

CAÑON CITY AREA METROPOLITAN
RECREATION AND PARK DISTRICT

FINANCIAL STATEMENTS

December 31, 2024



Logan and Associates, LLC
CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT

Members of the Board of Directors
Cañon City Area Metropolitan Recreation and Park District
Cañon City, Colorado

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities and each major fund of the Cañon City Area Metropolitan Recreation and Park District (the "District") as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities and each major fund of the Cañon City Area Metropolitan Recreation and Park District as of December 31, 2024, and the respective changes in financial position and, where applicable, cash flows thereof 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 Cañon City Area Metropolitan Recreation and Park District, and to meet our ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures of the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion of the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, and budgetary comparison schedules on pages i – vi and on pages 22 - 24 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board (GASB) who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on 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
February 26, 2025

CAÑON CITY AREA METROPOLITAN RECREATION AND PARK DISTRICT MANAGEMENT'S DISCUSSION AND ANALYSIS

The discussion and analysis section is intended to be an easily readable analysis of the Cañon City Area Metropolitan Recreation and Park District's financial activities based on current known facts, decisions, or conditions. This analysis focuses on the fiscal year ended December 31, 2024 and should be read in conjunction with the financial statements.

REPORT LAYOUT

Besides the Management's Discussion and Analysis (MD&A), the report consists of government-wide statements, fund financial statements and the notes to the financial statements. The first two statements are condensed and present a government-wide view of the District's finances. Within this view, all District operations are categorized and reported as either governmental or business-type activities. Governmental activities include the general fund, conservation trust fund, and capital projects fund. The District's business-type activities include the program activities fund and pool enterprise fund operations. These government-wide statements are designed to be more corporate-like in that all activities are consolidated into a total for the District.

BASIC FINANCIAL STATEMENTS

- The statement of net position focuses on resources available for future operations. In simple terms, this statement presents a snap-shot view of the District's assets and deferred outflows of resources, if any, and liabilities and deferred inflows of resources, if any, with the net difference reported as net position. The net position is further separated into net investment in capital assets, restricted amounts for specific purposes and unrestricted amounts. All activities are reported on the accrual basis of accounting.
- The statement of activities focuses on gross and net costs of the District's programs and the extent to which such programs rely upon general revenues. This statement summarizes and simplifies the user's analysis to determine the extent to which programs are self-supporting and/or subsidized by other revenues.
- Fund financial statements focus separately on the governmental funds and business-type funds. Governmental funds report assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the difference characterized as fund balance. The District's business-type funds include a statement of net position, a statement of revenues, expenses, and changes in fund net position, along with a statement of cash flows.
- The notes to the financial statements provide additional disclosures required by governmental accounting standards and provide information to assist the reader in understanding the District's financial condition.

The MD&A is intended to explain the significant changes in financial position and differences in operations between the current and prior year. Significant changes from the prior year are explained in the following narrative.

DISTRICT AS A WHOLE

GOVERNMENT-WIDE FINANCIAL STATEMENTS

Comparisons in this section discuss and analyze significant differences between the fiscal year 2023 and 2024. A condensed version of the statement of net position at December 31, 2023 and 2024 follows:

Net Position at Year-End

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>	
	2024	2023	2024	2023
Cash/Investments	\$ 1,822,518	\$ 1,558,419	\$ 530,571	\$ 559,845
Other Assets	1,100,593	1,074,867	5,966	2,434
Capital Assets, Net	<u>4,049,574</u>	<u>4,061,849</u>	<u>103,086</u>	<u>54,762</u>
Total Assets	<u>6,972,685</u>	<u>6,695,135</u>	<u>639,623</u>	<u>617,041</u>
Current Liabilities	64,893	85,450	36,356	37,758
Long Term Liabilities	<u>49,510</u>	<u>13,146</u>	<u>914</u>	<u>1,321</u>
Total Liabilities	<u>114,403</u>	<u>98,596</u>	<u>37,270</u>	<u>39,079</u>
Deferred inflows of resources				
Property Taxes	<u>1,033,501</u>	<u>1,011,444</u>	<u>-</u>	<u>-</u>
Net Position:				
Net investment in capital assets	4,049,574	4,061,849	103,086	54,762
Restricted for Tabor	45,000	37,900	-	-
Restricted for parks projects	479,625	360,382	-	-
Unrestricted	<u>1,250,582</u>	<u>1,124,964</u>	<u>499,267</u>	<u>523,200</u>
Total Net Position	<u>\$ 5,824,781</u>	<u>\$ 5,585,095</u>	<u>\$ 602,353</u>	<u>\$ 577,962</u>

Financial Analysis

Increased revenues from interest, property taxes and the investment in equipment contributed to the District's greater year end position in total assets.

Long term liabilities increased, as a portion of accrued sick leave was included to comply with GASB Statement No. 101 which relates to compensated absences.

The amount restricted for parks projects is higher as the balance in the Conservation Trust Fund increased. The District will also be completing an improvement project at the Arkansas Riverwalk Dog Park in 2025, which began in late 2024.

GOVERNMENTAL ACTIVITIES

A condensed statement of activities for the governmental activities for the years ending December 31, 2024 and 2023 follows:

	<u>Governmental Activities</u>	
	<u>2024</u>	<u>2023</u>
Program revenues		
Charges for services	\$ 41,190	\$ 36,830
Operating grants and contributions	174,700	200,616
Capital grants and contributions	42,245	87,930
General revenues		
Property taxes	1,194,613	962,231
Specific ownership taxes	125,160	125,484
Unrestricted investment earnings	103,361	88,593
Grants and Contributions not Restricted to Specific Programs	2,390	1,852
Other	8,779	16,818
Total Revenues	<u>1,692,438</u>	<u>1,520,354</u>
Expenses		
General government	686,077	590,130
Parks and recreation	776,675	640,380
Total Expenses	<u>1,462,752</u>	<u>1,230,510</u>
Change in net position before transfers	229,686	289,844
Transfers	10,000	5,000
Change in net position after transfers	<u>239,686</u>	<u>294,844</u>
Net position, beginning of year	<u>5,585,095</u>	<u>5,290,251</u>
Net position, end of year	<u><u>\$ 5,824,781</u></u>	<u><u>\$ 5,585,095</u></u>

Financial Analysis

Tax revenue increased \$232,382 in 2024 primarily due to receiving backfill from the State as a result of Senate Bills 22-238 and 23B-001. The District used a large portion of these funds to invest in equipment and building improvements, increasing total expenses in 2024. Total expenses also increased due to higher wage and benefits costs.

A transfer from the Program Activities Fund (a business type activity) helped offset the increase in expenses.

