

FOOTHILLS PARK & RECREATION DISTRICT
Jefferson County, Colorado

FINANCIAL STATEMENTS

For the years ended
December 31, 2024 and 2023

TABLE OF CONTENTS

	<u>PAGE</u>
Independent Auditor's Report	1
Management's Discussion and Analysis (Unaudited)	4
<i>Basic Financial Statements</i>	
District-wide Financial Statements	
Statements of Net Position	17
Statements of Revenues, Expenses, and Changes in Net Position	18
Statements of Cash Flows	19
Notes to the Financial Statements	21
<i>Other Information (Unaudited)</i>	
Schedule of Revenues, Expenses and Changes in Funds Available – Actual and Budget (Non GAAP Budgetary Basis) – Enterprise Fund December 31, 2024	41
Reconciliation of Non GAAP Budgetary Basis (Actual) to Statement of Revenues, Expenses and Changes in Net Position – December 31, 2024	42
Schedule of Revenues, Expenses and Changes in Funds Available – Actual and Budget (Non GAAP Budgetary Basis) – Enterprise Fund December 31, 2023	43
Reconciliation of Non GAAP Budgetary Basis (Actual) to Statement of Revenues, Expenses and Changes in Net Position – December 31, 2023	44
History of District Assessed Valuation, Mill Levies and Property Tax Collections	45
History of Revenues, Expenses and Changes in Net Position	46
Historical Net Position	47

Independent Auditor's Report

Board of Directors
Foothills Park and Recreation District
Littleton, Colorado

Opinion

We have audited the financial statements of Foothills Park and Recreation District, as of and for the years ended December 31, 2024 and 2023 and the related notes to the financial statements, which collectively comprise the Foothills Park and Recreation 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 financial position of Foothills Park and Recreation District, as of December 31, 2024 and 2023, and the changes in financial position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits 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 Foothills Park and Recreation District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter

As discussed in Note 14 to the financial statements, in 2024, Foothills Park and Recreation District adopted new accounting guidance, GASB Statement No. 101, *Compensated Absences*. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Foothills Park and Recreation District's ability to continue as a going concern for 12 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 opinion. 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 Foothills Park and 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 Foothills Park and 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 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the Schedules of Revenues, Expenditures and Changes in Funds Available-Actual and Budget (Non GAAP Budgetary Basis), Reconciliation of Non GAAP Budgetary Basis (Actual) to Statement of Revenues, Expenses and Changes in Net Position, History of District Assessed Valuation, Mill Levies and Property Tax Collections, History of Revenues, Expenses and Changes in Net Position and Historical Net Position but does not include the basic financial statements and our auditor's report thereon. Our opinion on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Forvis Mazars, LLP

**Denver, Colorado
April 17, 2025**

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

This section of the Foothills Park & Recreation District's ("the District") annual financial report provides an overview of the District's financial activities for the fiscal years ended December 31, 2024 and 2023. Comparative total data for the prior year has been presented in the accompanying management discussion and analysis and financial statements in order to provide an understanding of changes in the District's financial position and operations. As discussed in Note 14 to the financial statements, the District adopted Governmental Accounting Standards Board Statement No. 101, *Compensated Absences* (GASB 101) in 2024. The 2023 information has been restated; however, the 2022 comparative information has not been restated for the adoption of GASB 101. Please read management's discussion and analysis in conjunction with the financial statements and notes to the financial statements.

FINANCIAL HIGHLIGHTS

- ◆ In 2024 District golf course revenue continued to be significantly higher than historic levels. In addition, the District experienced operating revenue growth in most other revenue generating activities. In total, the District's operating revenue was \$22.6 million, which was higher than budget by \$3.4 million.
- ◆ The District completed the construction of a new clubhouse facility at Foothills Golf Course and the new facility was placed in service in early 2024.
- ◆ The District ended the year in good financial position with assets and deferred outflow of resources exceeding liabilities and deferred inflow of resources at December 31, 2024 by \$109.5 million (net position), an increase from 2023 of \$8.8 million. Of this amount, \$20.3 million is unrestricted and may be used to meet the District's ongoing obligations to citizens and creditors.
- ◆ The District's cash and cash equivalents and total investments decreased \$7.2 million to \$22.5 million primarily due to expenditures for several capital improvement projects, including the Foothills Golf Course clubhouse replacement and the Dutch Creek Trail extension, a majority of which were funded with proceeds from the 2021 Certificates of Participation. As of December 31, 2024, all 2021 Certificate of Participation funds were fully spent for project purposes.
- ◆ The District's total long-term debt decreased \$2.3 million primarily due to principal payments on outstanding debt.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Foothills Park & Recreation District's basic financial statements. The District's basic financial statements are comprised of two components: 1) the District-wide financial statements, 2) notes to the financial statements. This annual report also contains other information in addition to the basic financial statements themselves.

REQUIRED FINANCIAL STATEMENTS

The financial statements of the District use accounting methods similar to those used by private sector companies. These statements offer short and long-term financial information about its activities.

Statement of Net Position

The Statement of Net Position provides information about the District's investments in resources and obligations. It also provides the basis for evaluating the capital structure of the District and assessing the short and long-term debt of the District.

Statement of Revenues, Expenses, and Changes in Net Position

This statement measures the results of the District's operation over the past year and can be used to determine the percentage of the District's costs that are recovered through its user fees as well as other expenses and revenues.

Statement of Cash Flows

The primary purpose of this statement is to provide information about the District's cash receipts and payments during the reporting period. This statement reports cash receipts, cash payments, and net changes in cash resulting from operating, investing, and financing activities. It also provides answers to such questions regarding the source of cash, usage of cash, and the change in cash balance during the reporting period.

FINANCIAL ANALYSIS OF THE DISTRICT

The Statement of Net Position and the Statement of Revenues, Expenses, and Changes in Net Position report information about the District's activities in a way that can help understand the District's finances. The District's Net Position is another source to determine the financial health or financial position of the District. Over time, increases in the District's net position are an indicator that the District's financial health is improving. However, one should also consider other non-financial factors such as changes in economic conditions, population growth, or changes in governmental legislation.

A summary of the District’s Statements of Net Position as of December 31, 2024 and 2023 is presented below:

	Net Position			
	<u>2024</u>	<u>2023</u> As Restated	<u>\$ Change</u>	<u>% Change</u>
Current and Other Assets	\$ 46,167,670	\$ 52,935,046	\$ (6,767,376)	-12.78%
Capital, Lease and Subscription Assets	<u>130,279,428</u>	<u>121,337,381</u>	<u>8,942,047</u>	<u>7.37%</u>
Total Assets	<u>176,447,098</u>	<u>174,272,427</u>	<u>2,174,671</u>	<u>1.25%</u>
Deferred Outflows of Resources	<u>142,986</u>	<u>182,292</u>	<u>(39,306)</u>	<u>-21.56%</u>
Current Liabilities	6,089,863	9,631,604	(3,541,741)	-36.77%
Noncurrent Liabilities	<u>40,045,045</u>	<u>42,414,847</u>	<u>(2,369,802)</u>	<u>-5.59%</u>
Total Liabilities	<u>46,134,908</u>	<u>52,046,451</u>	<u>(5,911,543)</u>	<u>-11.36%</u>
Deferred Inflows of Resources	<u>20,992,370</u>	<u>21,730,367</u>	<u>(737,997)</u>	<u>-3.40%</u>
Net Investment in Capital Assets	87,931,169	72,868,570	15,062,599	20.67%
Restricted	1,261,000	1,131,000	130,000	11.49%
Unrestricted	<u>20,270,637</u>	<u>26,678,331</u>	<u>(6,407,694)</u>	<u>-24.02%</u>
Total Net Position	<u>\$ 109,462,806</u>	<u>\$ 100,677,901</u>	<u>\$ 8,784,905</u>	<u>8.73%</u>

As can be seen from the chart above, Total Net Position increased \$8,784,905, or 8.73% in 2024. Restricted Net Position, which had a balance of \$1,261,000 as of December 31, 2024, reflects amounts restricted for TABOR reserves. In addition to the required TABOR reserves, the Board of Directors of the District (“the Board”) established a general reserve fund in an amount equal to 6.0% of the District’s annual operating budget. The Board has not restricted or committed any of these unrestricted funds for any specific purpose except for cash flow, emergency and other purposes as determined by the Board. As of December 31, 2024, the District had a general reserve fund of \$2,521,000, which is included in Unrestricted Net Position.

A summary of the District’s Statements of Net Position as of December 31, 2023 and 2022 is presented below:

	Net Position			
	2023	2022	\$ Change	% Change
	As Restated			
Current and Other Assets	\$ 52,935,046	\$ 65,552,538	\$ (12,617,492)	-19.25%
Capital, Lease and Subscription Assets	<u>121,337,381</u>	<u>99,666,166</u>	<u>21,671,215</u>	<u>21.74%</u>
Total Assets	<u>174,272,427</u>	<u>165,218,704</u>	<u>9,053,723</u>	<u>5.48%</u>
Deferred Outflows of Resources	<u>182,292</u>	<u>221,599</u>	<u>(39,307)</u>	<u>-17.74%</u>
Current Liabilities	9,631,604	7,756,337	1,875,267	24.18%
Noncurrent Liabilities	<u>42,414,847</u>	<u>44,557,356</u>	<u>(2,142,509)</u>	<u>-4.81%</u>
Total Liabilities	<u>52,046,451</u>	<u>52,313,693</u>	<u>(267,242)</u>	<u>-0.51%</u>
Deferred Inflows of Resources	<u>21,730,367</u>	<u>20,265,067</u>	<u>1,465,300</u>	<u>7.23%</u>
Net Investment in Capital Assets	72,868,570	72,412,235	456,335	0.63%
Restricted	1,131,000	1,011,000	120,000	11.87%
Unrestricted	<u>26,678,331</u>	<u>19,438,308</u>	<u>7,240,023</u>	<u>37.25%</u>
Total Net Position	<u>\$ 100,677,901</u>	<u>\$ 92,861,543</u>	<u>\$ 7,816,358</u>	<u>8.42%</u>

In 2023, Total Net Position increased \$7,816,358, or 8.42%. Restricted Net Position, which had a balance of \$1,131,000 as of December 31, 2023, reflects amounts restricted for TABOR reserves. In addition to the required TABOR reserves, the Board of Directors of the District (“the Board”) established a general reserve fund in an amount equal to 6.0% of the District’s annual operating budget. The Board has not restricted or committed any of these unrestricted funds for any specific purpose except for cash flow, emergency and other purposes as determined by the Board. As of December 31, 2023, the District had a general reserve fund of \$2,262,000, which is included in Unrestricted Net Position.

