

**FRASER VALLEY METROPOLITAN
RECREATION DISTRICT
FRASER, COLORADO**

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

DECEMBER 31, 2023

**FRASER VALLEY METROPOLITAN RECREATION DISTRICT
FRASER, COLORADO**

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Fraser Valley Metropolitan Recreation District
Fraser, Colorado

Opinion

We have audited the financial statements of the governmental activities, business-type activities and each major fund Fraser Valley Metropolitan Recreation District, as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise Fraser Valley Metropolitan Recreation District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major of Fraser Valley Metropolitan Recreation District, as of December 31, 2023, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

Fraser Valley Metropolitan Recreation District's 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 Fraser Valley Metropolitan Recreation 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 judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Fraser Valley Metropolitan Recreation 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 Fraser Valley Metropolitan Recreation 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 through v 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 that collectively comprise Fraser Valley Metropolitan Recreation District's basic financial statements. The supplemental information listed in the table of contents 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 information is fairly stated, in all material respects, in relation to the basic financial statements as a whole

Watson Coon Ryan, LLC

CENTENNIAL, COLORADO
JULY 15, 2024

Fraser Valley Metropolitan Recreation District
Fraser, Colorado
Management's Discussion and Analysis
For the Year Ended December 31, 2023

As management of the Fraser Valley Metropolitan Recreation District, Fraser, Colorado (the "District") we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended December 31, 2023. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our annual audited financial statements.

Financial Highlights

- The assets of the District exceeded its liabilities at the close of the most recent fiscal year by \$12,195,756 (net position). Of this amount, \$8,135,600 was invested in capital assets (net of accumulated depreciation and related debt) of the District and may not be used to meet the District's ongoing obligations to citizens and creditors.
- The District's deposit portfolio increased by \$1,231,761 during 2023. Overall, the District's total net position increased by \$821,642.
- In November 2023, the District closed on Certificates of Participation (COP's) and used the proceeds to purchase the Foundry Cinema and Bowl located at 22 Second Street, Fraser, CO and establish a Reserve Fund for capital improvements to the Grand Park Community Recreation Center. At the direction of the Board, the District established a reserve fund to track net revenues generated through the operation.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements.

The District's financial statements are comprised of four components: 1) government-wide financial statements, 2) fund financial statements 3) notes to the financial statements and 4) required supplementary information that provides comparisons of budget to actual on the Non-US GAAP (Accounting Principles Generally Accepted in the United States of America) budgetary basis.

Government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business through the following financial statements.

- Statement of Net Position presents information on all of the District's assets, liabilities and deferred outflows and inflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.
- Statement of Changes in Net Position presents a comparison between direct expenses, general revenues and program revenues for each function of the District's government activities and the different business-like activities. The result represents how the District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.
- Fund financial statements are designed to provide readers with a broad overview of the general, conservation trust, debt service and proprietary funds, including the Pole Creek Golf Course and Foundry funds.

- Notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide financial statements.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets exceeded liabilities by \$12,195,756 at the close of the most recent fiscal year.

A portion of the District's net position, (67%), is invested in capital assets, less any related debt used to acquire those assets that is still outstanding. The District uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

District Net Position

	Governmental Activities		Business Type Activities		Total Government		
	2023	2022	2023	2022	2023	2022	Variance
Current assets	\$5,065,945	\$4,104,460	\$1,702,850	\$1,661,661	\$6,768,795	\$5,766,121	\$1,002,674
Restricted assets	1,173,694	105,710	226,815	-	1,400,509	105,710	1,294,799
Capital assets, net	15,286,076	15,492,037	10,946,541	6,905,985	26,232,617	22,398,022	3,834,595
Total assets	21,525,715	19,702,207	12,649,391	8,567,646	34,175,106	28,269,853	5,905,253
Deferred outflows of resources (Deferred charge on refunding)	1,043,166	1,130,381	-	-	1,043,166	1,130,381	(87,215)
Total liabilities	14,752,987	14,476,157	5,075,538	1,105,479	19,828,525	15,581,636	4,246,889
Deferred inflows of resources (Deferred property tax revenue)	3,193,991	2,444,484	-	-	3,193,991	2,444,484	749,507
Net Position:							
Net investment in capital assets	2,055,459	2,518,990	6,080,141	5,967,690	8,135,600	8,486,680	(351,080)
Restricted	339,113	405,971	-	-	339,113	405,971	(66,858)
Unrestricted	2,227,331	986,986	1,493,712	1,494,477	3,721,043	2,481,463	1,239,580
Total net position	\$4,621,903	\$3,911,947	\$7,573,853	\$7,462,167	\$12,195,756	\$11,374,114	\$821,642

Current assets for the District increased \$1,002,674. The increase can be attributed to the sale of the COP's and the establishment of a reserve fund account for the Grand Park Community Recreation Center Expansion Project that will take place in 2024.

At the end of the current fiscal year, the District is able to report a positive net position.

Change in the District's Net Position

	Governmental Activities		Business Type Activities		Total Government		
	2023	2022	2023	2022	2023	2022	Variance
User Charges:							
Golf course	\$ -	\$ -	\$2,910,465	\$2,912,259	\$2,910,465	\$2,912,259	\$(1,794)
Foundry	-	-	1,269,044	1,136,686	1,269,044	1,136,686	132,358
Recreation Center	1,347,888	1,081,994	-	-	1,347,888	1,081,994	265,894
Program activities	473,262	474,385	-	-	473,262	474,385	(1,123)
Other non-operating revenues	104,816	13,032	9,090	10,700	113,906	23,732	90,174
Property and specific ownership taxes	2,600,262	2,546,732	-	-	2,600,262	2,546,732	53,530
Other	225,804	147,567	71,501	51,361	297,305	198,928	98,377
Total revenues	4,752,032	4,263,710	4,260,100	4,111,006	9,012,132	8,374,716	637,416
Expenses:							
Operating	3,638,399	3,391,104	4,148,414	3,887,408	7,786,813	7,278,512	508,301
Non-operating	403,677	379,522	-	-	403,677	379,522	24,155
Total expenses	4,042,076	3,770,626	4,148,414	3,887,408	8,190,490	7,658,034	532,456
Change in net position	709,956	493,084	111,686	223,598	821,642	716,682	104,960
Net position – beginning of year	3,911,947	3,418,863	7,462,167	7,238,569	11,374,114	10,657,432	716,682
Net position – end of year	\$4,621,903	\$3,911,947	\$7,573,853	\$7,462,167	\$12,195,756	\$11,374,114	\$821,642

Revenues for the District increased \$637,416 over the year prior. This increase can be attributed to increased fee revenue and program participation. Continued recovery from the impact of the pandemic affected operational revenues of the District as follows:

- Indoor activities such as those at the Recreation Center and Foundry operation continue to show improvement and have begun to outpace pre-pandemic levels. The movie studios released more new movies from the prior year including several blockbusters like Barbie and Oppenheimer which had a very positive impact on revenues.
- Recreation programming enrollments continued to increase in 2023.
- The District invested in CSAFE in 2023 significantly increasing interest income.
- The Assessed Valuations for the 2022 taxable year for collections in 2023 showed an increase related to new construction and building in the area.

Expenses for the District increased \$532,456 over the year prior. The increase can be attributed to capital expenditures and costs associated with the issuance of the COP's.

Capital Asset and Debt Administration

Capital Assets: The District's investment in capital assets as of December 31, 2023 amounts to \$21,547,007 (net of accumulated depreciation of \$15,421,470). The investment in capital assets includes land, land improvements, buildings, equipment, leasehold improvements and vehicles.

District Capital Assets

	2023	2022	Variance
Land	\$4,488,787	\$4,488,787	\$ -
Construction in Progress	77,500	-	77,500
Buildings and Improvements	31,259,256	27,343,272	3,915,984
Equipment and Vehicles	4,496,575	3,284,771	1,211,804
Right to Use Assets	1,317,969	1,862,893	(544,924)
Intangibles	14,000	14,000	-
Total Cost	41,654,087	36,993,723	4,660,364
Less: Accumulated Depreciation	(15,421,470)	(14,595,701)	(825,769)
Total	<u>\$26,232,617</u>	<u>\$22,398,022</u>	<u>\$3,834,595</u>

Capital Assets increased due to the acquisition of the Foundry Cinema and Bowl in 2023. The District continues to invest in capital improvements especially at the golf course. The District continued the cart path paving project spending \$171,699 in 2023. Other improvements included paving the parking areas at the Golf Course at a cost of \$223,748. New sport court flooring was installed at the IceBox Ice Rink at the Fraser Valley Sports Complex to increase opportunities for Pickleball and Box LaCrosse.