BUSINESS -TYPE ACTIVITIES

A condensed statement of activities for the business-type activities for the years ending December 31, 2024 and 2023 follows:

	Business-Type Activities	
	2024	2023
Operating Revenues		
Charges for services	\$ 438,997	\$ 473,386
Operating grants and contributions	19,932	14,235
Other Revenues		
Other	15,589	13,651
Unrestricted investment earnings	24,502	22,411
Total Revenues	499,020	523,683
Expenses		
Program activities	453,680	437,276
Pool	10,949	29,843
Total Expenses	464,629	467,119
Increase/(Decrease) in net position before transfers	34,391	56,564
Total Transfers	(10,000)	(5,000)
Change in net position	24,391	51,564
Net position, beginning of year	577,962	526,398
Net position, end of year	\$ 602,353	\$ 577,962

Financial Analysis

In 2024, the District saw a reduction in participation in some of its programs, most notably Kids Klub, which caused a reduction in revenue. Meanwhile expenses increased from 2023 by \$16,404 in the Program Activities Fund. Factors affecting this increase include higher staffing costs, facility fees and costs associated with special events.

In 2024 expenses for the pool decreased and consisted mainly of those necessary to maintain the closed facility, such as utilities.

The Program Activities Fund transferred \$10,000 to the General Fund to help cover the costs associated with athletic field maintenance.

FUND FINANCIAL STATEMENT ANALYSIS
GENERAL FUND

The general fund is the major operating fund of the District, providing most of the resources for the District's operations. Revenues of the general fund totaled \$ 1,430,233 for the year ended December 31, 2024 compared to \$1,195,632 for the year ended December 31, 2023. Expenditures of the general fund were \$1,335,740 for 2024 compared to \$1,123,602 for 2023. The following table reflects a summarization of revenues and expenditures for the general fund:

	<u>2024</u>	<u>2023</u>
Revenues		
Property taxes	\$1,194,613	\$962,231
Specific ownership taxes	125,160	125,484
Other	110,460	107,917
	<hr/>	<hr/>
Total revenues	<u>1,430,233</u>	<u>1,195,632</u>
Expenditures		
General government	660,183	575,704
Parks and trails	530,202	489,238
Capital Outlay	145,355	58,660
	<hr/>	<hr/>
Total expenditures	<u>1,335,740</u>	<u>1,123,602</u>
Excess (deficiency) of revenues over expenditures	94,493	72,030
Net Transfers	<u>50,000</u>	<u>65,000</u>
Net change in fund balance	144,493	137,030
Fund balance, beginning of year	<u>979,009</u>	<u>841,979</u>
Fund balance, end of year	<u><u>\$1,123,502</u></u>	<u><u>\$979,009</u></u>

Financial Analysis

Total revenues for 2024 increased \$234,601 from the prior year. Due to Senate Bills 22-238 and 23B-001, the Recreation District received backfill, increasing revenue from property taxes.

The District invested a portion of this revenue in equipment, including a new mower, a truck and battery powered landscape tools. A new metal roof was also installed on the District office building.

Inflationary pressures continued to impact wages, benefits and supply costs.

In 2024 the District asked the voters during the November election to approve funding to construct and operate an aquatic facility to replace the R.C. Icabone Pool which closed in 2023.

The costs associated with the election are included in general government expenditures.

CAPITAL ASSETS

The District's investment in capital assets, net of accumulated depreciation, for its governmental and business type activities totaled \$4,152,660 at December 31, 2024 compared to \$4,116,611 at December 31, 2023.

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Land	\$1,781,421	\$1,781,421	\$6,000	\$6,000
Intangibles	14,100	14,100	-	-
Buildings	300,450	321,656	-	-
Improvements	1,689,297	1,731,074	45,820	48,762
Equipment	264,306	213,598	51,266	-
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Capital Assets Net	<u>\$4,049,574</u>	<u>\$4,061,849</u>	<u>\$103,086</u>	<u>\$54,762</u>

The District invested in capital assets in governmental activities acquiring additional equipment, including a mower, truck and battery powered tools. The District also made improvements at the Ash Street property, replacing the roof on the office building and constructing a lean-to for equipment storage.

For the business type activities capital assets increased as the District invested in a turf tank machine to help with field prep and sound equipment for the haunted house

FINANCIAL CONTACT

The District's financial statements are designed to present users (citizens, taxpayers, customers, and creditors) with a general overview of the District's finances, and to demonstrate the District's accountability. If you have questions about the report or need additional financial information, please contact the District's Finance Director at 575 Ash Street, Canon City, Colorado 81212.

BASIC FINANCIAL STATEMENTS

CAÑON CITY AREA METROPOLITAN RECREATION AND PARK DISTRICT

STATEMENT OF NET POSITION
December 31, 2024

	GOVERNMENTAL ACTIVITIES	BUSINESS TYPE ACTIVITIES	TOTAL
ASSETS			
Cash and Investments	\$ 1,822,518	\$ 530,571	\$ 2,353,089
Receivables			
County Treasurer	8,662	-	8,662
Other	-	1,435	1,435
Property Taxes	1,033,501	-	1,033,501
Prepaid Expenses	58,430	4,531	62,961
Capital Assets, Not Depreciated	1,795,521	6,000	1,801,521
Capital Assets, Depreciated Net of Accumulated Depreciation	2,254,053	97,086	2,351,139
TOTAL ASSETS	6,972,685	639,623	7,612,308
LIABILITIES			
Accounts Payable	36,742	6,173	42,915
Accrued Salaries and Benefits	13,181	2,751	15,932
Security Deposit	1,800	-	1,800
Unearned Revenue - Registration Fees	-	26,518	26,518
Noncurrent Liabilities			
Due in One Year	13,170	914	14,084
Due in More Than One Year	49,510	914	50,424
TOTAL LIABILITIES	114,403	37,270	151,673
DEFERRED INFLOW OF RESOURCES			
Deferred Property Tax Revenue	1,033,501	-	1,033,501
NET POSITION			
Net Investment in Capital Assets	4,049,574	103,086	4,152,660
Restricted for Emergencies	45,000	-	45,000
Restricted for Parks and Recreation	479,625	-	479,625
Unrestricted	1,250,582	499,267	1,749,849
TOTAL NET POSITION	\$ 5,824,781	\$ 602,353	\$ 6,427,134