The Statement of Revenues, Expenses, and Changes in Net Position provides information about the nature and source of changes in net position.

As part of our analysis, we provide a summary of the District's Statements of Revenues, Expenses and Changes in Net Position from 2023 to 2024 as presented below:

Statements of Revenues, Expenses and Changes in Net Position, 2024 and 2023

	<u>2024</u>	<u>2023</u>	<u>\$ Change</u>	<u>% Change</u>
		As Restated		
Operating Revenues Fees and Charges	\$ 22,617,763	\$ 20,276,180	\$ 2,341,583	11.55%
Operating Expenses	<u>(34,085,693)</u>	<u>(28,781,733)</u>	<u>(5,303,960)</u>	<u>-18.43%</u>
Net Loss From Operations	<u>(11,467,930)</u>	<u>(8,505,553)</u>	<u>(2,962,377)</u>	<u>-34.83%</u>
Nonoperating Revenues (Expenses)				
Property and Specific Ownership Taxes	17,722,628	15,096,409	2,626,219	17.40%
Conservation Trust	556,600	637,014	(80,414)	-12.62%
Grants and Contributions	383,531	686,411	(302,880)	-44.13%
Grants Expense	(118,915)	(235,209)	116,294	49.44%
Interest Expense	(1,227,641)	(1,297,070)	69,429	5.35%
Gain (Loss) on Sale of Assets	618,375	28,617	589,758	2060.87%
Insurance Proceeds	18,734	353,222	(334,488)	-94.70%
Investment Income	1,121,727	1,695,507	(573,780)	-33.84%
Other Expenses	<u>(257,104)</u>	<u>(218,327)</u>	<u>(38,777)</u>	<u>-17.76%</u>
Total Net Nonoperating Revenues (Expenses)	<u>18,817,935</u>	<u>16,746,574</u>	<u>2,071,361</u>	<u>12.37%</u>
Other Revenues (Expenses), Gains or (Losses)	1,434,900	-	1,434,900	100.00%
Change in Net Position	8,784,905	8,241,021	543,884	6.60%
Net Position, Beginning of Year	100,677,901	92,436,880	8,241,021	8.92%
Net Position, End of Year	<u>\$ 109,462,806</u>	<u>\$ 100,677,901</u>	<u>\$ 8,784,905</u>	<u>8.73%</u>

Comparison of Revenue and Expenses – 2024 to 2023

Operating Revenues derived from Fees and Charges for Services were \$22,617,763 in 2024 compared to \$20,276,180 in 2023, an increase of \$2,341,583, or 11.55%. Golf, Recreation Programs, Children's Programs, and Aquatics had the most significant increases of \$1,310,648, \$293,181, \$288,185 and \$215,262 respectively, driven by increased participation in program offerings in these areas.

Operating Expenses in 2024 were \$34,085,693 compared to \$28,781,733 in 2023, an increase of \$5,303,960, or 18.43%. Operating Expenses increased due to higher salary and personnel costs, operating supplies and purchased services expenses, all driven by increased levels of activity in operating revenue producing areas and inflationary increases in all areas of operation. The most significant increases occurred in Golf, Parks and Regional Parks, Aquatics, General and Administrative and in Children's Programs, which increased \$673,386, \$635,383, \$446,449, \$374,654 and \$346,363, respectively. Facilities and Equipment Repairs and Replacements were higher than 2023 by \$1,089,430 driven by increased levels of improvements and equipment purchases that did not meet the

criteria for capitalization as capital assets, and Depreciation and Amortization increased by \$1,251,201 compared to 2023 mainly resulting from depreciation expense on two new pool facilities placed in service in late 2023 and the new Foothills Golf Course Clubhouse, which was placed in service in early 2024.

Property and Specific Ownership Taxes were \$17,722,628 in 2024 versus \$15,096,409 in 2023, an increase of \$2,626,219, which was attributable to a 14.94% increase in assessed values for the 2024 tax collection year. Conservation Trust revenues were \$556,600 and \$637,014 in 2024 and 2023, respectively, reflecting a decrease in State of Colorado lottery ticket sales allocable to the District for 2024.

Grants and Contributions decreased \$302,880 primarily driven by grant proceeds received in 2023 under the Child Care Operations Stabilization and Workforce Sustainability Grants through the State of Colorado.

In 2024, 66.36% of the District’s total operations were covered by fees and charges from programs and facilities and the remaining 33.64% came from property and specific ownership taxes, grants and other sources. The District’s parks, greenbelts and trails are costly to maintain and account for \$5,159,616 of the \$11,467,930 operating loss the District incurred in 2024. The District’s pools and recreation centers are also costly to operate and were subsidized \$2,358,711 from other revenue sources besides the fees and charges paid by the users of these facilities in 2024. The \$17,722,628 of Property and Specific Ownership taxes collected were designated to offset operating losses and other debt principal and interest payments owed as a result of financing the construction projects that replaced the Foothills Golf Course Clubhouse and completed the renovation of the Columbine West and 6th Avenue West outdoor pools, and debt principal and interest payments owed as a result of financing the construction of the District’s Peak Community and Wellness Center, the Edge Ice Arena, and the Foothills Sports Arena.

The following table shows the amount and percent that operating expenses were recovered through operating revenues including fees and charges for the years ended December 31, 2024 and 2023:

Expense Recovery Through Fees and Charges

	2024	2023	\$ Change	% Change
		As Restated		
Operating Revenues	\$ 22,617,763	\$ 20,276,180	\$ 2,341,583	11.55%
Operating Expenses	\$ 34,085,693	\$ 28,781,733	\$ 5,303,960	18.43%
% Expense Recovery Through Operating Fees and Charges	66.36%	70.45%		

As part of our analysis, we also provide a summary of the District's Statements of Revenues, Expenses and Changes in Net Position from 2022 to 2023 as presented below:

Statements of Revenues, Expenses and Changes in Net Position, 2023 and 2022

	2023 <u>As Restated</u>	2022	\$ Change	% Change
Operating Revenues Fees and Charges	\$ 20,276,180	\$ 17,195,431	\$ 3,080,749	17.92%
Operating Expenses	<u>(28,781,733)</u>	<u>(26,839,404)</u>	<u>(1,942,329)</u>	<u>-7.24%</u>
Net Loss From Operations	<u>(8,505,553)</u>	<u>(9,643,973)</u>	<u>1,138,420</u>	<u>11.80%</u>
Nonoperating Revenues (Expenses)				
Property and Specific Ownership Taxes	15,096,409	15,253,212	(156,803)	-1.03%
Conservation Trust	637,014	586,730	50,284	8.57%
Grants and Contributions	686,411	1,593,101	(906,690)	-56.91%
Grants Expense	(235,209)	(110,815)	(124,394)	-112.25%
Interest Expense	(1,297,070)	(1,378,591)	81,521	5.91%
Gain (Loss) on Sale of Assets	28,617	22,477	6,140	27.32%
Insurance Proceeds	353,222	17,630	335,592	1903.53%
Investment Income	1,695,507	652,277	1,043,230	159.94%
Other Income	-	7,877	(7,877)	-100.00%
Other Expenses	<u>(218,327)</u>	<u>(223,224)</u>	<u>4,897</u>	<u>2.19%</u>
Total Net Nonoperating Revenues (Expenses)	<u>16,746,574</u>	<u>16,420,674</u>	<u>325,900</u>	<u>1.98%</u>
Change in Net Position	8,241,021	6,776,701	1,464,320	21.61%
Net Position, Beginning of Year	92,436,880	86,084,842	6,352,038	7.38%
Net Position, End of Year	<u>\$ 100,677,901</u>	<u>\$ 92,861,543</u>	<u>\$ 7,816,358</u>	<u>8.42%</u>

Comparison of Revenue and Expenses – 2023 to 2022

Operating Revenues derived from Fees and Charges for Services were \$20,276,180 in 2023 compared to \$17,195,431 in 2022, an increase of \$3,080,749, or 17.92%. The District realized operating revenue increases during 2023 in several areas of operations. Children's Programs, Golf, Recreation Programs and Recreation Centers had the most significant increases of \$1,082,679, \$1,026,995, \$549,152 and \$490,347 respectively, driven by increased participation in program offerings in these areas.

Operating Expenses in 2023 were \$28,781,733 compared to \$26,839,404 in 2022, an increase of \$1,942,329, or 7.24%. Operating Expenses increased due to higher wages, operating supplies and purchased services expenses, all driven by increased levels of activity in operating revenue producing areas. The most significant increases occurred in Children's Programs, in Parks and Regional Parks, Recreation Centers and at the Edge Ice Arena, which increased \$370,776, \$265,301, \$204,353 and \$134,893, respectively. In addition, Facilities and Equipment Repairs and Replacements were higher than 2022 by \$451,199 driven by increased levels of improvements and equipment purchases that did not meet the criteria for capitalization as capital assets.

Property and Specific Ownership Taxes were \$15,096,409 in 2023 versus \$15,253,212 in 2022, a decrease of \$156,803 driven by assessed value decreases for certain properties located within the District. Conservation Trust revenues were \$637,014 and \$586,730 in 2023 and 2022, respectively, reflecting an increase in state lottery ticket sales allocable to the District for 2023.

Grants and Contributions decreased \$906,690 primarily driven by grant proceeds received in 2022 under the Child Care Operations Stabilization and Workforce Sustainability Grants through the State of Colorado and no Senate Bill 35 funds received in 2023 for use in completing neighborhood park improvement projects.

In 2023, 70.45% of the District’s total operations were covered by fees and charges from programs and facilities and the remaining 29.55% came from property and specific ownership taxes, grants and other sources. The District’s parks, greenbelts and trails are costly to maintain and account for \$4,586,784 of the \$8,505,553 operating loss the District incurred in 2023. The District’s pools and recreation centers are also costly to operate and were subsidized \$1,980,324 from other revenue sources besides the fees and charges paid by the users of these facilities in 2023. The \$15,096,409 of Property and Specific Ownership taxes collected were designated to offset operating losses and other debt principal and interest payments owed as a result of financing the construction projects to replace the Foothills Golf Course Clubhouse and the renovation of the Columbine West and 6th Avenue West outdoor pools, and debt principal and interest payments owed as a result of financing the construction of the District’s Peak Community and Wellness Center, the Edge Ice Arena, and the Foothills Sports Arena.

