
2029	<u>45,022</u>	<u>7,292</u>	<u>52,314</u>
Total	<b><u>\$244,317</u></b>	<b><u>\$ 75,799</u></b>	<b><u>\$320,116</u></b>

**NOTE 7: DEFERRED COMPENSATION PLAN**

The District provides a 457 deferred compensation plan for employees administered by Mission Square Retirement. Full-time employees are eligible to participate in a deferred compensation program. The District matches eligible employee’s contributions up to 4% of the employee’s eligible salary. For the year ended December 31, 2023, the District contributed \$48,175 in matching contributions and participating employees contributed \$78,053.

**NOTE 8: OPERATING AGREEMENTS**

**Bureau of Reclamation**

The District has a Management Agreement with the Bureau of Reclamation (the “Bureau”) which allows the District to administer Bureau owned property on which the Mary’s Lake and East Portal Campgrounds, and Day Use areas, Wapiti Meadows (day-use area), the Lake Estes Marina, a portion of Stanley Park bordering Lake Estes, and the Lake Estes Golf Course are located. In March, 2007, the District and the Bureau renewed the Management Agreement for an additional period of 25 years, with an option for an additional term of 25 years if both parties agree. There are no payments required by the District to the Bureau for this agreement.

**Community Center Facility Use and Development Agreement**

On November 30, 2016, the District entered into three (3) agreements with Estes Park School District No. R-3 (the “School District”). The School District agreed to convey 6.49 acres of land to the District for the purpose of building the Community Center, including an aquatics center. Included in the conveyance are the Restrictive Covenant and Facility Use and Development Agreement.

ESTES VALLEY RECREATION AND PARK DISTRICT

NOTES TO FINANCIAL STATEMENTS

December 31, 2023

**NOTE 8: OPERATING AGREEMENTS (Continued)**

**Community Center Facility Use and Development Agreement (Continued)**

The property is subject to the Covenant that it will be used as a public recreation and community center containing a competitive swimming and diving pool. The agreement provides for School use of the competitive swimming and diving pool (Priority Use Facilities) during state-regulated athletics seasons and use of other portions of the Community Center gym, weight and locker rooms, meeting and performance space, and golf simulator (Scheduled Use Facilities) at no cost for a period of 40 years, subject to mutually-agreed upon terms. In accordance with the agreement, the District collects all revenue from the operation of the Aquatic Center and is responsible for cost and expense related with operations.

**Intergovernmental Agreement (“IGA”) with Town of Estes Park (“the Town”) Regarding the Estes Valley Community Center**

On April 1, 2014 the electors of the Town passed ballot Issue 1A which provided for the collection and distribution by the Town of a portion of the Town’s sales tax for the construction of a community center including facilities for the Senior Center. Following the District’s successful November 2015 election for funding and operation of the Estes Valley Community Center, and required progress toward center construction, the District and Town negotiated an IGA for transfer of the 1A funds to the project. The IGA transfers responsibility for delivery of senior programming, excluding meals programs, from the Town to the District. The agreement also specifies minimum requirements for facility design as it relates to senior programming, and for the method and timing of transferring monthly 1A sales tax collections from the Town to the District.

**Golf Course Lease**

In January 1990, the District entered into an operating agreement with the Town wherein the Town made capital improvements to the existing eighteen-hole golf course and the District leased the course from the Town. The lease was renewed for two years in 2011 and automatically renews every other January for two year periods. Under the terms of the agreement, the District is entitled to all revenues generated from the golf course operations. In return, the District is responsible for operational expenses of the facility. There are no payments required by the District to the Town for this agreement. On January 1, 2017, the Town entered into a lease-purchase agreement with First Security Finance, Inc., using the Estes Park Golf Course property as collateral. The purpose of the lease is to fund construction of a parking structure. As the parking structure is constructed on federal property of the Bureau, the Town could not use the structure itself as security for the lease agreement. First Security Finance has been named as additional insured for the District’s property and liability coverage for this property.

ESTES VALLEY RECREATION AND PARK DISTRICT

NOTES TO FINANCIAL STATEMENTS

December 31, 2023

**NOTE 9: RISK MANAGEMENT**

The District is exposed to various risks of loss related to torts, property and casualty, errors and omissions, injuries to employees, health claims or natural disasters.

Risks of loss from property and liability coverage and injuries to employees are covered by the District's participation in the Colorado Special Districts Property and Liability Pool (the "Pool"), along with participation in the worker's compensation pool. The Pool is a separate independent organization created by an intergovernmental agreement to provide property, liability, public officials' liability, boiler and machinery, and workers compensation coverage to its members.

The District pays annual premiums to the Pool for liability, property, public officials' liability and workers compensation coverage. In the event aggregated losses incurred by the Pool exceed amounts recoverable from reinsurance contracts and funds accumulated by the Pool, the Pool may require additional contributions from the Pool members. Any excess funds which the Pool determines are not needed for purposes of the Pool may be returned to the members pursuant to a distribution formula. Settled claims have not exceeded this coverage in any of the past three years.

**NOTE 10: 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 is complex and subject to judicial interpretation.

In November 1999, voters within the District approved the lift restrictions related to fee collection for the District effective, January 1, 2000.