Long-term Debt: Changes in long-term obligations as of the year ended December 31, 2023 are as follows:

	Beginning Balance	Additions	Payments (Retirements)	Ending Balance
2020 GO Bonds	\$12,110,000	\$ -	\$(780,000)	\$11,330,000
Premiums	1,909,178	-	(149,253)	1,759,925
2023 Certificate of Participation (COP)	-	5,615,000	-	5,615,000
Discount on COP	-	(43,775)	-	(43,775)
Total	<u>\$14,019,178</u>	<u>\$5,571,225</u>	<u>\$(929,253)</u>	<u>\$18,661,150</u>

The District closed the lease Certificates of Participation (COP) financing transaction bearing interest at 5%, for a thirty year term. The amount of proceeds was \$5,615,000. These lease COP's were used to fund the purchase of the Foundry Cinema and Bowl Facility and the construction of capital improvements to the Grand Park Community Recreation Center. The debt is secured by the facilities and improvements, under the lease agreement.

During 2023, the District paid \$418,900 interest on the bonds. Accrued interest at December 31, 2023 was \$83,025.

Board of Directors Emphasis for the 2023 Budget

In developing the budget for 2024, the state of the economy including continued inflation was considered. The District used historical averages as well as incorporating fee increases when establishing the 2024 budgeted revenue. The District used a departmental line item method whereby programs are budgeted in separate cost centers and individual projects make use of project accounting. The approved 2024 compensation plan was used as a reference to set budgeted payroll expenses. Capital expenditure needs were closely evaluated during budget review.

A separate reserve fund was established in 2023 for the Grand Park Community Recreation Center Expansion Project. This project is expected to be fully completed by the end of 2024.

The Assigned fund identifies reserves for future capital asset maintenance and replacement needs. The Unassigned fund includes reserves amounts that are available for any purpose. The final budget reflected reserves as follows:

RESERVES	<i>2023 Original Budget</i>	<i>2023 Amended Budget</i>	<i>2023 Forecast</i>	<i>2024 Budget</i>
CONSERVATION TRUST - Capital Reserve (Restricted)	\$94,286	\$26,262	\$35,277	\$69,352
TABOR RESERVES - State Mandate (Restricted)	75,000	75,000	75,000	75,000
DEBT SERVICE RESERVE FUND (Restricted)	288,425	288,566	288,566	289,601
COMMUNITY GARDEN RESERVE FUND (Restricted)	9,000	9,000	9,000	9,000
GENERAL RESERVE FUND - GPCRC EXPANSION PROJECT	0	1,082,926	1,083,167	0
GENERAL RESERVE FUND (UNASSIGNED)	320,645	322,728	321,237	427,409
GENERAL RESERVE FUND - FOUNDRY CINEMA & BOWL (UNASSIGNED)	275,483	331,292	334,850	232,427
GENERAL RESERVE FUND - POLE CREEK CAPITAL (ASSIGNED)	1,212,760	1,124,406	1,137,391	1,055,616
GENERAL RESERVE FUND - PARKS & REC CAPITAL (ASSIGNED)	470,729	688,349	696,488	791,383
TOTAL RESERVES	\$2,746,328	\$3,948,529	\$3,980,976	\$2,949,788

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 government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

Ann McConnell, Associate Director
Fraser Valley Metropolitan Recreation District
P.O. Box 3348
Winter Park, CO 80482
ann@fraservalleyrec.org

GOVERNMENT-WIDE FINANCIAL STATEMENTS

FRASER VALLEY METROPOLITAN RECREATION DISTRICT
Statement of Net Position
December 31, 2023

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Assets:			
Cash, cash equivalents and investments	\$ 1,589,436	\$ 1,245,262	\$ 2,834,698
Accounts receivable:			
Property taxes receivable	3,193,991	--	3,193,991
Other taxes	11,972	--	11,972
Trade receivable	--	12,765	12,765
Other receivable	59,425	--	59,425
Inventory	8,483	138,480	146,963
Prepaid expenses	115,745	79,528	195,273
Prepaid debt insurance, net of accumulated amortization	86,893	--	86,893
Restricted cash	1,173,694	226,815	1,400,509
Capital assets, net of accumulated depreciation	15,286,076	10,946,541	26,232,617
Total assets	21,525,715	12,649,391	34,175,106
Deferred outflows of resources:			
Deferred charge on refunding	1,043,166	--	1,043,166
Total deferred outflows of resources	1,043,166	--	1,043,166
Liabilities:			
Accounts payable	162,313	100,844	263,157
Accrued expenses	77,398	45,328	122,726
Accrued interest payable	43,579	39,446	83,025
Accrued compensated absence	49,578	20,076	69,654
Gift cards	8,129	3,444	11,573
Prepaid membership fees and golf passes	138,207	--	138,207
Right of use leases payable:			
Due within one year	27,870	190,623	218,493
Due in more than one year	64,528	196,011	260,539
Bonds payable:			
Due within one year	820,000	60,000	880,000
Due in more than one year	13,361,385	4,419,766	17,781,151
Total liabilities	14,752,987	5,075,538	19,828,525
Deferred inflows of resources:			
Unavailable property tax revenue	3,193,991	--	3,193,991
Total deferred inflows of resources	3,193,991	--	3,193,991
Net position:			
Net investment in capital assets	2,055,459	6,080,141	8,135,600
Restricted for:			
TABOR	75,000	--	75,000
Debt Service Fund	219,846	--	219,846
Conservation Trust Fund	35,267	--	35,267
Community Garden	9,000	--	9,000
Unrestricted	2,227,331	1,493,712	3,721,043
Total net position	\$ 4,621,903	\$ 7,573,853	\$ 12,195,756

The notes to the financial statements are an integral part of this statement.

FRASER VALLEY METROPOLITAN RECREATION DISTRICT
Statement of Changes in Net Position
For the year ended December 31, 2023

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Fund raising, Operating Grants and Contributions	Primary Government		
				Governmental Activities	Business-Type Activities	Total
Governmental activities:						
General recreation	\$ 436,474	\$ 230,454	--	\$ (206,020)		\$ (206,020)
Parks and facilities	703,640	242,808	--	(460,832)		(460,832)
Recreation center	1,836,917	1,347,888	80,000	(409,029)		(409,029)
Administration	661,368	--	145,804	(515,564)		(515,564)
Debt Service	403,677	--	--	(403,677)		(403,677)
Total governmental activities	4,042,076	1,821,150	225,804	(1,995,122)		(1,995,122)
Business activities:						
Foundry	1,446,743	1,269,044	--		\$ (177,699)	(177,699)
Golf course	2,701,671	2,910,465	9,090		217,884	217,884
Total business activities	4,148,414	4,179,509	9,090		40,185	40,185
Total Primary Government	\$ 8,190,490	\$ 6,000,659	\$ 234,894	(1,995,122)	40,185	(1,954,937)
General revenues:						
Taxes				2,600,262	--	2,600,262
Interest				97,486	--	97,486
Gain on disposal of assets				--	38,899	38,899
Miscellaneous				7,330	32,602	39,932
Total general revenues				2,705,078	71,501	2,776,579
Change in net position				709,956	111,686	821,642
Net position - beginning of year				3,911,947	7,462,167	11,374,114
Net position - end of year				\$ 4,621,903	\$ 7,573,853	\$ 12,195,756

The notes to the financial statements are an integral part of this statement.