The following table shows the amount and percent that operating expenses were recovered through operating revenues including fees and charges for the years ended December 31, 2023 and 2022:

Expense Recovery Through Fees and Charges				
	<u>2023</u>	<u>2022</u>	<u>\$ Change</u>	<u>% Change</u>
	<u>As Restated</u>			
Operating Revenues	\$ 20,276,180	\$ 17,195,431	\$ 3,080,749	17.92%
Operating Expenses	\$ 28,781,733	\$ 26,839,404	\$ 1,942,329	7.24%
% Expense Recovery Through Operating Fees and Charges	<u>70.45%</u>	<u>64.07%</u>		

Comparison of Revenue and Expenses – 2024 Actual to 2024 Budget

Budgetary basis Operating Revenues for the current year were \$22,580,923 compared to budget of \$19,207,767 or \$3,373,156 favorable to plan. Operating revenues were favorable to plan in Golf by \$2,866,381 or 43.91% resulting from a significant increase in rounds and rental revenue at both District golf courses as golf continued in 2024 as a preferred outdoor recreation activity, driving increased public participation in the sport since 2020. Operating revenues were also better than planned for Recreation Centers and Recreation Programs

by \$252,287 and \$188,811, respectively due to higher than anticipated patron facility usage. These favorable variances were partially offset by lower than budgeted revenue in Children's Programs which was lower by \$181,343 resulting from lower participation than planned in preschool and camp programs.

Budgetary basis Operating Expenses were \$42,468,116 compared to budget of \$50,602,228, which was \$8,134,112 less than planned. This was mainly a result of lower than planned capital expenditures, driven by the timing of spending on the Dutch Creek Trail extension, and the timing of spending on several regional and neighborhood park improvement projects.

Budgetary basis Net Nonoperating Revenues were \$16,474,289 compared to budget of \$29,533,849 or \$13,059,560 unfavorable to plan. This was mostly due to carry forward funds for the 2021 COP projects and other capital projects which were included in the 2024 budget. Excluding the carry over of \$15,234,529, Net Nonoperating revenues were favorable to the budget by \$2,174,969 mainly due to backfill property tax payments received from the State of Colorado under State Senate Bill 22-234, proceeds received from the sale of fixed assets, and higher than planned interest income due to higher invested balances and higher yields on those balances.

Additional budget information, including a reconciliation of non GAAP budgetary basis to the Statements of Revenues, Expenses and Changes in Fund Net Position can be found in the Other Information section of the financial statements.

Comparison of Revenue and Expenses – 2023 Actual to 2023 Budget

Budgetary basis Operating Revenues for the current year were \$20,229,630 compared to budget of \$17,531,620 or \$2,698,010 favorable to plan. Operating revenues were favorable to plan in Golf by \$2,743,165 or 51.36% resulting from a significant increase in rounds and rental revenue at both District golf courses as golf continued in 2023 as a preferred outdoor recreation activity, driving increased public participation in the sport since 2020. Operating revenues were also better than planned for Recreation Centers and at the Edge Ice Arena by \$212,778 and \$107,821, respectively due to higher than anticipated patron facility usage. These favorable variances were partially offset by lower than budgeted revenue in Children's Programs and Aquatics which were lower by \$291,796 and \$81,857, respectively resulting from lower participation than planned in before and after school care and summer camps and lower than planned pool attendance.

Budgetary basis Operating Expenses were \$50,469,003 compared to budget of \$59,518,036, which was \$9,049,033 less than planned. This was driven by lower than planned capital expenditures, driven by the timing of spending on the 2021 COP projects, which include the Foothills Golf Course Clubhouse replacement, the Dutch Creek Trail extension and the Phase II Energy Performance Contract.

Budgetary basis Net Nonoperating Revenues were \$14,609,801 compared to budget of \$41,986,416 or \$27,376,615 unfavorable to plan. This was mostly due to carry forward funds for the 2021 COP projects and other capital projects which were included in the 2023 budget. Excluding the carry over of \$29,812,465, Net Nonoperating revenues were favorable to the budget by \$2,435,850 due to grant funds received from the State of

Colorado under the Childcare Stabilization and Workforce Retention Grants, higher than planned insurance proceeds and higher than planned interest income due to higher than planned invested balances and higher yields on invested balances.

Additional budget information, including a reconciliation of non GAAP budgetary basis to the Statements of Revenues, Expenses and Changes in Fund Net Position can be found in the Other Information section of the financial statements.

CAPITAL, LEASE AND SUBSCRIPTION ASSETS AND DEBT ADMINISTRATION

Capital, Lease and Subscription Assets

As of December 31, 2024, 2023 and 2022, the District had invested \$130,279,428, \$121,337,381 and \$99,666,166, respectively in net capital, lease and subscription assets, which represents a broad range of infrastructure including parks, recreation centers, golf courses, maintenance and administration facilities, vehicles, and equipment. In 2024, The District's net capital, lease and subscription assets increased by \$8,942,047 from net capital, lease and subscription assets at the end of 2023 due to the current year's additions, offset by current year depreciation and amortization of its capital and lease assets. The most significant additions for 2024 were associated with the Foothills Golf Course Clubhouse and the Dutch Creek Trail extension project. In 2023, The District's net capital, lease and subscription assets increased by \$21,671,215 from net capital, lease and subscription assets at the end of 2022 due to asset additions, offset by depreciation and amortization of capital and lease assets. The most significant additions for 2023 were associated with the Foothills Golf Course Clubhouse, the Columbine West and 6th Avenue West pool renovation projects and the Phase II Energy Performance contract. More detailed information about the District's capital and lease assets is presented in Note 5 to the financial statements.

The table below summarizes changes in capital, lease and subscription assets for the year ended December 31, 2024:

Change in Capital, Lease and Subscription Assets (Net of Depreciation and Amortization)

	<u>2024</u>	<u>2023</u>	<u>\$ Change</u>	<u>% Change</u>
Land	\$ 23,728,375	\$ 23,728,375	\$ -	0.00%
Water Rights	983,500	983,500	-	0.00%
Buildings	49,947,420	34,820,282	15,127,138	43.44%
Improvements	44,020,188	39,842,861	4,177,327	10.48%
Furniture, Fixtures and Equipment	7,120,253	4,784,546	2,335,707	48.82%
Subscription IT Assets	114,548	174,494	(59,946)	-34.35%
Leased Equipment	144,519	31,296	113,223	361.78%
Vehicles	640,532	500,079	140,453	28.09%
Construction in Progress	3,580,093	16,471,948	(12,891,855)	-78.27%
Total Capital, Lease and Subscription Assets	<u>\$ 130,279,428</u>	<u>\$ 121,337,381</u>	<u>\$ 8,942,047</u>	<u>7.37%</u>

The table below summarizes changes in capital, lease and subscription assets for the year ended December 31, 2023:

Change in Capital, Lease and Subscription Assets (Net of Depreciation and Amortization)

	<u>2023</u>	<u>2022</u>	<u>\$ Change</u>	<u>% Change</u>
Land	\$ 23,728,375	\$ 23,728,375	\$ -	0.00%
Water Rights	983,500	983,500	-	0.00%
Buildings	34,820,282	26,213,895	8,606,387	32.83%
Improvements	39,842,861	29,993,161	9,849,700	32.84%
Furniture, Fixtures and Equipment	4,784,546	2,405,721	2,378,825	98.88%
Subscription IT Assets	174,494	25,190	149,304	100.00%
Leased Equipment	31,296	55,232	(23,936)	0.00%
Vehicles	500,079	626,369	(126,290)	-20.16%
Construction in Progress	16,471,948	15,634,723	837,225	5.35%
Total Capital, Lease and Subscription Assets	<u>\$ 121,337,381</u>	<u>\$ 99,666,166</u>	<u>\$ 21,671,215</u>	<u>21.74%</u>

Long-Term Debt

In 2024, the District paid \$2,020,000 in debt principal repayments and at December 31, 2024 had \$41,471,341 in short and long-term debt, deferred loss and premium on refunding.

Below is a summary of changes in long-term debt for the year ended December 31, 2024:

Changes in Long-Term Debt

	<u>2024</u>	<u>2023</u>	<u>\$ Change</u>	<u>% Change</u>
Certificates of Participation	\$ 36,275,000	\$ 38,295,000	\$ (2,020,000)	-5.27%
Unamortized Deferred Charges	(142,986)	(182,292)	39,306	21.56%
Unamortized Bond Premium	5,339,327	5,702,379	(363,052)	-6.37%
Total Long-Term Debt	<u>\$ 41,471,341</u>	<u>\$ 43,815,087</u>	<u>\$ (2,343,746)</u>	<u>-5.35%</u>

In 2023, the District paid \$1,945,000 in debt principal repayments and at December 31, 2023 had \$43,815,087 in short and long-term debt, deferred loss and premium on refunding.

Below is a summary of changes in long-term debt for the year ended December 31, 2023:

Changes in Long-Term Debt

	2023	2022	\$ Change	% Change
Certificates of Participation	\$ 38,295,000	\$ 40,240,000	\$ (1,945,000)	-4.83%
Unamortized Deferred Charges	(182,292)	(221,599)	39,307	17.74%
Unamortized Bond Premium	5,702,379	6,065,432	(363,053)	-5.99%
Total Long-Term Debt	\$ 43,815,087	\$ 46,083,833	\$ (2,268,746)	-4.92%

More detailed information about the District’s long-term debt is presented in Note 6 to the financial statements.

ECONOMIC FACTORS

The District is located in Jefferson County which is in the southwestern part of the Denver metropolitan area where the local economic environment has been relatively strong over the last several years. The average unemployment rate in Jefferson County was 4.3% in December, 2024 versus 3.5% in December, 2023. In 2023, for taxes collected in 2024, property assessed valuations within the District increased by 14.94%.

In recent years, the District has experienced an increase in the number of patron visits to our facilities and to our various programs. As a result, in 2023 and 2024, the District experienced significant increases in operating revenue versus prior years in most departments. The District’s golf rounds and related revenues continued at a higher than normal historic levels in 2024 and 2023 as individuals gravitated toward outdoor recreation opportunities and this trend is anticipated to continue in the near term. The need for fee increases for all District programs and facilities will continue to be evaluated on an annual basis and be based on competitive rates for the markets we serve.

In November, 2017 a majority of the District’s voters authorized the District to increase its mill levy 2.75 mills for general operating and other purposes. The mill increase has a nine-year sunset provision and it resulted in a significant increase in property tax revenues for 2023 and 2024. In November 2024, a majority of the District’s voters approved an extension of this mill levy into perpetuity.

Property tax revenue increases resulting from valuation changes beyond 2024 are not expected to be significant. Some modest new development is expected to take place within District boundaries, which would result in potential increases in assessed valuations due to growth related to new construction.