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

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CAÑON CITY AREA METROPOLITAN RECREATION AND PARK DISTRICT

STATEMENT OF ACTIVITIES
Year Ended December 31, 2024

FUNCTIONS/PROGRAMS	EXPENSES	CHARGES FOR SERVICES	PROGRAM REVENUES	
			OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS
PRIMARY GOVERNMENT				
Governmental Activities				
General Government	\$ 686,077	\$ 41,190	\$ -	\$ -
Parks and Recreation	776,675	-	174,700	42,245
Total Governmental Activities	1,462,752	41,190	174,700	42,245
Business-Type Activities				
Swimming Pool	10,949	-	-	-
Program Activities	453,680	438,997	19,932	-
Total Business-Type Activities	464,629	438,997	19,932	-
Total Primary Government	\$ 1,927,381	\$ 480,187	\$ 194,632	\$ 42,245

GENERAL REVENUES
Property Taxes
Specific Ownership Taxes
Grants and Contributions not
Restricted to Specific Programs
Interest
Miscellaneous
TRANSFERS

TOTAL GENERAL REVENUES

CHANGE IN NET POSITION

NET POSITION, Beginning

NET POSITION, Ending

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

NET (EXPENSE) REVENUE AND
CHANGE IN NET POSITION

GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTALS
\$ (644,887)	\$ -	\$ (644,887)
(559,730)	-	(559,730)
(1,204,617)	-	(1,204,617)
-	(10,949)	(10,949)
-	5,249	5,249
-	(5,700)	(5,700)
(1,204,617)	(5,700)	(1,210,317)
1,194,613	-	1,194,613
125,160	-	125,160
2,390	-	2,390
103,361	24,502	127,863
8,779	15,589	24,368
10,000	(10,000)	-
1,444,303	30,091	1,474,394
239,686	24,391	264,077
5,585,095	577,962	6,163,057
<u>\$ 5,824,781</u>	<u>\$ 602,353</u>	<u>\$ 6,427,134</u>

CAÑON CITY AREA METROPOLITAN RECREATION AND PARK DISTRICT

BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2024

	GENERAL FUND	CONSERVATION TRUST FUND	CAPITAL PROJECTS FUND	TOTALS
ASSETS				
Cash and Investments	\$ 1,105,519	\$ 469,625	\$ 247,374	\$ 1,822,518
Accounts Receivable				
County Treasurer	8,662	-	-	8,662
Property Taxes Receivable	1,033,501	-	-	1,033,501
Prepaid Expenses	58,430	-	-	58,430
TOTAL ASSETS	<u>2,206,112</u>	<u>469,625</u>	<u>247,374</u>	<u>2,923,111</u>
LIABILITIES, DEFERRED INFLOWS AND FUND EQUITY				
LIABILITIES				
Accounts Payable	34,128	-	2,614	36,742
Accrued Salaries and Benefits	13,181	-	-	13,181
Security Deposit	1,800	-	-	1,800
TOTAL LIABILITIES	<u>49,109</u>	<u>-</u>	<u>2,614</u>	<u>51,723</u>
DEFERRED INFLOW OF RESOURCES				
Deferred Property Tax Revenue	1,033,501	-	-	1,033,501
FUND EQUITY				
Fund Balance				
Nonspendable	58,430	-	-	58,430
Restricted for Emergencies	45,000	-	-	45,000
Restricted for Parks and Recreation	-	469,625	-	469,625
Restricted for Dog Park Project	10,000	-	-	10,000
Assigned for Subsequent Years Expenditures	149,850	-	61,500	211,350
Assigned for Dog Park Project	6,713	-	-	6,713
Assigned for Capital Projects	-	-	183,260	183,260
Unassigned	853,509	-	-	853,509
TOTAL FUND EQUITY	<u>1,123,502</u>	<u>469,625</u>	<u>244,760</u>	<u>1,837,887</u>
TOTAL LIABILITIES, DEFERRED INFLOWS, AND FUND EQUITY	<u>\$ 2,206,112</u>	<u>\$ 469,625</u>	<u>\$ 247,374</u>	<u>\$ 2,923,111</u>

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

Total Fund Balances of Governmental Funds	1,837,887
Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds.	4,049,574
Long-term liabilities and related items are not due and payable in the current period and are not reported in the funds. These include accrued compensated absences.	(62,680)
Net position of governmental activities	<u>\$ 5,824,781</u>

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

CAÑON CITY AREA METROPOLITAN RECREATION AND PARK DISTRICT

STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
Year Ended December 31, 2024

	GENERAL FUND	CONSERVATION TRUST FUND	CAPITAL PROJECTS FUND	TOTALS
REVENUES				
Taxes	\$ 1,319,773	\$ -	\$ -	\$ 1,319,773
Grants and Contributions	2,390	-	42,245	44,635
Intergovernmental	-	174,700	-	174,700
Charges for Services	41,190	-	-	41,190
Interest	58,101	23,543	21,717	103,361
Miscellaneous	8,779	-	-	8,779
TOTAL REVENUES	<u>1,430,233</u>	<u>198,243</u>	<u>63,962</u>	<u>1,692,438</u>
EXPENDITURES				
General Government	660,183	-	-	660,183
Parks and Recreation	530,202	-	104,642	634,844
Capital Outlay	145,355	-	-	145,355
TOTAL EXPENDITURES	<u>1,335,740</u>	<u>-</u>	<u>104,642</u>	<u>1,440,382</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	94,493	198,243	(40,680)	252,056
OTHER FINANCING SOURCES (USES)				
Transfers In	70,000	-	49,000	119,000
Transfers Out	(20,000)	(89,000)	-	(109,000)
	<u>50,000</u>	<u>(89,000)</u>	<u>49,000</u>	<u>10,000</u>
NET CHANGE IN FUND BALANCES	144,493	109,243	8,320	262,056
FUND BALANCES, Beginning	<u>979,009</u>	<u>360,382</u>	<u>236,440</u>	<u>1,575,831</u>
FUND BALANCES, Ending	<u>\$ 1,123,502</u>	<u>\$ 469,625</u>	<u>\$ 244,760</u>	<u>\$ 1,837,887</u>

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

CAÑON CITY AREA METROPOLITAN RECREATION AND PARK DISTRICT

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
Year Ended December 31, 2024

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

Net Changes in Fund Balances - Total Governmental Funds	\$ 262,056
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation expense (\$151,609) exceeded capital outlay \$139,334, in the current period.	(12,275)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds. This includes the change in accrued compensated absences.	<u>(10,095)</u>
Change in Net Position of Governmental Activities	<u>\$ 239,686</u>