FUND FINANCIAL STATEMENTS

FRASER VALLEY METROPOLITAN RECREATION DISTRICT
Balance Sheet
Governmental Funds
December 31, 2023

	General Fund	Debt Service	GPRC Expansion Fund	Conservation Trust Fund	Total Governmental Funds
ASSETS					
Cash, cash equivalents and investments	\$ 1,369,590	\$ 219,846	\$ -	\$ -	\$ 1,589,436
Accounts receivable:					
Property taxes receivable	1,921,323	1,272,668	--	--	3,193,991
Other taxes	11,972	--	--	--	11,972
Other receivable	59,425	--	--	--	59,425
Inventory	8,483	--	--	--	8,483
Prepaid expenses and deposits	115,745	--	--	--	115,745
Restricted cash	--	--	1,138,427	35,267	1,173,694
Total assets	\$ 3,486,538	\$ 1,492,514	\$ 1,138,427	\$ 35,267	\$ 6,152,746
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
Liabilities					
Accounts payable	\$ 162,313	\$ --	--	--	\$ 162,313
Accrued liabilities	77,398	--	--	--	77,398
Gift cards payable	8,129	--	--	--	8,129
Prepaid membership fees	138,207	--	--	--	138,207
Total liabilities	386,047	--	--	--	386,047
Deferred inflows of resources:					
Unavailable property tax revenue	1,921,323	1,272,668	--	--	3,193,991
Total deferred inflows of resources	1,921,323	1,272,668	--	--	3,193,991
Fund balances					
Nonspendable for:					
Prepaid expenses and inventory	\$ 124,228	\$ --	\$ --	\$ --	\$ 124,228
Restricted for:					
TABOR	75,000	--	--	--	75,000
Debt Service Fund	--	219,846	--	--	219,846
Conservation Trust Fund	--	--	--	35,267	35,267
Capital Expansion	--	--	1,138,427	--	1,138,427
Community Garden	9,000	--	--	--	9,000
Assigned for:					
Capital asset management	911,344	--	--	--	911,344
Unassigned	59,596	--	--	--	59,596
Total fund balances	1,179,168	219,846	1,138,427	35,267	2,572,708
Total liabilities, deferred inflows of resources and fund balances	\$ 3,486,538	\$ 1,492,514	\$ 1,138,427	\$ 35,267	\$ 6,152,746

Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds.

15,286,076

Long-term liabilities, including earned benefits payable, accrued interest, leases and bonds payable are not due and payable in the current period and therefore, are not reported in the funds.

(13,236,881)

Net Position of Governmental Activities

\$ 4,621,903

The notes to the financial statements are an integral part of this statement.

FRASER VALLEY METROPOLITAN RECREATION DISTRICT
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds
For the year ended December 31, 2023

	General	Debt Service	GPRC Expansion Fund	Conservation Trust	Totals
Revenues:					
Property taxes	\$ 1,178,907	\$ 1,264,868	\$ --	\$ --	\$ 2,443,775
Specific ownership taxes	156,487	--	--	--	156,487
General recreation	230,454	--	--	--	230,454
Parks & facilities	242,808	--	--	--	242,808
Recreation center	1,347,888	--	--	--	1,347,888
Fund raising	15,197	--	--	--	15,197
Grants	88,572	--	80,000	--	168,572
Interest	88,546	2,608	6,265	70	97,489
Miscellaneous	7,330	--	--	--	7,330
Conservation trust income	-	--	--	42,035	42,035
Total revenues	3,356,189	1,267,476	86,265	42,105	4,752,035
Expenditures:					
General recreation	425,067	--	--	--	425,067
Parks & facilities	544,518	--	--	--	544,518
Recreation center	1,423,776	--	--	--	1,423,776
Administration	489,169	400	--	--	489,569
Debt Service:					
Bond principal	-	780,000	--	--	780,000
Bond interest	-	420,200	--	--	420,200
Grant expenditures	89,492	--	--	--	89,492
Treasurer's fees	58,990	63,291	--	--	122,281
Bond issuance costs	--	--	39,297	--	39,297
Capital outlay	196,773	--	--	112,548	309,321
Total expenditures	3,227,785	1,263,891	39,297	112,548	4,643,521
Excess (deficiency) of revenues over expenditures	128,404	3,585	46,968	(70,443)	108,514
Other Financing Sources (Uses):					
Bond proceeds	--	--	1,091,459	--	1,091,459
Total other financing sources (uses)	--	--	1,091,459	--	1,091,459
Net change in fund balances	128,404	3,585	1,138,427	(70,443)	1,199,973
Fund balances - beginning of the year	1,050,764	216,261	--	105,710	1,372,735
Fund balances - end of the year	\$ 1,179,168	\$ 219,846	\$ 1,138,427	\$ 35,267	\$ 2,572,708

Net Changes in Fund Balance of the Governmental Fund 1,199,973

Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeded capital asset additions and contributed capital assets during the year. (201,121)

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. This amount represents principal payments made during the year and the effect of debt refunding. (311,459)

Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore, are not recorded as expenditures in governmental funds. (27,818)

Change in Net Position of Governmental Activities \$ 659,575

The notes to the financial statements are an integral part of this statement.

FRASER VALLEY METROPOLITAN RECREATION DISTRICT
Statement of Revenues, Expenditures, and Changes in Fund Balances -
General Fund
For the year ended December 31, 2023

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues:				
Property taxes	\$ 1,179,175	\$ 1,178,907	\$ 1,178,907	\$ -
Specific ownership taxes	150,000	154,515	156,487	1,972
General recreation	215,200	231,012	230,454	(558)
Parks and facilities	265,500	255,103	242,808	(12,295)
Recreation center	1,148,950	1,334,940	1,347,888	12,948
Fundraising	18,750	22,507	15,197	(7,310)
Grants	0	102,486	88,572	(13,914)
Interest	8,300	89,001	88,546	(455)
Miscellaneous	-	-	7,330	7,330
Total revenues	2,985,875	3,368,471	3,356,189	(12,282)
Expenditures:				
General recreation	388,380	425,651	425,067	584
Parks and facilities	568,530	564,590	544,518	20,072
Recreation center	1,382,228	1,425,733	1,423,776	1,957
Fundraising	750	1,039	-	1,039
Administration	504,092	494,293	489,169	5,124
Grant expenditures	8,000	62,907	89,492	(26,585)
Treasurer's fees	58,959	58,990	58,990	--
Capital outlay	155,396	196,774	196,773	1
Total expenditures	3,066,335	3,229,977	3,227,785	2,192
Excess of revenues over (under) expenditures	\$ (80,460)	\$ 138,494	128,404	\$ (10,090)
Other Financing Sources (Uses):				
Fund balance - beginning of year			<u>1,050,764</u>	
Fund balance - end of year			<u>\$ 1,179,168</u>	

The notes to the financial statements are an integral part of this statement.

FRASER VALLEY METROPOLITAN RECREATION DISTRICT
Statement of Net Position
Proprietary Funds
December 31, 2023

	The Foundry Fund	Golf Course Fund	Total
ASSETS			
Cash and cash equivalents	\$ 202,197	\$ 1,043,065	\$ 1,245,262
Accounts receivable:			
Trade receivable	6,806	5,959	12,765
Inventory	18,902	119,578	138,480
Prepaid expenses	16,974	62,554	79,528
Restricted cash	226,815	-	226,815
Capital assets, net of accumulated depreciation of \$7,216,435	4,154,894	6,791,647	10,946,541
Total assets	4,626,588	8,022,803	12,649,391
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable	47,113	53,731	100,844
Accrued salaries and wages	22,229	23,099	45,328
Accrued interest	39,446	-	39,446
Compensated absence	4,452	15,624	20,076
Gift cards	2,818	626	3,444
Bonds payable, net	4,479,766	-	4,479,766
Right of use lease liability			
Current	-	190,623	190,623
Long-term	-	196,011	196,011
Total liabilities	4,595,824	479,714	5,075,538
Net Position			
Net investment in capital assets	(324,872)	6,405,013	6,080,141
Unrestricted	355,636	1,138,076	1,493,712
Total net position	30,764	7,543,089	7,573,853
Total liabilities and net position	\$ 4,626,588	\$ 8,022,803	\$ 12,649,391

The notes to the financial statements are an integral part of this statement.