Operating costs are expected to increase annually due to general inflationary trends in the foreseeable future. The District will continue to evaluate opportunities to increase its revenue streams and manage available funds as efficiently as possible.

REQUEST FOR INFORMATION

This financial report provides a general overview of Foothills Park & Recreation District's finances. Questions concerning any of the information provided in this report or to request additional financial information should be addressed to the attention of Director of Finance and Administrative Services at Foothills Park & Recreation District, 6612 S Ward Street, Littleton, Colorado 80127.

FOOTHILLS PARK & RECREATION DISTRICT
STATEMENTS OF NET POSITION
December 31, 2024 and 2023

	2024	2023
		As Restated
ASSETS		
Current Assets		
Cash and Cash Equivalents	\$ 20,556,415	\$ 22,948,358
Restricted Cash and Cash Equivalents	-	4,186,087
Cash With Fiscal Agent	459,028	1,126,078
Short-Term Investments	268,777	493,763
Receivables	452,337	378,226
Grant Receivables	930,306	-
Property Taxes Receivables	16,256,230	16,182,725
Current Portion of Lease Receivable	793,112	774,662
Inventories	124,091	173,926
Prepaid Expenses	984,204	787,945
Total Current Assets	40,824,500	47,051,770
Noncurrent Assets		
Long-Term Investments	1,197,302	944,296
Lease Receivable	4,145,868	4,938,980
Capital, Lease and Subscription Assets		
Land, Water Rights and Construction in Progress	28,291,968	41,183,823
Other Capital, Lease and Subscription Assets, Net of Accumulated Depreciation/Amortization	101,987,460	80,153,558
Total Capital, Lease and Subscription Assets, Net of Accumulated Depreciation/Amortization	130,279,428	121,337,381
Total Assets	176,447,098	174,272,427
DEFERRED OUTFLOWS OF RESOURCES		
Deferred Loss on Refunding	142,986	182,292
Total Assets and Deferred Outflows of Resources	\$ 176,590,084	\$ 174,454,719
LIABILITIES		
Current Liabilities		
Accounts Payables	\$ 1,734,087	\$ 5,478,462
Interest Payable	126,062	132,688
Accrued Payroll Payable	298,528	207,397
Current Portion of Accrued Compensated Absences	723,523	653,486
Current Portion of Long-Term Debt Payable	2,095,000	2,020,000
Current Portion of Lease Payable	24,357	27,427
Current Portion of Subscription Payable	13,626	65,217
Unearned Revenue	1,074,680	1,046,927
Total Current Liabilities	6,089,863	9,631,604
Non-Current Liabilities		
Accrued Compensated Absences Payable	404,347	415,334
Long-Term Debt Payable	39,519,327	41,977,379
Lease Payable	121,371	8,508
Subscription Payable	-	13,626
Total Non-Current Liabilities	40,045,045	42,414,847
Total Liabilities	46,134,908	52,046,451
DEFERRED INFLOWS OF RESOURCES		
Property Taxes	16,256,230	16,182,725
Lease Related	4,736,140	5,547,642
Total Deferred Inflows of Resources	20,992,370	21,730,367
NET POSITION		
Net Investment in Capital Assets	87,931,169	72,868,570
Restricted	1,261,000	1,131,000
Unrestricted	20,270,637	26,678,331
Total Net Position	109,462,806	100,677,901
Total Liabilities, Deferred Inflows of Resources and Net Position	\$ 176,590,084	\$ 174,454,719

These financial statements should be read only in conjunction with
the accompanying notes to financial statements.

FOOTHILLS PARK & RECREATION DISTRICT
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
For the Years Ended December 31, 2024 and 2023

	2024	2023
OPERATING REVENUES		As Restated
Fees and Charges:		
Aquatics	\$ 1,233,624	\$ 1,018,362
Children's Programs	3,501,491	3,213,306
Golf	9,394,635	8,083,987
Ice Arena	2,873,548	2,790,921
Recreation Centers	2,224,395	2,123,848
Recreation Programs	3,143,204	2,850,023
Parks and Regional Parks	224,363	161,812
General and Administrative	22,503	33,921
Total Operating Revenues	22,617,763	20,276,180
OPERATING EXPENSES		
Aquatics	2,499,337	2,052,888
Children's Programs	3,239,913	2,893,550
Golf	5,180,753	4,507,367
Ice Arena	2,105,421	2,047,941
Recreation Centers	3,317,393	3,069,646
Recreation Programs	2,407,270	2,225,403
Parks and Regional Parks	5,383,979	4,748,596
General and Administrative	2,662,467	2,287,813
Facilities and Equipment Repairs and Replacements	2,051,569	962,139
Depreciation and Amortization	5,237,591	3,986,390
Total Operating Expenses	34,085,693	28,781,733
OPERATING LOSS	(11,467,930)	(8,505,553)
NONOPERATING REVENUES (EXPENSES)		
Property and Specific Ownership Taxes	17,722,628	15,096,409
Conservation Trust	556,600	637,014
Grants and Contributions	383,531	686,411
Grants Expense	(118,915)	(235,209)
Investment Income	1,121,727	1,695,507
Interest Expense	(1,227,641)	(1,297,070)
Gain on the Sale of Assets	618,375	28,617
Proceeds from Insurance	18,734	353,222
Other Expenses	(257,104)	(218,327)
Total Net Nonoperating Revenues (Expenses)	18,817,935	16,746,574
OTHER REVENUES (EXPENSES), GAINS OR (LOSSES)		
Capital Grants and Contributions	1,434,900	-
Total Other Revenues (Expenses), Gains or (Losses)	1,434,900	-
CHANGE IN NET POSITION	8,784,905	8,241,021
NET POSITION, Beginning of Year, As Previously Reported	100,677,901	92,861,543
Change In Accounting Principle	-	(424,663)
NET POSITION, Beginning of Year, As Restated	100,677,901	92,436,880
NET POSITION, End of Year	\$ 109,462,806	\$ 100,677,901

These financial statements should be read only in conjunction with
the accompanying notes to financial statements.

FOOTHILLS PARK & RECREATION DISTRICT
STATEMENTS OF CASH FLOWS
For the Years Ended December 31, 2024 and 2023

	2024	2023
		As Restated
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from Customers and Users	\$ 21,648,201	\$ 19,324,392
Payments to Suppliers	(11,589,792)	(10,031,587)
Payments to Employees	(17,174,996)	(15,388,316)
Net Cash Used in Operating Activities	(7,116,587)	(6,095,511)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Property and Specific Ownership Taxes	17,722,628	15,096,409
Receipts from Conservation Trust Fund	556,600	637,014
Grants and Contributions Received	383,531	686,411
Other Expenses	(376,019)	(453,536)
Net Cash Provided by Noncapital Financing Activities	18,286,740	15,966,298
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Principal Payments on Long-Term Debt	(2,020,000)	(1,945,000)
Interest Expense Paid on Bonds	(1,558,013)	(1,626,662)
Principal Payments Paid on Lease Payable	(26,322)	(24,664)
Principal Payments Paid on Subscription Payable	(65,217)	(13,645)
Interest Expense Paid on Lease Payable	(1,027)	(786)
Interest Expense Paid on Subscription Payable	(1,523)	(155)
Principal Payments Received on Lease Receivable	774,662	770,445
Interest Payments Received on Lease Receivable	114,068	117,877
Acquisition of Capital Assets	(17,342,773)	(23,909,063)
Acquisition of Assets from Subscriptions	(15,820)	(91,729)
Proceeds from the Sale of Assets	618,475	28,817
Proceeds from Insurance	18,734	484,996
Net Cash Used in Capital and Related Financing Activities	(19,504,756)	(26,209,569)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of Investments	(499,000)	(245,000)
Proceeds from Sales and Maturities of Investments	495,000	245,000
Interest on Investments	1,093,523	1,665,277
Net Cash Provided by Investing Activities	1,089,523	1,665,277
NET DECREASE IN CASH AND CASH EQUIVALENTS	(7,245,080)	(14,673,505)
CASH AND CASH EQUIVALENTS, Beginning of Year	28,260,523	42,934,028
CASH AND CASH EQUIVALENTS, End of Year	\$ 21,015,443	\$ 28,260,523

These financial statements should be read only in conjunction with
the accompanying notes to financial statements.

(Continued)

FOOTHILLS PARK & RECREATION DISTRICT
STATEMENTS OF CASH FLOWS
For the Years Ended December 31, 2024 and 2023
(Continued)

	2024	2023
RECONCILIATION OF OPERATING LOSS TO NET CASH		
USED IN OPERATING ACTIVITIES:		As Restated
Operating Loss	\$ (11,467,930)	\$ (8,505,553)
Adjustments to Reconcile Operating Loss to Net Cash Used in Operating Activities:		
Depreciation and Amortization	5,237,591	3,986,390
Lease Revenue	(927,388)	(934,872)
Lease Expense	1,027	786
Subscription Expense	1,523	155
Effect of changes in operating assets and liabilities:		
Receivables	(69,927)	23,662
Inventories	49,835	(21,692)
Prepaid Expense	(196,259)	(515,903)
Accounts Payable	77,007	(152,223)
Accrued Payroll Payable	91,131	61,392
Accrued Compensated Absences Payable	59,050	2,925
Unearned Revenue	27,753	(40,578)
Total Adjustments	4,351,343	2,410,042
NET CASH USED IN OPERATING ACTIVITIES	\$ (7,116,587)	\$ (6,095,511)
 NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES		
Assets Acquired Under Leases	145,477	-
Assets Acquired Under Subscriptions	-	90,992
Assets Leased to Others	-	190,273
Capital Asset Acquisitions Included in Accounts Payable	717,564	4,538,946
Assets Acquired Under Capital Contribution	504,594	-
Impairment of Capital Asset	-	131,774
Unrealized (Gain) Loss on Investments	(24,020)	(29,990)
Amortization of Premiums/Deferred Loss on Refunding	323,746	323,746
Amortization of Deferred Inflow - Lease Related	811,502	816,430

These financial statements should be read only in conjunction with
the accompanying notes to financial statements.

FOOTHILLS PARK & RECREATION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2024 and 2023

NOTE 1: DEFINITION OF REPORTING ENTITY

Financial Reporting Entity

Foothills Park & Recreation District (the “District”) is a governmental unit (special district) operating in accordance with Colorado Statute. The District is governed by a five-member elected Board of Directors. The District was established to provide park and recreation facilities and programs in southern Jefferson County.