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

CAÑON CITY AREA METROPOLITAN RECREATION AND PARK DISTRICT

STATEMENT OF NET POSITION
 PROPRIETARY FUNDS
 December 31, 2024

	SWIMMING POOL FUND	PROGRAM ACTIVITIES FUND	TOTALS
ASSETS			
Current Assets			
Cash and Investments	\$ 61,780	\$ 468,791	\$ 530,571
Accounts Receivable	-	1,435	1,435
Prepaid Expenses	-	4,531	4,531
Total Current Assets	<u>61,780</u>	<u>474,757</u>	<u>536,537</u>
Noncurrent Assets			
Capital Assets, Not Being Depreciated	6,000	-	6,000
Capital Assets, Net of Accumulated Depreciation	4,627	92,459	97,086
Total Noncurrent Assets	<u>10,627</u>	<u>92,459</u>	<u>103,086</u>
TOTAL ASSETS	<u>72,407</u>	<u>567,216</u>	<u>639,623</u>
LIABILITIES			
Current Liabilities			
Accounts Payable	380	5,793	6,173
Accrued Salaries and Benefits	-	2,751	2,751
Unearned Revenue - Registration Fees	-	26,518	26,518
Accrued Compensated Absences	-	914	914
Total Current Liabilities	<u>380</u>	<u>35,976</u>	<u>36,356</u>
Noncurrent Liabilities			
Accrued Compensated Absences	-	914	914
Total Noncurrent Liabilities	<u>-</u>	<u>914</u>	<u>914</u>
TOTAL LIABILITIES	<u>380</u>	<u>36,890</u>	<u>37,270</u>
NET POSITION			
Net Investment in Capital Assets	10,627	92,459	103,086
Unreserved	61,400	437,867	499,267
TOTAL NET POSITION	<u>\$ 72,027</u>	<u>\$ 530,326</u>	<u>\$ 602,353</u>

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

CAÑON CITY AREA METROPOLITAN RECREATION AND PARK DISTRICT

STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
Year Ended December 31, 2024

	SWIMMING POOL FUND	PROGRAM ACTIVITIES FUND	TOTALS
OPERATING REVENUES			
Athletic and Program Fees	\$ -	\$ 438,997	\$ 438,997
Grants and Contributions	-	14,297	14,297
Miscellaneous	1,304	14,285	15,589
TOTAL OPERATING REVENUES	1,304	467,579	468,883
OPERATING EXPENSES			
Salaries	-	210,498	210,498
Employee Benefits	-	34,570	34,570
Supplies	-	127,404	127,404
Purchased Services	10,619	74,030	84,649
Depreciation	330	7,178	7,508
TOTAL OPERATING EXPENSES	10,949	453,680	464,629
OPERATING INCOME	(9,645)	13,899	4,254
NON-OPERATING REVENUES			
Grant Revenue	-	5,635	5,635
Interest Income	24,384	118	24,502
TOTAL NON-OPERATING REVENUES	24,384	5,753	30,137
INCOME (LOSS) BEFORE TRANSFERS	14,739	19,652	34,391
TRANSFERS			
Transfers Out	-	(10,000)	(10,000)
CHANGE IN NET POSITION	14,739	9,652	24,391
NET POSITION, Beginning	57,288	520,674	577,962
NET POSITION, Ending	\$ 72,027	\$ 530,326	\$ 602,353

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

CAÑON CITY AREA METROPOLITAN RECREATION AND PARK DISTRICT

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 Year Ended December 31, 2024
 Increase (Decrease) in Cash and Cash Equivalents

	SWIMMING POOL FUND	PROGRAM ACTIVITIES FUND	TOTALS
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash Received from Customers	\$ -	\$ 440,554	\$ 440,554
Cash Received from Others	1,304	28,582	29,886
Cash Paid to Suppliers	(10,481)	(207,100)	(217,581)
Cash Paid to Employees	-	(246,438)	(246,438)
Net Cash Provided (Used) by Operating Activities	<u>(9,177)</u>	<u>15,598</u>	<u>6,421</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Purchase of Capital Assets	-	(55,832)	(55,832)
Grants Received	-	5,635	5,635
Payments to Other Funds	-	(10,000)	(10,000)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>-</u>	<u>(60,197)</u>	<u>(60,197)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest Received	24,384	118	24,502
Net Cash Provided by Investing Activities	<u>24,384</u>	<u>118</u>	<u>24,502</u>
Net Increase (Decrease) in Cash and Cash Equivalents	15,207	(44,481)	(29,274)
CASH AND CASH EQUIVALENTS, Beginning	<u>46,573</u>	<u>513,272</u>	<u>559,845</u>
CASH AND CASH EQUIVALENTS, Ending	<u>\$ 61,780</u>	<u>\$ 468,791</u>	<u>\$ 530,571</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
Operating Income (Loss)	\$ (9,645)	\$ 13,899	\$ 4,254
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities			
Depreciation and Amortization	330	7,178	7,508
Changes in Assets and Liabilities			
Accounts Receivable	-	999	999
Accounts Payable	138	(1,135)	(997)
Unearned Revenue - Registration Fees	-	558	558
Accrued Salaries and Compensated Absences	-	(1,370)	(1,370)
Prepaid Item	-	(4,531)	(4,531)
Total Adjustments	<u>468</u>	<u>1,699</u>	<u>2,167</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ (9,177)</u>	<u>\$ 15,598</u>	<u>\$ 6,421</u>

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

CAÑON CITY AREA METROPOLITAN RECREATION AND PARK DISTRICT

NOTES TO FINANCIAL STATEMENTS

December 31, 2024

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

The Cañon City Area Metropolitan 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 provides recreational activities and park services for the residents in Cañon City, Colorado and the surrounding area.

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. The District adopted GASB Statement No. 101 *Compensated Absences* for the year ended December 31, 2024. Adoption of this statement revised and established new reporting requirements for compensated absences reported in the financial statements. As a result, the District reported a portion of accrued sick leave in accrued compensated absences. A summary of the District's more significant accounting policies follows.

Reporting Entity

In accordance with governmental accounting standards, the District has considered the possibility of including additional entities in its financial statements.

The definition of the reporting entity is based primarily on financial accountability. The District is financially accountable for organizations that make up its legal entity. It is also financially accountable for legally separate organizations if the District officials appoint a voting majority of the organization's governing body and either it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the District. The District may also be financially accountable for organizations that are fiscally dependent upon it. Based on the application of the criteria, the District does not include additional organizations in its report entity.

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all nonfiduciary activities of the District. For the most part, the effect of interfund activity has been removed from these statements. Exceptions to this general rule are charges for interfund services that are reasonably equivalent to the services provided. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

NOTES TO FINANCIAL STATEMENTS

December 31, 2024

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Government-Wide and Fund Financial Statements (Continued)

The statement of net position reports all financial, capital and debt resources of the District. The difference between assets plus deferred outflows, and liabilities plus deferred inflows of the District is reported as net position.