FRASER VALLEY METROPOLITAN RECREATION DISTRICT
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For the year ended December 31, 2023

	The Foundry Fund	Golf Course Fund	Total
Operating Revenues:			
Charges for sales and services:			
Merchandise sales	\$ -	\$ 236,022	\$ 236,022
Movie Tickets	307,764	-	307,764
Bowling Fees	372,395	-	372,395
Food and beverage sales	470,243	693,825	1,164,068
Vending and arcade income	21,477	-	21,477
Club rental	-	29,520	29,520
Golf cart rentals	-	433,125	433,125
Driving range	-	110,243	110,243
Green fees	-	1,039,123	1,039,123
Season Pass	-	192,608	192,608
Resident ID cards	-	104,867	104,867
Tournament premiums	25,680	57,040	82,720
Events	-	2,042	2,042
Sponsorships	47,760	-	47,760
Facility rental	23,725	-	23,725
Tee sign revenue	-	5,250	5,250
Grounds maintenance income	-	6,800	6,800
Fundraising	-	9,090	9,090
Total operating revenues	1,269,044	2,919,555	4,188,599
Operating expenses:			
Cost of goods sold:			
Pro shop merchandise and rentals	--	139,635	139,635
Food and beverage	155,870	247,863	403,733
Movies	126,543	--	126,543
Payroll and related taxes	393,008	1,150,681	1,543,689
Rent expense	266,667	--	266,667
Advertising and marketing	10,507	17,431	27,938
Contracted services	3,000	13,340	16,340
Equipment	25,995	35,408	61,403
Repairs and maintenance	25,650	74,399	100,049
Turf maintenance and landscaping	--	19,410	19,410
Supplies and parts	29,196	230,163	259,359
Interest	39,446	--	39,446
Utilities	36,020	83,769	119,789
Other operating - general	75,355	185,766	261,121
Depreciation	106,536	503,806	610,342
Total operating expenses	1,293,793	2,701,671	3,995,464
Operating Income	(24,749)	217,884	193,135
Nonoperating revenues:			
Gain on right of use asset remeasurement	38,899	--	38,899
Bond issuance costs	(152,950)	--	(152,950)
Miscellaneous income	23,029	9,573	32,602
Total nonoperating revenues	(91,022)	9,573	(81,449)
Change in Net Position	(115,771)	227,457	111,686
Net position - beginning of year	146,535	7,315,632	7,462,167
Net position - end of year	\$ 30,764	\$ 7,543,089	\$ 7,573,853

The notes to the financial statements are an integral part of this statement.

FRASER VALLEY METROPOLITAN RECREATION DISTRICT
Statement of Cash Flows
Golf Course Fund
For the year ended December 31, 2023

Cash flows from operating activities:

Cash received from customers and others	\$ 2,921,343
Cash paid to employees	(1,158,002)
Cash paid for goods and services	(1,138,188)

Net cash provided by operating activities	625,153
--	----------------

Cash flows from capital and related financing activities:

Acquisition of capital assets	(694,924)
Payment on leases	(205,405)

Net cash (used) by capital and related financing activities	(900,329)
--	------------------

Increase in cash and cash equivalents	(275,176)
--	------------------

Cash and cash equivalents - beginning	1,318,241
--	------------------

Cash and cash equivalents - ending	\$ 1,043,065
---	---------------------

Reconciliation of operating income/(loss) to net cash provided by operating activities:

Operating loss	\$ 227,457
----------------	------------

Adjustments to reconcile operating loss to net cash provided/(used) by operating activities:

Depreciation and amortization	503,806
Decrease in accounts receivable	(7,785)
(Increase) in prepaid expenses	(10,237)
(Increase) in inventory	(77,097)
Increase in accounts payable	17,374
Increase in accrued salaries and wages	(3,789)
(Decrease) in other liabilities	(21,044)
(Decrease) in compensated absences	(3,532)

Total Adjustments	397,696
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Net cash provided by operating activities	\$ 625,153
--	-------------------

The notes to the financial statements are an integral part of this statement.

FRASER VALLEY METROPOLITAN RECREATION DISTRICT
Statement of Cash Flows
Foundry Fund
For the year ended December 31, 2023

Cash flows from operating activities:

Cash received from customers and others	\$	1,136,277
Cash paid to employees		(384,917)
Cash paid for goods and services		(713,245)
Net cash provided by operating activities		38,115

Cash flows from non- capital financing activities:

Bond proceeds received		218,336
Net cash (used) by capital and related financing activities		218,336
Increase in cash and cash equivalents		256,451
Cash, cash equivalents and restricted cash - beginning		172,561
Cash, cash equivalents and restricted cash - ending	\$	429,012

Reconciliation of operating income/(loss) to net cash provided by operating activities:

Operating income	\$	(115,771)
Adjustments to reconcile operating loss to net cash provided/(used) by operating activities:		
Depreciation and amortization		106,536
Gain on remeasurement of ROU asset		(38,899)
(Increase) in accounts receivable		(2,846)
(Increase) in prepaid expenses		48,373
Decrease in inventory		6,745
Increase in accounts payable		(12,117)
Increase in other liabilities		46,094
Total Adjustments		153,886
Net cash provided by operating activities	\$	38,115

The notes to the financial statements are an integral part of this statement.

NOTES TO THE FINANCIAL STATEMENTS

FRASER VALLEY METROPOLITAN RECREATION DISTRICT
Notes to Financial Statements
December 31, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of operations -The Fraser Valley Metropolitan Recreation District (the "District") was formed under Colorado statutes as a special district in 1979 to provide recreational programs and facilities to residents and visitors of eastern Grand County, Colorado. The District owns and operates the Pole Creek Golf Club, the Grand Park Community Recreation Center and the Fraser Valley Sports Complex which is also home to the IceBox Ice Rink. Additionally, the District owns and operates the Foundry Cinema & Bowl. The District is governed by a five person elected Board of Directors.

Reporting entity -The accounting policies of the District conform to accounting principles generally accepted in the United States of America as applicable to governments ("US GAAP"). As required by US GAAP, these financial statements present the activities of the District, which is legally separate and financially independent of other state and local governments. The Governmental Accounting Standards Board ("GASB") is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following is a summary of such significant policies consistently applied in the preparation of the financial statements.

As required by GAAP, these financial statements present the activities of the District, which is legally separate and financially independent of other state and local governments. The District follows the Governmental Accounting Standards Board (GASB) Pronouncements which provide guidance for determining which governmental activities, organizations and functions should be included within the financial reporting entity. GASB sets forth the financial accountability of a governmental organization's elected governing body as the basic criterion for including a possible component governmental organization in a primary government's legal entity. Financial accountability includes, but is not limited to, appointment of a voting majority of the organization's governing body, ability to impose its will on the organization, a potential for the organization to provide specific financial benefits or burdens and fiscal dependency. The pronouncements also require including a possible component unit if it would be misleading to exclude it.

The District is not financially accountable for any other organization. The District has no component units as defined by the GASB.

Basis of presentation

Government-wide Statements: The statement of net position and the statement of changes in net position display information about the District. These statements include the financial activities of the overall government. Eliminations have been made to minimize the double-counting of internal activities. These statements distinguish between the *governmental* and *business-type activities* of the District. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions. Business-type activities are financed by fees charged to external parties.

The statement of changes in net position presents a comparison between direct expenses and program revenues for the different business-type activities of the District and for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include 1) fees or charges paid by the recipients for goods or services offered by the program, and 2) grants, contributions and other revenues that are restricted to use in the operational

FRASER VALLEY METROPOLITAN RECREATION DISTRICT
Notes to Financial Statements
December 31, 2023

or capital requirements of a specific function or program. Other revenues not directly related to a particular function or program, if any, are reported separately as general revenues.

Fund Financial Statements: The fund financial statements provide information about the District's funds. Separate statements for each fund category are presented. The emphasis of fund financial statements is on major governmental fund, each displayed in a separate column.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund.

The District reports the following major governmental funds:

General Fund – is the District's primary operating fund. It accounts for all financial resources of the District, except those required to be accounted for in another fund.

Debt Service Fund – accounts for financial resources that are to be used by property taxes levied for debt payment on general obligation bonds.

Conservation Trust Fund – accounts for financial resources that are to be used for the acquisition, operation, or maintenance of capital assets for recreational use approved by the State of Colorado.

The District reports the following proprietary funds:

Golf Course Fund – accounts for revenues and expenses associated with the District's golf course and clubhouse. This fund includes golf fees, pro shop, turf maintenance and food and beverage services.

Foundry Fund – accounts for revenues and expenses associated with the operations of the Foundry Cinema & Bowl complex. This fund includes bowling fees, movie tickets, facility rentals and food and beverage services.

Measurement focus, basis of accounting -The government-wide and proprietary 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 the related cash flow. Non-exchange transactions, in which the District gives (or receives) value without directly receiving (or giving) equal value in exchange, including property taxes. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered *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 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. The exceptions to this general rule are that principal and interest on general long-term debt are recognized when due.

Assets, liabilities, deferred outflows/inflows of resources and net position/fund balance

FRASER VALLEY METROPOLITAN RECREATION DISTRICT
Notes to Financial Statements
December 31, 2023

Deposits and investments - The District considers cash and cash equivalents to be cash on hand, demand deposits and unrestricted investments with an original maturity of three months or less to be cash and cash equivalents. The District does not hold any investments as of December 31, 2023.

Receivables - The District considered all receivables collectible as of December 31, 2023.