In accordance with Governmental Accounting Standards, the District has considered the possibility of inclusion of additional entities in its financial statements. The definition of the reporting entity is based primarily on financial accountability. The District is financially accountable for the organizations that make up its legal entity. It is also financially responsible 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 benefits to or, to impose specific financial burdens on the District. The District may also be financially accountable for governmental organizations that are fiscally dependent upon it.

Component Unit

The Foothills Park & Recreation District Building Authority (the Building Authority) is governed by a board that consists of a voting majority appointed by the governing board of the District. In addition, the District is financially accountable for the Building Authority, and the Building Authority is financially dependent upon the District. The Building Authority is consolidated into the financial statements of the District. The Building Authority does not issue separate financial statements. In 2015, the District refunded the 2006 Certificates of Participation which were held by the Building Authority. Coincident with the refunding transaction, the Building Authority transferred the deed of all properties owned to the District. As a result, the Building Authority has had no financial activity since 2015.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Foothills Park & Recreation District conform to generally accepted accounting principles (GAAP), as applicable to governmental units accounted for as a proprietary enterprise fund. The Governmental Accounting Standards Board (GASB) is the standard-setting body for establishing governmental accounting and financial principles. The following is a summary of the significant policies.

Measurement Focus

The District is accounted for as a single enterprise fund. Enterprise funds are a type of proprietary fund and as such, are reported in accordance with generally accepted accounting principles for proprietary funds as defined by GASB. The proprietary fund type is accounted for on a flow of economic resources measurement focus. All assets and all

FOOTHILLS PARK & RECREATION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2024 and 2023

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

liabilities associated with the operation of this fund are included on the Statements of Net Position.

Basis of Accounting

The District uses the accrual basis of accounting, where revenues are recognized when they are earned and measurable, and expenses are recognized in the period incurred.

Proprietary Fund

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenue and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal ongoing operations of the District result in revenue from charges to patrons for admissions to recreation facilities, rental of recreation facilities, fees paid for participation in recreation programs, and green fees for usage of the District's golf courses. All activities not associated with the principal ongoing operations of the District are reported as nonoperating or other revenues or expenses.

Cash, Cash Equivalents and Investments

The District's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Investments are recorded at fair value. Local government investment pools are recorded at net asset value. Money market funds are valued at amortized cost.

Inventory and Prepaid Expenses

Merchandise inventory held for resale is valued at the lower of cost or market. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows or resources. This separate financial statement element, deferred outflow of resources, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

FOOTHILLS PARK & RECREATION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2024 and 2023

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflow of resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

Restricted Assets

It is the District's policy to first use restricted, if any, and then unrestricted resources when an expense is incurred for purposes for which restricted and unrestricted amounts are available.

Property Taxes

Property taxes are levied by the District's Board of Directors. The levy is based on assessed valuations determined by the Jefferson County Assessor, generally as of November 30th of each year.

The levy is normally set by December 15th by certification to the Jefferson County Commissioners to put the tax lien on the individual properties as of January 1st of the following year.

The Jefferson County Treasurer (Treasurer) collects the determined taxes during the ensuing calendar year. The taxes are payable by April, or in equal installments in February and June at the taxpayer's election. Delinquent taxpayers are notified in August, and tax lien sales are in November.

The Treasurer remits the taxes collected monthly to the District. Since property taxes are levied in December for the next calendar year's operations, the total levy is reported as property taxes receivable and a deferred inflow of resources for property taxes.

Capital Assets

Capital Assets include property, improvements to property, buildings, equipment, and water rights with an initial individual value of \$5,000 or greater. All capital assets are valued at historical cost or at an estimated historical cost if actual historical cost was not available. Donated assets are valued at their acquisition value.

Depreciation begins in the year of the completion for assets under construction. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the assets' lives are not capitalized.

**FOOTHILLS PARK & RECREATION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2024 and 2023**

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

Buildings	20 - 50 years
Improvements	10 - 50 years
Equipment	5 - 15 years
Vehicles	8 - 12 years

Leases

Lessee: The District is a lessee for noncancelable leases of equipment. The District recognizes a lease liability and a lease asset in the Statements of Net Position. The District recognizes lease liabilities with an initial, individual value of \$5,000 or more for equipment leases.

At the commencement of the lease, the District initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial indirect costs. Subsequently, the lease asset is amortized on a straight line basis over the shorter of the lease term or the useful life of the asset. The District uses the interest rate charged by the lessor as the discount rate to calculate the present value. When the interest rate charged by the lessor is not provided, the District uses its estimated incremental borrowing rate as the discount rate for leases. The lease term includes the noncancelable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and extension options that the District is reasonably certain to exercise.

Lessor: The District is a lessor for noncancelable leases on District owned property. The District recognizes a lease receivable and a deferred inflow of resources in the Statements of Net Position.

At the commencement of the lease, the District initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of the lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the lease term. If specified, the District uses the interest rate identified in the contract as the discount rate to calculate the present value. If no interest rate is specified, the District uses its estimated incremental borrowing rate as the discount rate for leases. The lease term includes the noncancelable period of the lease. Lease payments included

FOOTHILLS PARK & RECREATION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2024 and 2023

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

in the measurement of the lease receivable are composed of fixed payments from the lessee.

Subscription Assets

Subscription assets are initially recorded at the initial measurement of the subscription liability, plus subscription payments made at or before the commencement of the subscription-based information technology arrangement (SBITA) term, less any SBITA vendor incentives received from the SBITA vendor at and certain payments made before the commencement of the SBITA term, plus capitalizable initial implementation costs. Subscription assets are amortized on a straight-line basis over the shorter of the SBITA term or the useful life of the underlying IT asset.

Capital, Lease and Subscription Asset Impairment

The District evaluates capital, lease and subscription assets for impairment whenever events or circumstances indicate a significant, unexpected decline in the service utility of a capital, lease or subscription asset has occurred. If a capital, lease or subscription asset is tested for impairment and the magnitude of the decline in service utility is significant and unexpected, the asset historical cost and related accumulated depreciation or amortization are decreased proportionately such that the net decrease equals the impairment loss.

No asset impairments were recognized during the year ended December 31, 2024. An impairment loss of \$131,774 was recognized for roof damages at the Edge Ice Arena during the year ended December 31, 2023, resulting from a severe weather event that occurred in early 2023. The damages were covered by insurance and therefore the impairment has been included as an offset to proceeds from insurance in the accompanying statements of revenues, expenses and changes in net position. The loss was determined based on the deflated depreciated replacement cost approach.

Compensated Absences

District policies permit certain employees to accumulate vacation and sick leave benefits that may be realized as paid time off or, in limited circumstances, as a cash payment. A liability is accrued for compensated absences as the benefits are earned if the leave is more likely than not to be used for time off or settled in cash.

Compensated absence liabilities are computed using the regular pay in effect at statement of net position date plus an additional amount for salary-related payments such as Social Security and Medicare taxes computed using rates in effect at that date. The estimated compensated absences liability expected to be paid more than one year after the statement of net position date is included in non-current liabilities.

FOOTHILLS PARK & RECREATION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2024 and 2023

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Unearned Revenue

Unearned revenue includes customer payments received in advance for participation in District programs that will occur in future periods.

Amortization

Bond and Certificate of Participation Original Issue Premium and/or Discount

Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. The amortization amount related to the bond premiums and/or discounts is a component of interest expense and the unamortized balances are reflected as an addition or reduction of bonds payable, respectively.

Deferred Loss on Refunding

Deferred loss on refunding is being amortized using the straight-line method, over the shorter of the life of the new or life of the defeased bonds or certificates of participation. The amortization amount is a component of interest expense and the unamortized deferred loss is reflected as deferred loss on refunding in deferred outflows of resources on the statements of net position.

Budgets

In accordance with State Budget Law, the District's Board of Directors holds public hearings in the fall of each year to approve the budget and appropriate funds for the ensuing year. The District's Board of Directors can modify the budget and appropriation resolutions upon completion of notification and publication requirements. The appropriation is at the total fund level and lapses at year-end. The Building Authority had no budget for 2024 or 2023.

Estimates

The preparation of 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.

NOTE 3: CASH AND INVESTMENTS

Cash Deposits

Colorado statutes require that the District use eligible public depositories, as defined by the Public Deposit Protection Act (PDPA) of 1975. Under the Act, the depository is required

**FOOTHILLS PARK & RECREATION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2024 and 2023**

NOTE 3: CASH AND INVESTMENTS (CONTINUED)

to pledge collateral having a market value at all times equal to at least 102% of the aggregate public deposits held by the depository not insured by federal deposit insurance.

Eligible collateral, as defined by the Act, primarily includes obligations or guarantees by the U.S. Government, the State of Colorado, or any political subdivision thereof, and obligations evidenced by notes secured first by lien mortgages or deeds of trust on real property. 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.

As of December 31, 2024, the carrying amount of the District's deposits in financial institutions was \$3,698,537 and the bank balance was \$4,856,124. As of December 31, 2023, the carrying amount of the District's deposits in financial institutions was \$4,986,500 and the bank balance was \$5,613,888. All deposits exceeding FDIC coverage of \$250,000 were collateralized in accordance with PDPA.

Cash With Fiscal Agent

As of December 31, 2024 and 2023 the District had \$459,028 and \$1,126,078, respectively, being held by Jefferson County, Colorado as an escrow deposit for grading permits related to construction projects.

Investments

At December 31, 2024, the District had the following investments and remaining maturities:

<u>Investment Type</u>	<u>2024</u>			
	<u>Value</u>	<u>Measurement</u>	<u>Rating</u>	<u>Maturities</u>
Local Government Investment Pools	\$ 16,847,564	Net Asset Value	AAAm	Less than 12 Months
Federal Agency Bonds	268,777	Fair Value	AA+	Less than 12 Months
Federal Agency Bonds	729,856	Fair Value	AA+	1 - 5 Years
Certificates of Deposit	467,446	Fair Value	N/A	1 - 5 Years
Total	<u>\$ 18,313,643</u>			

**FOOTHILLS PARK & RECREATION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2024 and 2023**

NOTE 3: CASH AND INVESTMENTS (CONTINUED)

At December 31, 2023, the District had the following investments and remaining maturities:

<u>Investment Type</u>	<u>2023</u>			
	<u>Value</u>	<u>Measurement</u>	<u>Rating</u>	<u>Maturities</u>
Local Government Investment Pools	\$ 22,139,629	Net Asset Value	AAAm	Less than 12 Months
Federal Agency Bonds	249,372	Fair Value	AA+	Less than 12 Months
Federal Agency Bonds	495,319	Fair Value	AA+	1 - 5 Years
Certificates of Deposit	448,977	Fair Value	N/A	1 - 5 Years
Certificates of Deposit	244,391	Fair Value	N/A	Less than 12 Months
Total	<u>\$ 23,577,688</u>			

As of December 31, 2024 and 2023, the District had invested \$16,847,564 and \$22,139,629, respectively, in the Colorado Liquid Asset Trust Fund (COLOTRUST), which has a credit rating of AAAm by Standard and Poor's. COLOTRUST is an investment vehicle established for local government entities in Colorado to pool surplus funds and is regulated by the State Securities Commissioner. It operates similarly to a money market fund and each share is equal in value to \$1.00. Investments consist of U.S. Treasury and U.S. Agency securities, and repurchase agreements collateralized by U.S. Treasury and U.S. Agency securities. A designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. Substantially all securities owned are held by the Federal Reserve Bank in the account maintained for the custodial bank. The custodians' internal records identify the investments owned by the entities. COLOTRUST does not have any limitations or restrictions on participant withdrawals.