The statement of activities demonstrates the degree to which the direct expenses and allocated indirect expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or activity; 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or activity; and 3) grants and contributions that are restricted to meeting the capital requirements of a particular function or activity. Taxes and other items not properly included among program revenues are reported instead as general revenues. The net cost by function or business-type activity is normally covered by general revenue such as property taxes, specific ownership taxes or unrestricted revenues.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both "measurable and available". Revenues are considered to be "available" when they are collected within the current year or soon enough thereafter to pay liabilities of the current year. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current year, except for expenditure driven grants as defined in the following paragraph.

NOTES TO FINANCIAL STATEMENTS

December 31, 2024

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Taxes, intergovernmental revenue and interest associated with the current fiscal year are considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal year.

Grant and similar revenues are recorded as revenues when all eligibility requirements are met, including any time requirements. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met. All other revenues are considered to be measurable and available only when cash is received by the District.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, are recorded only when payment is due.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Operating expenses for enterprise funds 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 nonoperating 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 resources as they are needed.

The District reports the following major governmental funds in the fund financial statements:

General Fund – The General Fund is used to account for the general operations and park maintenance of the District, except those required to be reported in a separate fund.

Conservation Trust Fund – The Conservation Trust Fund is a special revenue fund used to account for distributions from the Colorado Lottery. Expenditures generally involve transfers to other funds for reimbursement of eligible expenditures.

Capital Projects Fund – The Capital Projects Fund is used to acquire, construct and maintain capital assets within the District. Funds are provided by intergovernmental grants, contributions and transfers from other funds, while expenditures generally consist of capital outlay and current expenditures.

CAÑON CITY AREA METROPOLITAN RECREATION AND PARK DISTRICT

NOTES TO FINANCIAL STATEMENTS

December 31, 2024

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

The District reports the following major proprietary funds:

Swimming Pool Fund – The Swimming Pool Fund accounts for the operation and maintenance of the District-owned swimming pool through user charges and rates.

Program Activities Fund – The Program Activities Fund accounts for the operation of recreational and other activities provided by the District through user charges and rates.

Assets, Liabilities, Fund Balance/Net Assets

Cash and Investments – For the purposes of reporting in the statement of cash flows, cash equivalents include certificates of deposit and investments with original maturities of three months or less. Investments are reported at fair value. Pooled cash and investments are reported as cash equivalents.

Receivables – Accounts receivable are reported at their gross value, and where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

Prepaid Expenses – Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid expenses.

Capital Assets – Capital assets, which include property, plant, buildings and related improvements, equipment, vehicles, and all infrastructure owned by the District, are reported in the applicable government-wide or business-type activities columns of the government-wide financial statements and the proprietary funds in the fund financial statements. 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	20 – 40 years
Improvements	10 – 50 years
Equipment	10 – 30 years

CAÑON CITY AREA METROPOLITAN RECREATION AND PARK DISTRICT

NOTES TO FINANCIAL STATEMENTS

December 31, 2024

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Unearned Revenue – Registration Fees – Unearned revenue – registration fees arise when resources are received by the District before it has legal claim to them. For example, registration fees received in the current year, are for programs/activities that will occur in the next year.

Compensated Absences – Full-time employees of the District are allowed to accumulate unused vacation and sick time. Vacation accumulates based on years of service. Employees will be paid for all accrued vacation time, but not accumulated sick time, upon separation of employment. The District reports an estimated portion of accumulated unused sick leave as a liability in the financial statements. Accrued vacation and sick time is recognized as current salary costs when earned in the proprietary funds and when due in the governmental funds. A long-term liability is reported in the government-wide and proprietary fund financial statements for accrued compensated absences.

Long-Term Debt - In the government-wide financial statements, and the proprietary funds financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund statement of net position.

In the governmental fund financial statements, the face amount of debt issued is reported as other financing sources. Debt premiums and discounts are reported as other financing sources and uses, respectively.

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

- Net Investment in Capital Assets – this classification is intended to report the portion of net position which is associated with non-liquid, capital assets less outstanding debt related to those capital assets.
- Restricted Net Position – this classification includes liquid assets which have third party limitations on their use.
- Unrestricted Net Position – this classification includes assets that do not have any third party limitation on their use.

Fund Balance Classification – The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are

CAÑON CITY AREA METROPOLITAN RECREATION AND PARK DISTRICT

NOTES TO FINANCIAL STATEMENTS

December 31, 2024

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

as follows:

- Nonspendable – This classification includes amounts that cannot be spent because they are either (a) not in spendable form (such as prepaid items) or (b) are legally or contractually required to be maintained intact.
- Restricted – This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation. The District had restricted amounts for emergency reserves, and parks and recreation as required by State statutes.
- Committed – This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the District’s highest level of decision-making authority, the District Board of Directors. The constraint may be removed or changed only through formal action of the District Board of Directors.
- Assigned – This classification includes amounts that are constrained by the District’s intent to be used for specific purposes, but is neither restricted nor committed. Intent is expressed by the District Board of Directors to be used for a specific purpose. Constraints imposed on the use of assigned amounts are more easily removed or changed than those imposed on committed amounts. The District assigned amounts related to next year’s budgeted expenditures that exceed budgeted revenues. In addition, the District assigned an amount for future capital projects.
- Unassigned – This classification includes the residual fund balance for the General Fund. The unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of assigned fund balance amounts.

When both the restricted and unrestricted fund balances are available the District uses restricted fund balance first, followed unrestricted.

Property Taxes

Property taxes attach as an enforceable lien on property on January 1, are levied the following December, and are collected in the subsequent calendar year. Taxes are payable in full on April 30 or in two installments on February 28 and June 15.

CAÑON CITY AREA METROPOLITAN RECREATION AND PARK DISTRICT

NOTES TO FINANCIAL STATEMENTS
December 31, 2024

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property Taxes (Continued)

The County Treasurer's Office collects property taxes and remits to the District on a monthly basis. Since property tax revenues are collected in arrears during the succeeding year, a receivable and corresponding deferred inflow of resources are reported at December 31.

Interfund Transactions

Interfund transactions are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund are recorded as expenditures/expenses in the reimbursing fund and as a reduction of expenditures/expenses in the fund that is reimbursed. All other interfund transactions are reported as interfund transfers.

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, 2024 through February 26, 2025, the date of these financial statements were issued, and has incorporated any required recognition into these financial statements.