Property taxes - Property taxes are levied by the District's Board of Directors. The levy is based on assessed valuations determined by the County Assessors generally as of January 1 of each year. The levy is normally set by December 15 by certification to the County Commissioners to put the tax lien on the individual properties as of January 1 of the following year. The County Treasurers collect the determined taxes during the ensuing calendar year. The taxes are payable by April or if in equal installments, at the taxpayers' election, in February and June. Delinquent taxpayers are notified in July and generally sales of the tax liens on delinquent properties are held in November. The County Treasurers remit the taxes collected monthly to the District. Property taxes are recorded initially as deferred inflows of resources in the year they are levied and measurable. The deferred inflow is then recorded as revenue in the year they are available or collected.

Inventory - Inventories consist principally of materials and supplies held for consumption and are recorded at cost using the first in-first out method for governmental funds and at the lower of average cost or net realizable value for proprietary funds. In the governmental funds, the cost of inventories is recorded as expenditures at the time of consumption, while in the proprietary funds, the cost of inventories is recorded as an expense when consumed. Certain payments reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as an expenditure/expense when consumed, rather than when purchased in both the governmental and proprietary funds. In the governmental funds, reported inventories and prepaid items are classified as nonspendable fund balances.

Capital assets - The District's policy is to capitalize all capital purchases that are individually greater than \$5,000. Capital purchases with a cost less than \$5,000 are expensed as incurred. The District records capital assets at historical cost. Donated capital assets are valued at their estimated fair value on the date donated. Depreciation is provided in amounts sufficient to relate the cost of depreciable capital assets to operations over the estimated service lives. Depreciation and amortization is provided under the straight-line method, with estimated service lives as follows:

Buildings	10- 40 years
Equipment	5-10 years
Land improvements	40 years
Leasehold improvements	10 years
Vehicles	5-10 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 element, deferred outflows of resources, represents a consumption of net position that applies to a future periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. The government only has one item that qualifies for reporting in this category, the deferred charge on refunding reported in the government-wide statement of net position. A deferred charge on

FRASER VALLEY METROPOLITAN RECREATION DISTRICT
Notes to Financial Statements
December 31, 2023

refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future periods and so will not be recognized as an inflow of resources (revenue) until that time. The government has only one type of item, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported in the governmental funds Balance Sheet and Statement of Net Position. The governmental funds report unavailable revenue only from property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

Compensated absences -Employees may accumulate earned but unused benefits up to a specified maximum. The District has recorded an accrued liability for compensated absences in the government-wide and proprietary fund financial statements that was calculated using the vesting method.

Long-term obligations - In the government-wide financial statements long-term debt and other long-term obligations are reported as liabilities in the Statement of Net Position. Bond premiums are deferred and amortized over the life of the bonds.

Leases -GASB Statement No. 87 defines a lease as a contract that transfers the right to use another entity's asset for a specific period of time in an exchange or exchange-like transaction. The District has entered in to various lease agreements, primarily for equipment and the Foundry building. Under these contracts, the District recognizes a lease liability and a lease asset (intangible right-to-use asset) and the commencement of the lease term in the government-wide financial statements. The lease liability is measured at the present value of payments expected to be made during the lease term (less any lease incentives). The lease asset is measured at the amount of the initial measurement of the lease liability, plus any payments made to the lessor at or before the commencement of the lease term and certain direct costs

An amendment to a lease contract is considered a lease modification, unless the lessee's right-to-use the underlying asset decreases, in which case it is considered a partial or full lease termination. A lease termination is accounted for by reducing the carrying values of the lease liability and lease asset by a lessee, or the lease receivable and deferred inflows of resources by the lessor, with any differences being recognizes as a gain or loss.

The future lease payments are discounted using the interest rate implicit in the lease. If the interest rate is not available, the District uses its incremental borrowing rate determined by the District. The lease term is determined by the sum of the non-cancellable periods, plus renewal options when they are reasonably certain of being exercised or early termination options when they are reasonably certain of not being exercised. The District did not have any variable lease payments, residual value guarantees or penalties recognized during the period that were not previously included in the lease liability.

FRASER VALLEY METROPOLITAN RECREATION DISTRICT
Notes to Financial Statements
December 31, 2023

Fund equity - The District follows GASB Statement 54 – *Fund Balance Reporting and Governmental Fund Type Definitions*, which provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government’s fund balance more transparent. In the fund financial statements, the District considered all restricted and unrestricted amounts to have been spent when an expenditure is incurred for the purposes for which both restricted and unrestricted fund balance is available. The District considers all committed, assigned, or unassigned amounts to have been spent when expenditure is incurred for the purposes for which amounts in any of those unrestricted fund balance classifications could be used. It is the District’s policy to use restricted resources first when expenditure is incurred for purposes for which more than one classification is available.

Nonspendable Fund balance – the portion of fund balance that cannot be spent because it is either not in spendable form (such as prepaid amounts or inventory) or legally or contractually required to maintain intact.

Restricted fund balance – the portion of the fund balance that is constrained to being used for a specific purpose by external parties (such as bondholders), constitutional provisions, or enabling legislation.

Assigned fund balance – The portion of fund balance that is constrained by the government’s intent to be used for specific purposes, but is neither restricted nor committed. Intent is expressed by the Board to be used for a specific purpose. Constraints imposed on the use of assigned amounts are more easily removed or modified than those imposed on amounts that are classified as committed.

Unassigned fund balance – The residual portion of fund balance that does not meet any of the criteria described above. Additionally, the assigned fund balance may be a negative amount, except for in the general fund, which reports only a positive unassigned fund balance amount. A negative amount is appropriate in other governmental funds (excluding the general fund) if the expenditures incurred for specific purposes exceed the amount that are restricted, committed or assigned to those purposes.

The non-spendable fund balance in the General Fund represents prepaid expenditures and inventory.

The restricted fund balance in the General Fund represents Emergency Reserves that have been provided as required by Article X, Section 20 of the Constitution of the State of Colorado. A total of \$75,000 of the General Fund balance has been restricted in compliance with this requirement. Additionally, \$9,000 has been restricted for use in the community garden.

The restricted fund balance in the Debt Service Fund is restricted for the repayment of debt.

The restricted fund balance in the Conservation Trust Fund is restricted for the payment of capital assets or improvements in accordance with State requirements.

The assigned fund balance was authorized by the Board of Directors of the District to reserve funds for future capital asset maintenance and replacement.

FRASER VALLEY METROPOLITAN RECREATION DISTRICT
Notes to Financial Statements
December 31, 2023

Net position - Net position represents the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources. The District reports three categories of net position, as follows:

Net investment in capital assets - consists of net capital assets, reduced by outstanding balances of any related debt obligations and deferred inflows of resources attributable to the acquisition, construction, or improvement of those assets and increased by balances of deferred outflows or resources related to those assets.

Restricted net position - net position is considered restricted if their use is constrained to a particular purpose. Restrictions are imposed by external organizations such as federal or state laws. Restricted net position is reduced by liabilities and deferred inflows of resources related to the restricted assets.

Unrestricted net position - consists of all other net position that does not meet the definition of the above two components and is available for general use by the District.

When an expense is incurred for purposes for which both restricted and unrestricted net position is available, the District will use the most restricted net position first.

Fair value of financial instruments - The District's financial instruments include cash and cash equivalents, accounts receivable, inventory, prepaid expenses, accrued liabilities, and accounts payable. The District estimates that the fair value of all financial instruments at December 31, 2023 does not differ materially from the aggregate carrying values of its financial instruments recorded in the accompanying balance sheet. The carrying amount of these financial instruments approximates fair value because of the short maturity of these instruments. Investments held in the Colorado Surplus Asset Fund (CSAFE) are valued at amortized cost.

Use of estimates - The preparation of financial statements in conformity with US GAAP 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.

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary information -Budgets are adopted on a US GAAP basis for the governmental funds. The budget for the proprietary fund is adopted on a non-GAAP basis where depreciation and gain on disposal of assets are not budgeted and capital outlay is budgeted. State law requires the District to adopt annual appropriated budgets for all funds.

The District conforms to the following procedures, in compliance with Colorado Revised Statutes, in establishing the budgetary data reflected in the financial statements: On or before October 15, of each year the District's accountant submits to the Board of Directors a recommended budget which detailed the necessary property taxes needed along with other available revenues to meet the District's operating requirements.

After a required publication of "Notice of Proposed Budget" and a public hearing, the District adopted the proposed budget and an appropriating resolution, which legally appropriated expenditures for the upcoming year.