Restricted Cash

Certain cash and cash equivalents are legally required to be restricted for specific purposes. Proceeds from the 2021 Certificates of Participation are held as required for spending on the 2021 COP projects. There were no proceeds on hand as of December 31, 2024. Proceeds on hand as of December 31, 2023 of \$4,186,087 were reflected on the statements of net position as current restricted cash and cash equivalents as they were used to pay the unpaid construction costs associated with the 2021 COP projects recorded in accounts payable as of that date. These amounts are included in the District's COLOTRUST investment balances.

Fair Value

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted

FOOTHILLS PARK & RECREATION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2024 and 2023

NOTE 3: CASH AND INVESTMENTS (CONTINUED)

prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

As of December 31, 2024 and 2023, the District had \$1,466,079 and \$1,438,059, respectively, invested in federal agency bonds and bank market indexed and market linked certificates of deposit. These investments are valued with Level 2 inputs.

Investments and Credit Risk

Colorado statutes specify in which instruments the District may invest. These instruments are:

- Certain money market funds
- Certain marketable repurchase agreements
- Certain marketable reverse repurchase agreements
- Certain guaranteed investment contracts
- Bankers' acceptances of certain banks
- Certain corporate bonds
- General obligation and revenue bonds of U.S. local government entities
- Obligations of the United States and certain U.S. government agency securities
- Local government investment pools

In order to minimize credit risk the District follows the State Statutes by investing only in the instruments noted above.

Interest Rate Risk

As a means of limiting its exposure to fair value losses arising from prevailing market interest rates, the District primarily invests in Local Government Investment Pools which have a weighted average maturity of not more than 90 days. The District's investment policy states that investments with maturities longer than three or five years depending on the investment require approval from the Board of Directors.

Concentration of Credit Risk

The District had \$998,633, or 5.45% of total investments invested in Federal Home Loan Bank bonds at December 31, 2024. The District had no other investment in any single issuer (other than U.S. Treasury securities, mutual funds, and external investment pools) that represents 5% or more of total District investments at December 31, 2024.

**FOOTHILLS PARK & RECREATION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2024 and 2023**

NOTE 3: CASH AND INVESTMENTS (CONTINUED)

Summary of District Cash, Cash Equivalents and Investments

Cash deposits and investments as of December 31, 2024 and 2023, are summarized as follows:

	<u>2024</u>	<u>2023</u>
Petty Cash	\$ 10,314	\$ 8,316
Cash Deposits	3,698,537	4,986,500
Cash With Fiscal Agent	459,028	1,126,078
Investments	<u>18,313,643</u>	<u>23,577,688</u>
Total Cash Deposits and Investments	<u>\$ 22,481,522</u>	<u>\$ 29,698,582</u>

Cash deposits and investments as of December 31, 2024 and 2023 were reflected on the statements of net position as follows:

	<u>2024</u>	<u>2023</u>
Cash and Cash Equivalents	\$ 20,556,415	\$ 22,948,358
Restricted Cash and Cash Equivalents	-	4,186,087
Cash With Fiscal Agent	<u>459,028</u>	<u>1,126,078</u>
Total Cash and Cash Equivalents	<u>21,015,443</u>	<u>28,260,523</u>
Investments	<u>1,466,079</u>	<u>1,438,059</u>
Total Cash Deposits and Investments	<u>\$ 22,481,522</u>	<u>\$ 29,698,582</u>

NOTE 4: LEASES RECEIVABLE

The District entered into noncancelable ten year ice rental agreements with three youth hockey associations. Each agreement provides for a guaranteed minimum number of ice hours to be paid for each year whether used or not by the youth hockey association. Revenue recognized under the agreements during the years ended December 31, 2024 and 2023 was \$860,465 and \$874,805, respectively, which includes both lease revenue and interest. As of December 31, 2024 and 2023, the District's receivable for lease payments under the agreements was \$4,227,305 and \$4,978,114, respectively. The District also has a deferred inflow of resources associated with these agreements that will be recognized as revenue over the term of the agreements. As of December 31, 2024 and 2023, the balance of the deferred inflow of resources was \$4,075,908 and \$4,846,201, respectively.

The District also leased portions of its property to various third parties, the terms of these leases expire at various dates through 2051. The District leases certain land to a third party where lease payments are variable based on total revenues collected by the third

FOOTHILLS PARK & RECREATION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2024 and 2023

NOTE 4: LEASES RECEIVABLE (CONTINUED)

party. The revenue based payments are not included in the measurement of the lease receivable because they are not fixed in substance. Revenue recognized under the leases during the years ended December 31, 2024 and 2023 was \$65,106 and \$59,502,

respectively, which includes both lease revenue and interest. The District recognized lease revenue of \$24,168 and \$25,109 for the years ended December 31, 2024 and 2023, respectively, for variable payments not previously included in the measurement of the lease receivable. As of December 31, 2024 and 2023, the District's receivable for lease payments under the agreements was \$711,675 and \$735,528, respectively. The District also has a deferred inflow of resources associated with these agreements that will be recognized as revenue over the term of the agreements. As of December 31, 2024 and 2023, the balance of the deferred inflow of resources was \$660,232 and \$701,441, respectively.

NOTE 5: CAPITAL, LEASE AND SUBSCRIPTION ASSETS

A summary of changes in capital, lease and subscription assets for 2024 is as follows:

	JANUARY 1, 2024 BALANCE	ADDITIONS	TRANSFERS	DISPOSALS	DECEMBER 31, 2024 BALANCE
Capital Assets, Not Being Depreciated					
Land	\$ 23,728,375	\$ -	\$ -	\$ -	\$ 23,728,375
Water Rights	983,500	-	-	-	983,500
Construction in Progress	16,471,948	2,914,276	(15,806,131)	-	3,580,093
Total Capital Assets, Not Being Depreciated	41,183,823	2,914,276	(15,806,131)	-	28,291,968
Capital, Lease and Subscription Assets, Being Depreciated/Amortized					
Buildings	55,902,098	1,988,656	14,597,913	-	72,488,667
Improvements	68,671,428	5,536,974	1,208,218	(197,291)	75,219,329
Furniture, Fixtures and Equipment	12,667,294	3,313,799	-	(204,586)	15,776,507
Vehicles	2,143,849	272,280	-	(36,714)	2,379,415
Subscription IT Assets	215,795	15,820	-	(17,009)	214,606
Leased Equipment	100,820	145,477	-	(94,296)	152,001
Total Capital, Lease and Subscription Assets, Being Depreciated/Amortized	139,701,284	11,273,006	15,806,131	(549,896)	166,230,525
Less Accumulated Depreciation/Amortization for:					
Buildings	(21,081,816)	(1,459,431)	-	-	(22,541,247)
Improvements	(28,828,567)	(2,567,865)	-	197,291	(31,199,141)
Furniture, Fixtures and Equipment	(7,882,748)	(977,992)	-	204,486	(8,656,254)
Vehicles	(1,643,770)	(131,827)	-	36,714	(1,738,883)
Subscription IT Assets	(41,301)	(75,766)	-	17,009	(100,058)
Leased Equipment	(69,524)	(24,710)	-	86,752	(7,482)
Total Accumulated Depreciation/Amortization	(59,547,726)	(5,237,591)	-	542,252	(64,243,065)
Capital, Lease and Subscription Assets, Being Depreciated/Amortized, Net	80,153,558	6,035,415	-	(7,644)	101,987,460
Net Capital, Lease and Subscription Assets	\$ 121,337,381	\$ 8,949,691	\$ -	\$ (7,644)	\$ 130,279,428

FOOTHILLS PARK & RECREATION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2024 and 2023

NOTE 5: CAPITAL, LEASE AND SUBSCRIPTION ASSETS (CONTINUED)

A summary of changes in capital, lease and subscription assets for 2023 is as follows:

	JANUARY 1, 2023				DECEMBER 31, 2023
	BALANCE	ADDITIONS	TRANSFERS	DISPOSALS	BALANCE
Capital Assets, Not Being Depreciated					
Land	\$ 23,728,375	\$ -	\$ -	\$ -	\$ 23,728,375
Water Rights	983,500	-	-	-	983,500
Construction in Progress	15,634,723	13,525,296	(12,688,071)	-	16,471,948
Total Capital Assets, Not Being Depreciated	<u>40,346,598</u>	<u>13,525,296</u>	<u>(12,688,071)</u>	<u>-</u>	<u>41,183,823</u>
Capital, Lease and Subscription Assets, Being Depreciated/Amortized					
Buildings	46,302,101	4,108,696	5,710,924	(219,623)	55,902,098
Improvements	56,732,232	4,988,139	6,977,147	(26,090)	68,671,428
Furniture, Fixtures and Equipment	10,196,396	2,984,727	-	(513,829)	12,667,294
Vehicles	2,173,349	-	-	(29,500)	2,143,849
Subscription IT Assets	62,572	182,721	-	(29,498)	215,795
Leased Equipment	103,331	-	-	(2,511)	100,820
Total Capital, Lease and Subscription Assets, Being Depreciated/Amortized	<u>115,569,981</u>	<u>12,264,283</u>	<u>12,688,071</u>	<u>(821,051)</u>	<u>139,701,284</u>
Less Accumulated Depreciation/Amortization for:					
Buildings	(20,088,206)	(1,081,459)	-	87,849	(21,081,816)
Improvements	(26,739,071)	(2,115,586)	-	26,090	(28,828,567)
Furniture, Fixtures and Equipment	(7,790,675)	(605,701)	-	513,628	(7,882,748)
Vehicles	(1,546,980)	(126,290)	-	29,500	(1,643,770)
Subscription IT Assets	(37,382)	(33,417)	-	29,498	(41,301)
Leased Equipment	(48,099)	(23,936)	-	2,511	(69,524)
Total Accumulated Depreciation/Amortization	<u>(56,250,413)</u>	<u>(3,986,389)</u>	<u>-</u>	<u>689,076</u>	<u>(59,547,726)</u>
Capital, Lease and Subscription Assets, Being Depreciated/Amortized, Net	<u>59,319,568</u>	<u>8,277,894</u>	<u>-</u>	<u>(131,975)</u>	<u>80,153,558</u>
Net Capital, Lease and Subscription Assets	<u>\$ 99,666,166</u>	<u>\$21,803,190</u>	<u>\$ -</u>	<u>\$ (131,975)</u>	<u>\$ 121,337,381</u>