NOTE 2: CASH AND INVESTMENTS

A summary of cash and investments at December 31, 2024, follows:

Cash Deposits	\$ 23,004
Petty Cash	160
Investments	<u>2,329,925</u>
Total	<u>\$ 2,353,089</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

CAÑON CITY AREA METROPOLITAN RECREATION AND PARK DISTRICT

NOTES TO FINANCIAL STATEMENTS
December 31, 2024

NOTE 2: CASH AND INVESTMENTS (Continued)

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, 2024, the District had bank deposits totaling \$45,760, all of which were insured by FDIC.

Investments

The District has not adopted a formal investment policy; however, the District follows State statutes regarding investments. The District generally limits its concentration of investments to Local Government Investment Pools, obligations of the United States and certain U.S. government agency securities, which are believed to have a minimal credit risk; minimal interest rate risk and no foreign currency risk. Additionally, the District is not subject to concentration risk disclosure requirements or subject to investment custodial credit risk for investments that are in the possession of another party.

Colorado revised statutes limit investment maturities to five years or less unless formally approved by the District Board of Directors, such actions are generally associated with debt service reserve or sinking fund requirements.

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

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

At December 31, 2024, the District had the following investments:

	<u>Maturity</u>	<u>2024</u>
Colorado Liquid Government Asset Trust (COLOTRUST)	Weighted Average under 60 days	\$ <u>2,329,925</u>

CAÑON CITY AREA METROPOLITAN RECREATION AND PARK DISTRICT

NOTES TO FINANCIAL STATEMENTS

December 31, 2024

NOTE 2: CASH AND INVESTMENTS (Continued)

Investments (Continued)

The District invested in the Colorado Local Government Liquid Asset Trust (COLOTRUST) (the Trust), an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all State statutes governing the Trust. The Trust operates similarly to a money market fund and each share is equal in value to \$1.00. The Trust offers shares in two portfolios, COLOTRUST PRIME and COLOTRUST PLUS +. Both portfolios may invest in U.S. Treasury securities and repurchase agreements collateralized by U.S. Treasury securities. COLOTRUST PLUS+ may also invest in certain obligations of U.S. government agencies, highest rates commercial paper and any security allowed under CRS 24-75-601. A designated custodial bank serves as custodian for the Trust's investment portfolios and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by the Trust. COLOTRUST is rated AAAM by Standard & Poor's. COLOTRUST records its investments at fair value and the District records its investment in COLOTRUST using the net asset value method. There are no unfunded commitments, the redemption frequency is daily and there is no redemption notice period.

Interest Rate Risk - State statutes generally limit investments to an original maturity of five years unless the governing board authorizes the investment for a period in excess of five years. The District does not have a policy for managing credit risk or interest rate risk.

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CAÑON CITY AREA METROPOLITAN RECREATION AND PARK DISTRICT

NOTES TO FINANCIAL STATEMENTS
December 31, 2024

NOTE 3: CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2024, is summarized below:

	Balances 12/31/2023	Additions	Deletions	Balances 12/31/2024
Governmental Activities:				
Capital Assets, not being depreciated				
Land	\$ 1,781,421	\$ -	\$ -	\$ 1,781,421
Water Rights	14,100	-	-	14,100
	<u>1,795,521</u>	<u>-</u>	<u>-</u>	<u>1,795,521</u>
Capital Assets, being depreciated				
Buildings	762,194	-	-	762,194
Improvements	2,994,225	61,670	-	3,055,895
Equipment	447,592	77,664	18,045	507,211
Total Capital Assets, being depreciated	<u>4,204,011</u>	<u>139,334</u>	<u>18,045</u>	<u>4,325,300</u>
Less accumulated depreciation				
Buildings	(440,538)	(21,206)	-	(461,744)
Improvements	(1,263,151)	(103,447)	-	(1,366,598)
Equipment	(233,994)	(26,956)	(18,045)	(242,905)
Total accumulated depreciation	<u>(1,937,683)</u>	<u>(151,609)</u>	<u>(18,045)</u>	<u>(2,071,247)</u>
Total Capital Assets, being depreciated, net	<u>2,266,328</u>	<u>(12,275)</u>	<u>-</u>	<u>2,254,053</u>
Governmental Activities Capital Assets, net	<u>\$ 4,061,849</u>	<u>\$ (12,275)</u>	<u>\$ -</u>	<u>\$ 4,049,574</u>

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

General Government	\$ 15,799
Parks and Recreation	<u>135,810</u>
Total	<u>\$ 151,609</u>

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CAÑON CITY AREA METROPOLITAN RECREATION AND PARK DISTRICT

NOTES TO FINANCIAL STATEMENTS
December 31, 2024

NOTE 3: CAPITAL ASSETS (Continued)

	Balances 12/31/2023	Additions	Deletions	Balances 12/31/2024
Business-type Activities:				
Capital Assets, not being depreciated				
Land	\$ 6,000	\$ -	\$ -	\$ 6,000
Capital Assets, being depreciated				
Buildings	134,268	-	-	134,268
Improvements	130,817	-	-	130,817
Equipment	33,004	55,832	-	88,836
Total Capital Assets, being depreciated	298,089	55,832	-	353,921
Less accumulated depreciation				
Buildings	(134,267)	-	-	(134,267)
Improvements	(82,056)	(2,942)	-	(84,998)
Equipment	(33,004)	(4,566)	-	(37,570)
Total accumulated depreciation	(249,327)	(7,508)	-	(256,835)
Total Capital Assets, being depreciated, net	48,762	48,324	-	97,086
Business-type Activities Capital Assets, net	<u>\$ 54,762</u>	<u>\$ 48,324</u>	<u>\$ -</u>	<u>\$ 103,086</u>

Depreciation expense was charged to the District's Business-type Activities as follows:

Swimming Pool Fund	\$ 330
Program Activities Fund	<u>7,178</u>
Total	<u>\$ 7,508</u>

NOTE 4: LONG-TERM DEBT

Governmental Activities

Following is a summary of long-term debt transactions for the governmental activities for the year ended December 31, 2024.

	Balance 12/31/2023	Additions	Deletions	Balance 12/31/2024	Due Within One Year
Governmental Activities					
Accrued Compensated Absences	<u>\$ 52,585</u>	<u>\$ 10,095</u>	<u>\$ -</u>	<u>\$ 62,680</u>	<u>\$ 49,510</u>

CAÑON CITY AREA METROPOLITAN RECREATION AND PARK DISTRICT

NOTES TO FINANCIAL STATEMENTS
December 31, 2024

NOTE 4: LONG-TERM DEBT (Continued)

Business-type Activities

Following is a summary of long-term debt transactions for the business-type activities for the year ended December 31, 2024.