FRASER VALLEY METROPOLITAN RECREATION DISTRICT
Notes to Financial Statements
December 31, 2023

After adoption of the budget resolution, the District may make the following changes: (a) it may transfer appropriated monies between funds or between spending agencies within a fund, as determined by the original appropriation level; (b) it may approve supplemental appropriations to the extent of revenues in excess of the estimated revenues in the budget; (c) it may approve emergency appropriations; and (d) it may approve the reduction of appropriations for which originally estimated revenues are insufficient. The budget is only amended in conformity with Colorado Revised Statutes that allows the District to amend the budget and adopt a supplementary appropriation if money for a specific purpose, other than ad valorem taxes, becomes available to meet a contingency.

TABOR Amendment - Revenue and Spending Limitation Amendment - In November 1992, Colorado voters amended Article X of the Colorado Constitution by adding Section 20 commonly known as the Taxpayer's Bill of Rights ("TABOR"). TABOR contains revenue, spending, tax and debt limitations that apply to the State of Colorado and local governments. TABOR requires, with certain exceptions, advance voter approval for any new tax, tax rate increase, mill levy above that for the prior year, extension of any expiring tax, or tax policy change directly causing a net tax revenue gain to any local government.

TABOR also requires local governments to establish emergency reserves to be used for declared emergencies only. Emergencies, as defined by TABOR, exclude economic conditions, revenue shortfalls, or salary or fringe benefit increases. These reserves are required to be 3% or more of fiscal year general revenues (excluding bonded debt service) for the fiscal year ended December 31, 2023.

The District's management believes it is in compliance with the provisions of TABOR, as it is currently understood. However, TABOR is complex and subject to interpretation. Many of the provisions may not become fully understood without judicial review.

Recently Issued Accounting Pronouncements - Statement No. 87 increases the usefulness of financial statements by requiring the recognition of certain lease assets and liabilities that were previously classified as operating leases and recognized as inflows of resources or outflows of resources based on provisions of the contract. The District adopted this pronouncement effective January 1, 2022, there was no restatement of previously presented balances.

2. DETAILED NOTES

The District money markets accounts are with Citywide Banks, and are unrated.

At December 31, 2023 the District's deposit portfolio consisted of the following:

Cash and cash equivalents	
Checking	\$ 558,662
Money market	832,072
CSAFE	2,553,099
Cash reserves held by others	282,074
Cash on hand	9,298
Total Cash and Restricted Cash	<u>\$ 4,235,205</u>

FRASER VALLEY METROPOLITAN RECREATION DISTRICT
Notes to Financial Statements
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Restricted Cash- The District was required under its Certificate of Participation indenture agreement to deposit \$282,074 into a debt reserve fund account held by UMB bank, that will be used to partially offset annual debt service cost on the Certificate of Participation. Additionally, cash held in the Conservation Trust Fund and GPRC Expansion Fund are considered restricted for a specific purpose.

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulators. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is specified by PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The pool is to be maintained by another institution or held in trust for all the uninsured public deposits as a group. The State Regulatory Commission for banks and savings and loan associations is required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools. Federal Deposit Insurance Corporation (FDIC) coverage for government accounts is \$250,000 per official custodian.

As of December 31, 2023, the District's deposits were not exposed to custodial credit risk, as all deposits were insured by FDIC or collateralized in accordance with PDPA. Colorado Revised Statutes and the Authority's investment policy specify investment instruments meeting defined rating and risk criteria in which local government entities may invest.

- Authorized investments include the following types of obligations:
- Bankers' acceptance of certain banks
- Obligations of the United States and certain U.S. government agency securities Certain international agency securities
- General obligation and revenue bonds of U.S. local government agencies
- Commercial paper
- Local government investment pools
- Written repurchase agreements collateralized by certain authorized securities
- Certain money market funds
- Guaranteed investment contracts

Interest Rate Risk The District's investment policy states that the District will appropriately diversify the investment portfolio among investment types and maturities as a means of limiting its exposure to fair value losses arising from prevailing market interest rates.

Concentration Of Credit Risk. The District has limits to the percentage of its portfolio that can be invested in certain types of investments. The District had invested \$2,553,099 as of December 31, 2023, in CSAFE.

CSAFE is an investment vehicle established by state statute for local government entities in Colorado to pool surplus funds for investment purposes. CSAFE operates similarly to a money market fund, and each share is equal in value to \$1.00. The designated custodial bank provides safekeeping and depository services to CSAFE in connection with the direct investment and withdrawal functions of CSAFE. All securities owned by CSAFE 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 CSAFE. CSAFE maintains a Standard & Poor's principal stability fund rating of AAAm. The State

FRASER VALLEY METROPOLITAN RECREATION DISTRICT
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Securities Commissioner administers and enforces all state statutes governing CSAFE. CSAFE financial statements may be obtained at www.csafe.org. CSAFE is an external investment pool valued at amortized cost, in accordance with the Governmental Accounting Standards Board's Statement No. 79, Certain External Investment Pools and Pool Participants.

Capital assets

The following schedule shows changes in capital assets, by category for the year ended December 31, 2023:

	Beginning Balance	Additions	Deletions	Ending Balance
<u>Governmental Activities:</u>				
Capital assets not being depreciated:				
Land	\$ 3,553,505	\$ -	\$ -	\$ 3,553,505
Construction in process	-	77,500	-	77,500
Total assets not being depreciated:	3,553,505	77,500		3,631,005
Capital assets being depreciated:				
Right of use asset	159,147	44,169	-	203,316
Buildings and improvements	17,714,341	58,078	-	17,772,419
Vehicles and equipment	1,753,009	179,653	(62,291)	1,870,371
Intangible	14,000	-		14,000
Total assets being depreciated:	19,640,497	281,900	(62,291)	19,860,106
Less accumulated depreciation and amortization	(7,701,965)	(565,361)	62,291	(8,205,035)
Net capital assets – Governmental Activities	\$ 15,492,037	\$ (283,461)	\$ -	\$ 15,286,076
<u>Business-type Activities:</u>				
Capital assets not being depreciated:				
Land	\$ 935,282	\$ -	\$ -	\$ 935,282
Total assets not being depreciated:	935,282	-	-	935,282
Capital assets being depreciated:				
Right of use asset	1,703,746	-	(589,093)	1,114,653
Buildings and improvements	8,624,113	4,862,724	-	13,486,837
Vehicles and equipment	2,536,579	93,630	(4,005)	2,626,204
Total assets being depreciated:	12,864,438	4,956,354	(593,098)	17,227,694
Less accumulated depreciation and amortization	(6,893,738)	(610,342)	287,645	(7,216,435)
Net capital assets – Business-type Activities	\$ 6,905,982	\$ 4,346,012	\$ (305,453)	\$ 10,946,541
NET CAPITAL ASSETS	\$ 22,398,019	\$ 4,062,551	\$ (305,453)	\$ 26,232,617

FRASER VALLEY METROPOLITAN RECREATION DISTRICT
Notes to Financial Statements
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Depreciation and amortization expense was charged to functions/programs of the primary government as follows:

Governmental activities:		
General recreation	\$	11,410
Parks and facilities		159,122
Recreation center		394,830
Total depreciation and amortization expense - Governmental activities	\$	<u>565,362</u>
Business-type activities:		
Golf Course	\$	503,806
Foundry		106,536
Total depreciation and amortization expense - Business-type activities	\$	<u>610,342</u>

Lease Liabilities

The following represents the changes in lease liabilities for the year ended December 31, 2023:

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental activities:				
Parks Van	\$ -	\$ 44,169	\$ (4,812)	\$ 39,357
Parks Truck	12,141	-	(12,141)	-
Mini Bus	38,407	-	(10,085)	28,322
Bobcat Lease	33,702	-	(8,983)	24,719
Total lease payable- Governmental activities	\$ 84,250	\$ 44,169	\$ (36,294)	\$ 92,398
Business-type activities:				
Equipment Lease #12193	\$ 15,148	\$ -	\$ (15,148)	\$ -
2019 Turf Truck	8,936	-	(8,268)	668
Toro Equipment Lease	44,218	-	(21,661)	22,557
Exchange Bank #12319	74,338	-	(24,004)	50,334
Golf Car lease #12352	362,953	-	(117,295)	245,658
Exchange Bank #12391	88,347	-	(20,930)	67,417
Foundry Building	344,355	-	(344,355)	-
Total lease payable - Business-type activities	\$ 938,295	\$ -	(551,661)	\$ 386,634

Governmental Activity Leases:

In January 2019, the District entered into a lease agreement for a Chevy Silverado for the Parks system. The lease term is for 60 months with payments of \$1,046 and interest accruing at 7.64%.