Enterprises, defined as government-owned businesses authorized to issue revenue bonds and receiving less than 10% of annual revenue in grants from all state and local governments combined, are excluded from the provisions of TABOR. The District has made certain interpretations of the Amendment's language in order to determine compliance.

The District's management believes a significant portion of its operations qualifies for the "enterprise" exclusion allowed by the Amendment and the November 1999 ballot question. The District believes it is in compliance with the requirements of the Amendment.

ESTES VALLEY RECREATION AND PARK DISTRICT

NOTES TO FINANCIAL STATEMENTS

December 31, 2023

**NOTE 10: COMMITMENTS AND CONTINGENCIES** (Continued)

**Tabor Amendment** (Continued)

The District separates TABOR enterprise revenues from other revenues. The District has established an emergency reserve, representing 3% of qualifying fiscal year spending, as required by the Amendment. At December 31, 2023, the emergency reserve of \$98,845 was reported as a restriction of net position in the financial statements.

## **SUPPLEMENTARY INFORMATION**

## ESTES VALLEY RECREATION AND PARK DISTRICT

### BUDGETARY COMPARISON SCHEDULE - (Non-GAAP BASIS) WITH RECONCILIATION TO GAAP BASIS

For the Year Ended December 31, 2023

(With Comparative Actual Totals for the Year Ended December 31, 2022)

	2023			VARIANCE Positive (Negative)	2022 ACTUAL
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL		
<b>REVENUES</b>					
Taxes	\$ 2,993,724	\$ 2,986,119	\$ 2,988,459	\$ 2,340	\$ 2,937,011
Intergovernmental Revenues	1,010,500	1,153,107	1,211,882	58,775	1,182,431
Fees and Charges for Services					
Community Center	1,162,440	1,143,692	1,210,959	67,267	1,027,800
Golf Courses and Pro Shops	2,110,825	2,161,625	2,183,405	21,780	2,080,841
Marina	802,160	731,835	734,258	2,423	638,462
Parks	24,600	51,715	38,684	(13,031)	23,297
Campgrounds	1,173,550	1,071,300	1,071,523	223	1,060,895
Conservation Trust/Lottery	66,500	72,000	80,521	8,521	73,067
Investment Income	100,325	355,000	399,113	44,113	131,268
Loan Issuance Proceeds	-	-	-	-	2,425,000
Transfer (to)/from Reserves	(68,104)	(43,645)	-	43,645	-
Miscellaneous	10,850	37,036	31,923	(5,113)	10,219
<b>TOTAL REVENUES</b>	<b>9,387,370</b>	<b>9,719,784</b>	<b>9,950,727</b>	<b>230,943</b>	<b>11,590,291</b>
<b>EXPENDITURES</b>					
General and Administrative	881,258	900,151	895,889	4,262	786,932
Community Center	1,972,130	1,878,747	1,846,118	32,629	1,639,534
Golf Courses and Pro Shop	1,621,412	1,644,036	1,441,209	202,827	1,445,154
Marina	688,500	638,509	650,055	(11,546)	528,974
Parks	358,956	400,392	398,631	1,761	198,375
Campgrounds	699,954	653,841	639,778	14,063	605,309
Capital Outlay	744,575	729,910	906,099	(176,189)	3,602,181
Right-to-Use Leased Assets	-	277,918	279,486	(1,568)	-
Principal Payments	1,761,147	1,808,617	1,808,610	7	1,678,550
Principal Payments - Right-to-Use Leased Assets	-	-	35,168	(35,168)	-
Interest and Fiscal Charges	494,182	519,238	458,931	60,307	442,106
Reserves and Contingencies	135,436	131,421	-	131,421	-
<b>TOTAL EXPENDITURES</b>	<b>9,357,550</b>	<b>9,582,780</b>	<b>9,359,974</b>	<b>222,806</b>	<b>10,927,115</b>
<b>NET INCOME, Budget Basis</b>	<b>\$ 29,820</b>	<b>\$ 137,004</b>	<b>590,753</b>	<b>\$ 453,749</b>	<b>663,176</b>
<b>ADJUSTMENTS TO GAAP BASIS</b>					
Capital Outlay			906,099		3,602,181
Right-to-Use Leased Assets			279,486		-
Depreciation			(1,472,521)		(1,501,907)
Gain (Loss) on Disposal of Capital Assets			19,945		(10,268)
Loan Issuance Proceeds			-		(2,425,000)
Principal Payments on Long-term Debt and Financing Leases			1,808,610		1,678,550
Principal Payments on Right-to-Use Leased Assets			35,168		-
Amortization of Bond Premium and Deferred Amount on Refunding			64,594		64,593
Accrued Interest Adjustment			(3,254)		(38,113)
<b>NET INCOME, GAAP Basis</b>			<b>2,228,880</b>		<b>2,033,212</b>
<b>NET POSITION, Beginning</b>			<b>25,340,916</b>		<b>23,307,704</b>
<b>NET POSITION, Ending</b>			<b>\$ 27,569,796</b>		<b>\$ 25,340,916</b>

See the accompanying Independent Auditor's Report.