	<u>Balance</u> <u>12/31/2023</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>12/31/2024</u>	<u>Due Within</u> <u>One Year</u>
Business-Type Activities					
Accrued Compensated Absences	<u>\$ 2,641</u>	<u>\$ -</u>	<u>\$ 813</u>	<u>\$ 1,828</u>	<u>\$ 914</u>

NOTE 5: INTERFUND TRANSFERS

Interfund transfers for the year ended December 31, 2024, consisted of the following:

<u>Transfers In</u>	<u>Transfers Out</u>	<u>Amount</u>
General	Conservation Trust	\$ 60,000
General	Program Activities	10,000
Capital Projects	Conservation Trust	29,000
Capital Projects	General	<u>20,000</u>
Total		<u>\$ 119,000</u>

During the year ended December 31, 2024, transfers to the General Fund were reimbursements for operating, parks and recreation expenses. The Conservation Trust Fund transferred funds to the General and Capital Projects Funds for reimbursement of parks and recreation expenses. The Program Activities Fund transferred funds to General Fund for operating expenses. The General Fund transferred funds to the Capital Projects Fund for capital projects expenditures.

NOTE 6: RISK MANAGEMENT

The District is exposed to various risks of loss related to torts, property and casualty, errors and omissions, injuries to employees and health claims. Risks of loss from property and liability coverage and injuries to employees are covered by the District's participation in the Colorado Special District's property and liability pool, along with participation in the worker's compensation pool. The Colorado Special Districts Pool is a separate and independent governmental public entity risk pool formed through intergovernmental agreement by member special districts to provide defined liability and property coverage. The aggregate limit of losses paid by the pool for property claims is limited to \$1,000,000, with commercial company

CAÑON CITY AREA METROPOLITAN RECREATION AND PARK DISTRICT

NOTES TO FINANCIAL STATEMENTS

December 31, 2024

NOTE 6: RISK MANAGEMENT (Continued)

reinsurance covering any losses in excess of that amount up to \$3,000,000. All other risks of loss are handled by the purchase of commercial insurance. Settled claims from the liability pool and commercial policies have not exceeded the insurance coverage in any of the past three years.

NOTE 7: RETIREMENT COMMITMENTS

The District contributes to a simple IRA defined-contribution plan (the Plan) for all of its full-time employees. The contribution requirements of Plan participants and the District are established and may be amended by the Board of Directors. The Plan is administered by Elk Mountain Financial LLC. The Plan allows employees to defer a portion of their compensation as provided by the Internal Revenue Code. The District will match eligible employee's contributions up to 3% of their compensation. Employees are 100% vested in the District's contributions. For the year ended December 31, 2024, employee contributions totaled \$13,500 and the District recognized pension expense of \$11,785.

NOTE 8: COMMITMENTS AND CONTINGENCIES

Tabor Amendment

Colorado voters passed an amendment to the State Constitution, Article X, Section 20 (the "Amendment"), which has several limitations, including revenue raising, spending abilities, and other specific requirements of state and local government.

The Amendment requires, with certain exceptions, advance voter approval for any new tax, tax rate increase, mill levy above that for the prior year, extension of an expiring tax, or tax policy change directly causing a net tax revenue gain to the District. Revenue in excess of the fiscal spending limit must be refunded in the next fiscal year unless voters approve retention of such revenue.

In May 2000, voters within the District approved the District's request to retain the excess 1999 fiscal year spending any excess fiscal year spending for all future years.

As such, the fiscal year spending limitations outlined in the amendment no longer apply to the District. However, the District is subject to other provisions of the amendment.

The District has established an emergency reserve, representing 3% of qualifying fiscal year spending, as required by the Amendment. At December 31, 2024, the emergency reserve of \$45,000 was reported as a restriction of fund balance and net position in the General Fund and Governmental Activities, respectively.

REQUIRED SUPPLEMENTARY INFORMATION

CAÑON CITY AREA METROPOLITAN RECREATION AND PARK DISTRICT

BUDGETARY COMPARISON SCHEDULE
 GENERAL FUND
 Year Ended December 31, 2024
 (With Comparative Totals for December 31, 2023)

	2024			VARIANCE Positive (Negative)	2023
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL		ACTUAL
REVENUES					
Taxes					
Property Taxes	\$ 1,012,190	\$ 1,192,680	\$ 1,194,613	\$ 1,933	\$ 962,231
Specific Ownership Taxes	120,000	120,000	125,160	5,160	125,484
Charges for Services					
Rental Fees	13,300	13,300	18,590	5,290	17,230
Property Leases	21,300	21,300	22,600	1,300	19,600
Grants and Contributions	100	100	2,390	2,290	1,852
Interest	30,000	30,000	58,101	28,101	52,417
Miscellaneous	7,100	7,100	8,779	1,679	16,818
TOTAL REVENUES	<u>1,203,990</u>	<u>1,384,480</u>	<u>1,430,233</u>	<u>45,753</u>	<u>1,195,632</u>
EXPENDITURES					
Current					
General Government	701,150	701,150	660,183	40,967	575,704
Parks and Recreation	620,950	620,950	530,202	90,748	489,238
Capital Outlay	<u>55,000</u>	<u>185,000</u>	<u>145,355</u>	<u>39,645</u>	<u>58,660</u>
TOTAL EXPENDITURES	<u>1,377,100</u>	<u>1,507,100</u>	<u>1,335,740</u>	<u>171,360</u>	<u>1,123,602</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(173,110)	(122,620)	94,493	217,113	72,030
OTHER FINANCING SOURCES					
Transfers In	70,000	70,000	70,000	-	75,000
Transfers Out	<u>(10,000)</u>	<u>(30,000)</u>	<u>(20,000)</u>	<u>10,000</u>	<u>(10,000)</u>
TOTAL OTHER FINANCING SOURCES	<u>60,000</u>	<u>40,000</u>	<u>50,000</u>	<u>10,000</u>	<u>65,000</u>
NET CHANGE IN FUND BALANCE	(113,110)	(82,620)	144,493	227,113	137,030
FUND BALANCE, Beginning	<u>979,010</u>	<u>979,010</u>	<u>979,009</u>	<u>(1)</u>	<u>841,979</u>
FUND BALANCE, Ending	<u>\$ 865,900</u>	<u>\$ 896,390</u>	<u>\$ 1,123,502</u>	<u>\$ 227,112</u>	<u>\$ 979,009</u>

See the accompanying Independent Auditor's Report.