In June 2020, the District entered into a lease agreement for a 2019 Ford Turtle Top Van for the Park system. The lease term is for 72 months with payments of 1,027 and interest accruing at 6.61%

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In March 2021, the District entered into a lease agreement for a 2021 Bobcat R Series. The lease term is 60 months with payments of \$835 and interest accruing at 3.52%. The lease will expire August 2026.

In May 2023, the District entered into a lease agreement for a 2023 Chrysler Pacifica. The lease term is 60 months with payments of \$925.50 per year and interest accruing at 8.4. The lease will expire in May of 2028.

Business-Type Activity Leases:

In 2019 The District entered into a lease for additional Toro equipment. The lease commencement date was June 1, 2019 with three payments of \$5,346 per year. The lease will expire in August 1, 2023. Interest is not stated, but is implicitly 6.335%.

In January 2019, the District entered into a lease agreement for a Chevy Silverado Turf Truck. The lease term is for 60 months with payments of \$672 and interest accruing at 7.39%.

In June 2020 the District entered into a lease for additional Toro equipment. The lease commencement date was June 1, 2020 with three payments of \$7,698 per year. The lease will expire August 1, 2024. Interest accrues at 3.9%.

In February 2021 the District entered into a lease for additional Toro equipment. The lease commencement date was February 11, 2021 with three payments of \$8,770 per year. The lease will expire August 1, 2025. Interest accrues at 3.4%.

In April 2021 the District entered into a lease for 100 Club Car Electric Golf Cars and Two Club Car Café Express Beverage Carts. The lease commencement date was April 27, 2021 with three payments of \$42,320 per year. The lease will expire August 1, 2025. Interest accrues at 3.0%.

In February 2022 the District entered into a lease for Toro equipment. The lease commencement date was February 23, 2022 with three payments of \$7,919 per year. The lease will expire August 1, 2026. Interest accrues at 3.54%.

In February 2019, the District entered into a lease for the Foundry Cinema & Bowling facility. The District had the option to purchase the facility for \$4,250,000 at any time through August 10, 2023. In 2023, this option was elected and the lease was terminated at the time the Foundry was purchased.

Future minimum lease payments

Governmental activities:

	Principal	Interest	Total
2024	27,870	5,582	33,452
2025	29,688	3,764	33,452
2026	21,193	1,922	23,115
2027	10,273	833	11,106
2028	3,374	328	3,702
Total	\$ 92,398	\$ 12,429	\$ 104,827

FRASER VALLEY METROPOLITAN RECREATION DISTRICT
Notes to Financial Statements
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Business-type activities:

	Principal	Interest	Total
2024	190,623	10,172	200,795
2025	172,738	4,290	177,028
2026	23,273	486	23,758
Total	\$ 386,634	\$ 14,948	\$ 401,581

Long-term debt

During 2020, the District issued General Obligation Refunding Bonds in the amount of \$13,595,000 at an interest rate ranging from 2.0% to 4% payable semiannually on each June 1 and December 1. Payments of principal and interest on the bonds are insured in accordance with the terms of a financial guaranty insurance policy. The Series 2020 Bonds maturing on and before December 1, 2030 are not subject to redemption prior to their maturity dates. The Series 2020 Bonds maturing on and after December 1, 2031, are subject to redemption prior to maturity at the option of the District, in whole or in part in integral multiples of \$5,000, and if in parts in such order of maturity as the District determines and by lot within maturity on December 1, 2030 and on any date thereafter, at a redemption price equal to the principal amount, plus accrued interest to the redemption date.

The bonds were issued at a premium of \$2,238,776. The proceeds were used to advance refund \$15,285,000 of outstanding Series 2013 & 2015 Bonds which had interest rates ranging from 3.125% to 4%. The net proceeds of \$15,533,923 were deposited in an irrevocable trust with an escrow agent to provide funds for the future debt service payment on the refunded bonds. As a result, the Series 2013 and 2015 Bonds are considered defeased and the liability for those bonds has been removed from the Statement of Net Position.

The reacquisition price exceeded the net carrying amount of the old debt by \$1,326,391. This amount was being netted against the new debt and amortized over the remaining life of the refunding debt. The government advance refunded the Series 2013 and 2015 Bonds to reduce its total debt service payments by \$2,557,905 and to obtain an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$2,043,679.

Certificate of Participation (COP)

During 2023, the District closed the lease certificates of participation financing transaction bearing interest at 5%, for a thirty year term. The amount of proceeds was \$5,615,000. These lease certificates of participation were used to fund the purchase of the Foundry Cinema and Bowl Facility and the construction of capital improvements to the Grant Park Community Recreation Center.

The debt is secured by the facilities and improvements, under the lease agreement. Debt service payments are made from the rents collected by UMB Bank, based upon lease agreements between the District and UMB Bank.

FRASER VALLEY METROPOLITAN RECREATION DISTRICT
Notes to Financial Statements
December 31, 2023

Future payments for long-term debt are as follow:

Year	Principal	Interest
2024	880,000	700,446
2025	885,000	672,600
2026	920,000	652,350
2027	935,000	631,100
2028	975,000	592,700
2029-2033	5,495,000	2,332,700
2034-2038	3,045,000	1,243,650
2039-2043	970,000	895,500
2044-2048	1,245,000	621,338
2049-2053	1,595,000	260,138

Changes in long-term obligations as of the year ended December 31, 2023 are as follows:

	Beginning Balance	Additions	Payments (Amortization)	Ending Balance
2020 GO Bonds	\$ 12,110,000	-	(780,000)	11,330,000
Premiums on Bond	1,909,178	-	(149,252)	1,759,926
2023 Certificate of Participation (COP)	-	5,615,000	(-)	5,615,000
Discount on COP	-	(43,775)	(-)	(43,775)
Total	\$ 14,019,178	\$ 5,571,225	\$ (929,252)	\$ 18,661,151

During 2023, the District paid \$418,900 interest on the bonds. Accrued interest at December 31, 2023 was \$83,025.

Debt Authorization - In 2007, a majority of the qualified electors of the District who voted in the election authorized the issuance of indebtedness of \$19,500,000 for capital projects.

3. OTHER INFORMATION

Risk management -The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. In order to manage these risks, the District has purchased commercial insurance with various deductibles. Settled claims have not exceeded the District's coverage limits in any of the past three years.

5. POST-RETIREMENT BENEFITS

Defined contribution plan -The District provides pension benefits for all of the District's employees through a defined contribution plan administered by the Colorado Retirement Association. Under a defined contribution plan, benefits depend solely on the amounts contributed to the plan plus investment earnings. All employees are required to participate in the plan. Under the plan the District contributes 3.75% of each covered employee's compensation.

FRASER VALLEY METROPOLITAN RECREATION DISTRICT
Notes to Financial Statements
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Under the plan, the employees are fully vested in the District's contribution plus any applicable investment earnings upon entry into the plan. During 2023, the District contributed \$120,475 to the plan.

6. Reconciliation of government-wide and fund financial statements

Explanation of differences between the Governmental Funds Balance Sheet and the Government-wide Statement of Net Position

The Governmental Funds Balance Sheet and the government-wide Statement of Net Position includes a reconciling column. Explanation of the adjustments included in the reconciling column is as follows:

Capital assets of \$23,491,112 less accumulated depreciation and amortization of \$8,205,037 or a net book value of \$15,286,076 are not financial resources and therefore are not reported in the governmental funds.

Prepaid bond insurance costs of \$101,127 are recognized as expenditures in the funds when incurred, but are amortized over the life of the related bond in the statement of net position. Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds. Long-term liabilities included in the reconciliation include:

Deferred charge on refunding	\$ (1,043,166)
Prepaid bond insurance	(86,894)
Accrued compensated absences	49,578
Accrued interest payable	43,579
Leases payable: Due within one year	27,870
Leases payable: Due in more than one year	64,528
Certificate of participation	1,100,000
Discount on certificate of participation	(8,541)
Bond Premium, net of amortization	1,759,927
Bonds payable: Due within one year	820,000
Bonds payable: Due in more than one year	10,510,000
Net adjustment	\$ <u>13,236,881</u>

Explanation of differences between the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances and the Government-wide Statement of Activities

Governmental funds report capital outlay as expenditures. However, in the Statement of changes in Net Position, the cost of those assets is allocated over their estimated useful lives as depreciation expense.