FOOTHILLS PARK & RECREATION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2024 and 2023

NOTE 6: LONG-TERM OBLIGATIONS

The following is an analysis of the changes in long-term obligations for the year ended December 31, 2024:

	January 1, 2024			December 31, 2024	Current Portion
	Balance	Additions	Deletions	Balance	
2013 Certificates of Participation	\$ 3,805,000	\$ -	\$ (300,000)	\$ 3,505,000	\$ 305,000
2015 Certificates of Participation	7,035,000	-	(650,000)	6,385,000	675,000
2021 Certificates of Participation	27,455,000	-	(1,070,000)	26,385,000	1,115,000
Lease Payable	35,935	145,477	(35,684)	145,728	24,357
Subscription Payable	78,843	15,820	(81,037)	13,626	13,626
Compensated Absences ¹	1,068,820	59,050	-	1,127,870	723,523
	<u>39,478,598</u>	<u>220,347</u>	<u>(2,136,721)</u>	<u>37,562,224</u>	<u>2,856,506</u>
Plus net unamortized original issue premium	5,702,379	-	(363,052)	5,339,327	-
	<u>\$ 45,180,977</u>	<u>\$ 220,347</u>	<u>\$ (2,499,773)</u>	<u>\$ 42,901,551</u>	<u>\$ 2,856,506</u>

¹The change in the accrued compensated absences liability is presented as a net amount.

The following is an analysis of the changes in long-term obligations for the year ended December 31, 2023:

	January 1, 2023			December 31, 2023	Current Portion
	Balance	Additions	Deletions	Balance	
	As Restated			As Restated	As Restated
2013 Certificates of Participation	\$ 4,095,000	\$ -	\$ (290,000)	\$ 3,805,000	\$ 300,000
2015 Certificates of Participation	7,660,000	-	(625,000)	7,035,000	650,000
2021 Certificates of Participation	28,485,000	-	(1,030,000)	27,455,000	1,070,000
Lease Payable	60,599	-	(24,664)	35,935	27,427
Subscription Payable	1,496	90,992	(13,645)	78,843	65,217
Compensated Absences ¹	1,065,895	2,925	-	1,068,820	653,486
	<u>41,367,990</u>	<u>93,917</u>	<u>(1,983,309)</u>	<u>39,478,598</u>	<u>2,766,130</u>
Plus net unamortized original issue premium	6,065,432	-	(363,053)	5,702,379	-
	<u>\$ 47,433,422</u>	<u>\$ 93,917</u>	<u>\$ (2,346,362)</u>	<u>\$ 45,180,977</u>	<u>\$ 2,766,130</u>

¹The change in the accrued compensated absences liability is presented as a net amount.

**FOOTHILLS PARK & RECREATION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2024 and 2023**

NOTE 6: LONG-TERM OBLIGATIONS (CONTINUED)

Certificates of Participation (COPs)

The District issues certificates of participation to finance needed recreation facilities.

Foothills Park & Recreation COP Lease Purchase 2013 - In 2013, the District issued \$9,300,000 of Certificates of Participation dated May 15, 2013. Proceeds from the sale of the bond were used to refund a portion of the District's Certificates of Participation Bonds, Series 2002 and 2004, and to pay the costs of issuance of the Bonds. These certificates mature between 2013 and 2028 and carry interest rates between 2.00% to 3.25% due semiannually.

Foothills Park & Recreation COP Lease Purchase 2015- In 2015, the District issued \$11,055,000 of Certificates of Participation dated November 12, 2015. The certificates were issued to refund the outstanding balance of the 2006 COPs, to pay the costs of issuance of the Certificates, and to finance capital improvements at Clement Park. These certificates mature between 2016 and 2032 and carry interest rates between 2.0% and 5.0% due semiannually.

Foothills Park & Recreation COP Lease Purchase 2021- In 2021, the District issued \$29,470,000 of Certificates of Participation dated September 1, 2021. The certificates were issued with a premium of \$5,791,068 and were issued to finance the replacement of Foothills Golf Course Clubhouse, the repair and renovation of Columbine West and 6th Avenue West Pool facilities, an extension of Dutch Creek Trail and energy conservation projects at various facilities under a Phase II Energy Performance Contract. These certificates mature between 2022 and 2041 and carry an interest rate of 4.0% due semiannually. Including the premium, and net of issuance costs, the effective interest rate on the certificates is reduced from 4.0% to approximately 2.17%.

The Edge Ice Arena, and the Peak administrative building are collateral for the 2013 COPs, the Edge Ice Arena and the Peak Community and Wellness Center are collateral for the 2015 COPs, and the Ridge Recreation Center and the Peak Community and Wellness Center are collateral for the 2021 COPs.

**FOOTHILLS PARK & RECREATION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2024 and 2023**

NOTE 6: LONG-TERM OBLIGATIONS (CONTINUED)

The annual debt service requirements to maturity for the certificates of participation are as follows:

Year Ending December 31,	Principal	Interest	Total
2025	\$ 2,095,000	\$ 1,480,213	\$ 3,575,213
2026	2,185,000	1,392,713	3,577,713
2027	2,615,000	1,298,263	3,913,263
2028	2,720,000	1,193,662	3,913,662
2029	2,475,000	1,095,888	3,570,888
2030 - 2034	11,170,000	3,896,049	15,066,049
2035 - 2039	8,925,000	1,916,600	10,841,600
2040 - 2041	4,090,000	247,000	4,337,000
Total	<u>\$ 36,275,000</u>	<u>\$ 12,520,388</u>	<u>\$ 48,795,388</u>

NOTE 7: LEASE LIABILITIES

The District, as lessee, leases certain pieces of office equipment. The terms of the leases expire in various years through 2030. The following is a schedule by year of payments under the lease liabilities as of December 31, 2024:

Year Ending December 31,	Principal	Interest	Total
2025	\$ 24,357	\$ 6,947	\$ 31,303
2026	26,399	5,652	32,051
2027	28,208	4,249	32,457
2028	29,398	2,768	32,166
2029	31,781	1,190	32,971
2030	5,585	36	5,621
	<u>\$ 145,728</u>	<u>\$ 20,842</u>	<u>\$ 166,570</u>

NOTE 8: SUBSCRIPTION LIABILITIES

The District has various subscription-based information technology arrangements (SBITAs), some of which have been prepaid with subscription terms that expire in various years through 2027 and some of which have payment and subscription terms that expire in various years through 2025. Variable payments based upon the use of the underlying asset are not included in the subscription liability because they are not fixed in substance. During the years ended December 31, 2024 and 2023, there were no variable payments not previously included in the measurement of the subscription liability.

**FOOTHILLS PARK & RECREATION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2024 and 2023**

NOTE 8: SUBSCRIPTION LIABILITIES (CONTINUED)

The following is a schedule by year of payments under the subscription liabilities as of December 31, 2024:

Year Ending December 31,	Principal	Interest	Total
2025	\$ 13,626	\$ 374	\$ 14,000

NOTE 9: COMMITMENTS AND CONTINGENCIES

Risk Management and Related Insurance Issues

The District is subject to various risks of loss. These risks include theft of, damage to, or destruction of assets, errors or omissions by management or the Board of Directors, job-related illnesses or injuries to employees, torts, and injury to persons or damage to property resulting from a construction project or acts of God.

The District is a member of the Colorado Special Districts Property and Liability Pool (Pool). The Pool is an organization created by intergovernmental agreement to provide property, liability, public official’s liability, boiler and machinery and workers compensation coverage to its members.

The District pays annual premiums to the Pool for liability, property, public official’s liability and workers compensation coverage. In the event aggregated losses incurred by the Pool exceeded amounts recoverable from reinsurance contracts and funds accumulated by the Pool, the Pool may require additional contributions from the Pool members. Any excess funds which the Pool determines are not needed for purposes of the Pool may be returned to the members pursuant to a distribution formula.

For 2024 and 2023, there were no significant reductions in insurance coverage from the prior year for any major category of risk. The amount of settlements did not exceed the insurance coverage for each of the past three fiscal years. The amount of risk retained by the District through deductibles on the insurance policies was not material to the District.

Committed Construction

As of December 31, 2024 the District had unexpended construction related commitments of \$1,312,165.

Legal Matters

In the opinion of the District’s management and counsel, there is no pending litigation or other legal claims which would materially affect the financial statements of the District.

FOOTHILLS PARK & RECREATION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2024 and 2023

NOTE 10: SALARY DEFERRAL PLAN

The District has a salary deferral plan (Plan) that was converted from a defined benefit plan to a defined contribution plan in 1982. Plan provisions and contribution requirements are established and may be amended by the District's Board of Directors. Full and part-time employees are eligible to participate in the plan on the first day of the month following completion of 30 days of employment if they are at least 21 years of age. Each eligible employee is allowed to defer compensation in 1% increments of their pay, but their deferral may not exceed the specific annual dollar amount determined by the Internal Revenue Service. The District may make non-elective contributions to full-time employees' account in the Plan in the amount determined by the District at its discretion. The District's contributions plus earnings become vested at a rate of 20% after the first year of employment, 40% after the second year of employment and are 100% vested after the third year of employment. District contributions for plan participants who leave employment before they are fully vested are forfeited. Participant forfeitures will be used to reduce the Employer Discretionary Contributions to the Plan for the Plan Year in which the forfeitures occur. There is no liability for benefits under the Plan beyond the District's discretionary contributions.

The District has the authority to determine the amount, if any, of discretionary contributions to the Plan. The District's discretionary contributions made in 2024 and 2023 were \$330,015 and \$304,671, respectively.

NOTE 11: TAX, SPENDING AND DEBT LIMITATIONS

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 tax, spending, revenue and debt limitations which apply to the State of Colorado and all local governments.

Under TABOR, spending and revenue limits are determined based on the prior year's Fiscal Year Spending adjusted for allowable increases based upon inflation and local growth. Fiscal Year Spending is generally defined as expenditures plus reserve increases with certain exceptions. Revenue in excess of the Fiscal Year Spending limit must be refunded unless the voters approve retention of such revenue.