CAÑON CITY AREA METROPOLITAN RECREATION AND PARK DISTRICT

BUDGETARY COMPARISON SCHEDULE
 CONSERVATION TRUST FUND

Year Ended December 31, 2024

(With Comparative Totals for December 31, 2023)

	2024		VARIANCE Positive (Negative)	2023
	ORIGINAL AND FINAL BUDGET	ACTUAL		ACTUAL
REVENUES				
Lottery Revenues	\$ 135,000	\$ 174,700	\$ 39,700	\$ 200,616
Interest	4,500	23,543	19,043	15,806
TOTAL REVENUES	139,500	198,243	58,743	216,422
OTHER FINANCING SOURCES (USES)				
Transfers Out	(135,000)	(89,000)	46,000	(66,000)
NET CHANGE IN FUND BALANCE	4,500	109,243	104,743	150,422
FUND BALANCE, Beginning	360,382	360,382	-	209,960
FUND BALANCE, Ending	\$ 364,882	\$ 469,625	\$ 104,743	\$ 360,382

See the accompanying Independent Auditor's Report.

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

December 31, 2024

NOTE 1: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgets

Budgets are legally adopted for all funds of the District. Budgets for governmental funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgetary comparisons for the enterprise funds are presented on a non-GAAP budgetary basis. Capital outlay and long-term debt principal are budgeted as expenditures and depreciation is not budgeted.

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

- In October, Management submits to the District Board of Directors a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.
- Public hearings are conducted to obtain taxpayer and public comments.
- Prior to December 31, the budget is legally enacted through passage of a resolution.
- Management is authorized to transfer budgeted amounts between departments within any fund. However, any revisions that alter the total expenditures must be approved by the District Board of Directors.
- All budget appropriations lapse at year end. Colorado governments may not exceed budgeted appropriations at the fund level.

SUPPLEMENTARY INFORMATION

CAÑON CITY AREA METROPOLITAN RECREATION AND PARK DISTRICT

BUDGETARY COMPARISON SCHEDULE
 CAPITAL PROJECTS FUND
 Year Ended December 31, 2024
 (With Comparative Totals for December 31, 2023)

	2024			VARIANCE Positive (Negative)	2023
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL		ACTUAL
REVENUES					
Grants and Contributions	\$ 78,000	\$ 78,000	\$ 42,245	\$ (35,755)	\$ 87,930
Interest	11,000	11,000	21,717	10,717	20,370
TOTAL REVENUES	<u>89,000</u>	<u>89,000</u>	<u>63,962</u>	<u>(25,038)</u>	<u>108,300</u>
EXPENDITURES					
Parks and Recreation	<u>243,000</u>	<u>243,000</u>	<u>104,642</u>	<u>138,358</u>	<u>194,247</u>
TOTAL EXPENDITURES	<u>243,000</u>	<u>243,000</u>	<u>104,642</u>	<u>138,358</u>	<u>194,247</u>
EXCESS OF REVENUES OVER EXPENDITURES	(154,000)	(154,000)	(40,680)	113,320	(85,947)
OTHER FINANCING SOURCES					
Transfers In	<u>75,000</u>	<u>95,000</u>	<u>49,000</u>	<u>(46,000)</u>	<u>6,000</u>
NET CHANGE IN FUND BALANCE	(79,000)	(59,000)	8,320	67,320	(79,947)
FUND BALANCE, Beginning	<u>236,440</u>	<u>236,440</u>	<u>236,440</u>	<u>-</u>	<u>316,387</u>
FUND BALANCE, Ending	<u>\$ 157,440</u>	<u>\$ 177,440</u>	<u>\$ 244,760</u>	<u>\$ 67,320</u>	<u>\$ 236,440</u>

See the accompanying Independent Auditor's Report.

CAÑON CITY AREA METROPOLITAN RECREATION AND PARK DISTRICT

BUDGETARY COMPARISON SCHEDULE
SWIMMING POOL FUND

Year Ended December 31, 2024

(With Comparative Totals for December 31, 2023)

	2024		VARIANCE Positive (Negative)	2023
	ORIGINAL AND FINAL BUDGET	ACTUAL		ACTUAL
REVENUES				
Athletic and Program Fees	\$ -	\$ -	\$ -	\$ 5,865
Rental Fees	-	-	-	250
Contributions from Sponsors	500	-	(500)	283
Grants	-	-	-	1,500
Investment Income	8,000	24,384	16,384	22,301
Miscellaneous	-	1,304	1,304	472
Transfers In	10,000	-	(10,000)	10,000
TOTAL REVENUES	18,500	25,688	7,188	40,671
EXPENDITURES				
Salaries	-	-	-	2,741
Employee Benefits	-	-	-	1,363
Supplies	2,000	-	2,000	6,192
Facilities	13,850	10,619	3,231	19,216
Capital Outlay	335	-	335	-
Contingency Reserve	2,000	-	2,000	-
TOTAL EXPENDITURES	18,185	10,619	7,566	29,512
NET INCOME, Budget Basis	\$ 315	15,069	\$ 14,754	11,159
GAAP BASIS ADJUSTMENTS				
Depreciation		(330)		(331)
NET INCOME, GAAP Basis		14,739		10,828
NET POSITION, Beginning		57,288		46,460
NET POSITION, Ending		\$ 72,027		\$ 57,288

See the accompanying Independent Auditor's Report.

CAÑON CITY AREA METROPOLITAN RECREATION AND PARK DISTRICT

BUDGETARY COMPARISON SCHEDULE
 PROGRAM ACTIVITIES FUND
 Year Ended December 31, 2024
 (With Comparative Totals for December 31, 2023)

	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)	2023 ACTUAL
REVENUES				
Athletic and Program Fees	\$ 481,900	\$ 438,997	\$ (42,903)	\$ 467,271
Contributions from Sponsors	13,250	14,297	1,047	13,952
Grants	3,000	5,635	2,635	1,301
Investment Income	100	118	18	110
Miscellaneous	11,850	14,285	2,435	10,378
TOTAL REVENUES	510,100	473,332	(36,768)	493,012
EXPENDITURES				
Salaries	246,115	210,498	35,617	215,012
Employee Benefits	39,345	34,570	4,775	32,860
Supplies	141,705	127,404	14,301	130,082
Purchased Services	84,850	74,030	10,820	56,711
Capital Outlay	52,125	55,832	(3,707)	-
Transfer Out	10,000	10,000	-	15,000
TOTAL EXPENDITURES	574,140	512,334	61,806	449,665
NET INCOME, Budget Basis	\$ (64,040)	(39,002)	\$ 25,038	43,347
GAAP BASIS ADJUSTMENTS				
Depreciation		(7,178)		(2,611)
Capital Outlay		55,832		-
NET INCOME, GAAP Basis		9,652		40,736
NET POSITION, Beginning		520,674		479,938
NET POSITION, Ending		\$ 530,326		\$ 520,674

See the accompanying Independent Auditor's Report.