Depreciation and amortization expense	\$ (510,442)
Capital outlay	309,321
Net adjustment	\$ <u>(201,121)</u>

FRASER VALLEY METROPOLITAN RECREATION DISTRICT
Notes to Financial Statements
December 31, 2023

The repayment of the principal of long-term debt consumes the current financial resources of governmental funds, and proceeds from issuance of bonds:

Bond principal payments	\$	780,000
Issuance of bond		<u>(1,091,459)</u>
Net adjustment	\$	<u>311,459</u>

Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore, are not recorded as expenditures in governmental funds.

Net change in accrued compensated absences	\$	(10,807)
Change in accrued Bond interest		<u>(17,011)</u>
Net adjustment	\$	<u><u>(27,818)</u></u>

OTHER SUPPLEMENTARY INFORMATION

FRASER VALLEY METROPOLITAN RECREATION DISTRICT
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget to Actual
Debt Service Fund
For the year ended December 31, 2023

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues:				
Property taxes	\$ 1,265,308	\$ 1,264,868	\$ 1,264,868	\$ -
Interest	2,000	2,607	2,608	1
Total revenues	1,267,308	1,267,475	1,267,476	1
Expenditures/expenses:				
Administration	400	400	400	--
Bond principal	780,000	780,000	780,000	--
Bond interest	420,200	420,200	420,200	--
Treasurer's fees	63,265	63,291	63,291	--
Total expenditures/expenses	1,263,865	1,263,891	1,263,891	--
Excess (deficiency) of revenues over expenditures	3,443	3,584	3,585	1
Net change in fund balances	\$ 3,443	\$ 3,584	3,585	\$ 1
Fund balance - beginning of year			216,261	
Fund balance - end of year			\$ 219,846	

The notes to the financial statements are an integral part of this statement.

FRASER VALLEY METROPOLITAN RECREATION DISTRICT
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget to Actual
Conservation Trust Fund
For the year ended December 31, 2023

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues:				
Conservation trust income	\$ 34,500	\$ 39,031	\$ 42,035	\$ 3,004
Interest income	75	68	70	2
Total revenues	34,575	39,099	42,105	3,006
Expenditures/expenses:				
Capital outlay	\$ 46,000	\$ 118,548	\$ 112,548	\$ (6,000)
Total expenditures/expenses	46,000	118,548	112,548	(6,000)
Excess of revenues over expenditures	<u>\$ (11,425)</u>	<u>\$ (79,449)</u>	(70,443)	<u>\$ 9,006</u>
Fund balance - beginning of year			<u>105,710</u>	
Fund balance - end of year			<u>\$ 35,267</u>	

The notes to the financial statements are an integral part of this statement.

FRASER VALLEY METROPOLITAN RECREATION DISTRICT
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget to Actual
GPRC Expansion Fund
For the year ended December 31, 2023

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues:				
Grant income	\$ -	\$ 80,000	\$ 80,000	\$ -
Interest income	--	6,024	6,265	241
Total revenues	--	86,024	86,265	241
Other Financing Sources (Uses):				
Proceeds of refunding bonds	--	1,076,902	1,091,459	\$ 14,557
Total other financing sources (uses)	--	1,076,902	1,091,459	14,557
Net change in fund balance	-	1,162,926	1,177,724	14,798

The notes to the financial statements are an integral part of this statement.

FRASER VALLEY METROPOLITAN RECREATION DISTRICT
Schedule of Revenues, Expenses, and Changes in Fund Net Position -
Budget (non-US GAAP Basis) to Actual
Golf Course Fund
For the year ended December 31, 2023

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Operating Revenues:				
Charges for sales and services:				
Merchandise sales	230,000	241,529	\$ 236,022	\$ (5,507)
Food and beverage sales	820,350	696,554	693,825	(2,729)
Club rental	36,000	29,520	29,520	-
Golf cart rentals	430,000	433,125	433,125	-
Driving range	115,000	110,162	110,243	81
Green fees	1,100,000	1,039,123	1,039,123	-
Season Pass	195,000	192,608	192,608	-
Resident ID cards	105,000	104,867	104,867	-
Tournament premiums	70,000	57,040	57,040	-
Events	1,000	2,042	2,042	-
Tee sign revenue	6,000	5,250	5,250	-
Grounds maintenance income	6,800	6,800	6,800	-
Fundraising	7,500	9,090	9,090	-
Total operating revenues	3,122,650	2,927,710	2,919,555	(8,155)
Operating expenses:				
Cost of goods sold:				
Pro shop merchandise and rentals	115,000	140,027	139,635	392
Food and beverage	286,200	250,700	247,863	2,837
Payroll and related taxes	1,218,384	1,166,482	1,150,681	15,801
Advertising and marketing	16,000	17,767	17,431	336
Contracted services	9,500	13,865	13,340	525
Equipment	145,961	145,425	35,408	110,017
Repairs and maintenance	80,750	79,109	74,399	4,710
Turf maintenance and landscaping	22,000	19,410	19,410	-
Supplies and parts	255,800	235,788	230,163	5,625
Utilities	97,100	89,399	83,769	5,630
Other operating - general	186,457	187,617	185,766	1,851
Capital outlay	813,141	794,904	694,924	99,980
Total operating expenses	3,246,293	3,140,493	2,892,789	247,704
Operating income	(123,643)	(212,783)	26,766	239,549
Nonoperating revenues (expenses):				
Miscellaneous income	8,000	9,534	9,573	(39)
Total nonoperating revenues	8,000	9,534	9,573	(39)
Net income/(loss)	\$ (115,643)	\$ (203,249)	\$ 36,339	\$ 239,510
Reconciliation to GAAP Basis				
Capital outlay			(694,924)	
Depreciation			503,806	
Total reconciliation to GAAP Basis			(191,118)	
Net income/(loss) on GAAP Basis			227,457	
Net position - beginning of year			<u>7,315,632</u>	
Net position - end of year			<u>\$ 7,543,089</u>	

The notes to the financial statements are an integral part of this statement.

FRASER VALLEY METROPOLITAN RECREATION DISTRICT
Schedule of Revenues, Expenses, and Changes in Fund Net Position -
Budget (non-US GAAP Basis) to Actual
Foundry Fund
For the year ended December 31, 2023

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Operating Revenues:				
Charges for sales and services:				
Movie Tickets	\$ 350,000	\$ 301,756	\$ 307,764	\$ 6,008
Bowling Fees	318,000	372,373	372,395	22
Food and beverage sales	496,000	472,233	470,243	(1,990)
Vending and arcade income	18,000	19,471	21,477	2,006
Tournament premiums	15,000	22,680	25,680	3,000
Events	1,000	-	-	-
Sponsorships	45,000	48,120	47,760	(360)
Facility rental	15,500	25,725	23,725	(2,000)
Total operating revenues	1,258,500	1,262,358	1,269,044	6,686
Operating expenses:				
Cost of goods sold:				
Food and beverage	\$ 167,550	\$ 151,743	\$ 155,870	\$ (4,127)
Movies	175,000	126,942	126,543	399
Payroll and related taxes	363,095	381,876	393,008	(11,132)
Rent expense	300,000	266,667	266,667	-
Advertising and marketing	13,200	11,294	10,507	787
Contracted services	3,000	3,000	3,000	-
Equipment	14,000	29,995	25,995	4,000
Repairs and maintenance	15,500	26,911	25,650	1,261
Supplies and parts	27,700	29,674	29,196	478
Utilities	37,000	37,869	36,020	1,849
Other operating - general	71,000	69,964	75,355	(5,391)
Capital outlay	-	4,261,431	4,261,431	-
Total operating expenses	1,187,045	5,397,366	5,409,242	(11,876)
Operating income	71,455	(4,135,008)	(4,140,198)	18,562
Nonoperating revenues (expenses):				
Gain on right of use asset remeasurement	-	-	38,899	(38,899)
Bond proceeds		4,261,431	4,253,098	8,333
Miscellaneous income	-	841	23,029	23,029
Total nonoperating revenues	-	4,262,272	4,315,026	4,315,026
Net income/(loss)	\$ 71,455	\$ 127,264	\$ 174,828	\$ 18,562
Net position - beginning of year			146,535	
Net position - end of year			\$ 321,363	
Reconciliation to GAAP Basis				
Capital outlay			(4,261,431)	
Bond issuance costs			152,950	
Accrued interest expense			39,446	
Debt proceeds			4,253,098	
Depreciation			106,536	
Total reconciliation to GAAP Basis			290,599	
Net income/(loss) on GAAP Basis			(115,771)	
Net position - beginning of year			146,535	
Net position - end of year			\$ 30,764	

The notes to the financial statements are an integral part of this statement.