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of Fiscal Year Spending (excluding bonded debt service). Local governments are not allowed to use the emergency reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases.

In May 2002, the District voters approved a ballot question to remove the revenue and spending limitations of the TABOR amendment from the entire District. The Amendment is complex and subject to judicial interpretation. The District believes it is in compliance with the requirements of the Amendment based on the interpretations of the amendment's language.

FOOTHILLS PARK & RECREATION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2024 and 2023

NOTE 11: TAX, SPENDING AND DEBT LIMITATIONS (CONTINUED)

In November 2017 a majority of the District's voters authorized the District to increase its mill levy 2.75 mills for general operating and other purposes for a nine-year period only, ending in collection year 2026. The additional tax revenue is being used through the nine-year period to: provide better park maintenance, improve conditions of parks and sports fields, improve neighborhood and community parks, improve outdated and failing equipment, repair and enhance trails for better connectivity, repair facilities and offset increasing operational and maintenance costs. Such revenue shall be collected, retained and spent notwithstanding any other revenue limits provided by law.

In November 2020 District voters approved a ballot question authorizing the continuation of a mill levy of 1.534 mills for Sub-District A for all future years. The mill levy was previously associated with the District's General Obligation Refunding Bonds, Series 2010, dated February 23, 2010, which were paid in full in 2020. Revenue generated from the tax was approved to be used for general fund purposes including capital improvements and operational priorities and is not subject to any limitation under TABOR.

In November, 2024 District voters approved a ballot question extending the 2.75 mills which were originally authorized by voters in 2017 for only a nine-year period into perpetuity. Beginning in 2027, revenue generated from the tax was approved to be used for operations, capital and other expenses and is not subject to any limitation under TABOR.

NOTE 12: NET POSITION

The District has net position consisting of three components – net investment in capital assets, restricted and unrestricted net position.

Net Investment in Capital Assets

Net investment in capital assets consists of amounts invested in capital, lease and subscription assets, net of accumulated depreciation/amortization, and further reduced by outstanding balances of bonds, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

**FOOTHILLS PARK & RECREATION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2024 and 2023**

NOTE 12: NET POSITION (CONTINUED)

The District's Net Investment in Capital Assets as of December 31, 2024 and 2023, was calculated as follows:

	<u>2024</u>	<u>2023</u>
Capital, Lease and Subscription Assets	\$ 130,279,428	\$ 121,337,381
Outstanding Debt	(36,275,000)	(38,295,000)
Unamortized Bond Debt Premium	(5,339,327)	(5,702,379)
Unamortized Deferred Loss on Refunding	142,986	182,292
Lease Liability	(145,728)	(35,935)
Subscription Liability	(13,626)	(78,843)
Outstanding Capital Related Accounts Payable	<u>(717,564)</u>	<u>(4,538,946)</u>
Net Investment in Capital Assets	<u>\$ 87,931,169</u>	<u>\$ 72,868,570</u>

Restricted Net Position

Restricted Net Position represents assets that have third party limitations on their use. As of December 31, 2024 and 2023, the District had a Restricted Net Position of \$1,261,000 and \$1,131,000, respectively, consisting of emergency reserves required under TABOR.

Unrestricted Net Position

Unrestricted Net Position represents assets that do not have any third party limitations on their use. While District management may have categorized and segmented portions for various purposes, the District Board of Directors has the unrestricted authority to revisit or alter these managerial decisions. As of December 31, 2024 and 2023, the District had an Unrestricted Net Position of \$20,270,637 and \$26,678,331, respectively.

NOTE 13: FOOTHILLS ARTS & EVENTS AGENCY

The Foothills Park & Recreation District Cultural Arts Agency was created in 1993 to better serve the public in the arts. In April of 2014, the Cultural Arts Agency was rebranded as the Foothills Arts & Events Agency ("The Agency"). The Agency creates, establishes, puts on and provides classes and opportunities for district-wide cultural arts services for the benefit of the taxpayers of the District, said services to include fine and leisure arts, performing arts and culturally related special events. The Agency is subsidized by grants and contributions from a variety of sources. In 2024 and 2023, the Agency received funding from the Scientific and Cultural Facilities District in the amount of \$46,896 and \$49,339, respectively, to support its mission. The Agency is tracked as a separate department but is reported within the financial statements of the District. In 2024 and 2023, the Agency had total revenue of \$463,561 and \$432,841, respectively, and total expenses of \$547,428 and \$469,632, respectively.

**FOOTHILLS PARK & RECREATION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2024 and 2023**

NOTE 14: IMPLEMENTATION OF NEW ACCOUNTING STANDARD

As of January 1, 2023, the District adopted GASB Statement No. 101, *Compensated Absences*. The provisions of this standard modernize the types of leave that are considered compensated absence and provide guidance for a consistent recognition and measurement of the compensated absence liability. Under the provisions of this standard, a compensated absence is leave for which employees may receive one or more of 1) cash payments when the leave is used for time off, 2) other cash payments, such as payment for unused leave upon termination of employment, or 3) noncash settlements, such as conversion to defined postemployment benefits. The guidance provides that a compensated absence liability should be recognized if the leave is attributable to services already rendered, it accumulates and it is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means.

The District provides two forms of accumulated employee leave (vacation and sick) but has previously only recorded a liability for vacation leave and the portion of sick leave payable in cash upon termination of employment for employees with start dates prior to 1999. Sick leave is earned each pay period, accumulates up to a cap of 480 hours for full-time staff and 48 hours for part-time staff and carries over at the end of the year. With the exception of balances related to employees with start dates prior to 1999, unused sick leave is not paid upon termination, therefore the District did not record a liability for the accrued sick time that is not paid upon termination in previous years. The standard requires the District to estimate the amount of this accumulated sick time that is more likely than not to be used and to record a liability for that value. The financial statements for 2023 have been retroactively restated for the change, which resulted in an increase in change in net position and a decrease in beginning net position for 2023 of \$20,718 and \$424,663, respectively. Net position has been adjusted for the effect of retroactive application of the new standard prior to the beginning of 2023. The change had an affect on the following line items for 2023:

	2023 As Previously Reported	Adjustment for Change in Accounting Principle	2023 As Restated
Statements of Net Position			
Current Portion of Accrued Compensated Absences	513,151	140,335	653,486
Accrued Compensated Absences	151,724	263,610	415,334
Unrestricted Net Postion	27,082,276	(403,945)	26,678,331
Statements of Revenues, Expenses and Changes in Net Position			
Operating Expenses:			
Aquatics	2,053,301	(413)	2,052,888
Children's Programs	2,886,833	6,717	2,893,550
Golf	4,504,524	2,843	4,507,367
Ice Arena	2,047,115	826	2,047,941
Recreation Centers	3,077,096	(7,450)	3,069,646
Recreation Programs	2,219,266	6,137	2,225,403
Parks and Regional Parks	4,764,218	(15,622)	4,748,596
General and Administrtrive	2,301,569	(13,756)	2,287,813

OTHER INFORMATION

**FOOTHILLS PARK & RECREATION DISTRICT
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUNDS AVAILABLE
ACTUAL AND BUDGET (NON GAAP BUDGETARY BASIS) (UNAUDITED)
ENTERPRISE FUND**

For the Year Ended December 31, 2024

	Actual	Budget	Variance Favorable (Unfavorable)
OPERATING REVENUES			
Aquatics	\$ 1,233,624	\$ 1,136,736	\$ 96,888
Children's Programs	3,501,491	3,682,834	(181,343)
Golf	9,394,635	6,528,254	2,866,381
Ice Arena	2,854,063	2,782,757	71,306
Recreation Centers	2,224,395	1,972,108	252,287
Recreation Programs	3,132,552	2,943,741	188,811
Parks and Regional Parks	217,660	142,337	75,323
General and Administrative	22,503	19,000	3,503
Total Operating Revenues	22,580,923	19,207,767	3,373,156
OPERATING EXPENSES			
Aquatics	2,499,337	2,485,535	(13,802)
Children's Programs	3,239,913	3,217,570	(22,343)
Golf	5,223,123	5,020,982	(202,141)
Ice Arena	2,105,421	2,132,635	27,214
Recreation Centers	3,317,393	3,303,171	(14,222)
Recreation Programs	2,407,270	2,364,303	(42,967)
Parks and Regional Parks	5,383,979	5,315,817	(68,162)
General and Administrative	2,718,720	2,891,017	172,297
Facilities & Equipment Repairs and Replacements	15,572,960	23,871,198	8,298,238
Total Operating Expenses	42,468,116	50,602,228	8,134,112
OPERATING LOSS	(19,887,193)	(31,394,461)	11,507,268
NONOPERATING REVENUES (EXPENSES)			
Funds Available	-	15,234,529	(15,234,529)
Property and Specific Ownership Taxes	17,722,628	17,172,355	550,273
Conservation Trust	556,600	559,744	(3,144)
Grants	383,531	125,049	258,482
Grants Expense	(118,915)	(155,811)	36,896
Investment Income	1,121,727	424,800	696,927
Debt Principal and Interest	(3,571,387)	(3,578,012)	6,625
Proceeds from the Sale of Capital Assets	583,088	-	583,088
Proceeds from the Sale of Assets, Net of Expense	35,387	-	35,387
Proceeds from Insurance	18,734	-	18,734
Other Expenses	(257,104)	(248,805)	(8,299)
Total Net Nonoperating Revenues (Expenses)	16,474,289	29,533,849	(13,059,560)
OTHER REVENUES (EXPENSES), GAINS OR (LOSSES)			
Capital Grants and Contributions	930,306	1,860,612	(930,306)
Total Other Revenues (Expenses), Gains or (Losses)	930,306	1,860,612	(930,306)
NET CHANGE IN FUNDS AVAILABLE	(2,482,598)	\$ -	\$ (2,482,598)
FUNDS AVAILABLE - Beginning of year	23,191,325		
FUNDS AVAILABLE - End of year	\$ 20,708,727		
Funds available is computed as follows:			
Current Assets	\$ 40,824,500		
Current Portion of Lease Receivable	(793,112)		
Long-term investments	1,197,302		
Prepaid SBITA Assets	97,494		
Current Liabilities	(6,089,863)		
Accrued Compensated Absences Payable Non-Current Portion	(404,347)		
Current Portion of Long-term Debt	2,095,000		
Current Portion of Lease Payable	24,357		
Current Portion of SBITA Payable	13,626		
Deferred Property Taxes	(16,256,230)		
	\$ 20,708,727		

FOOTHILLS PARK & RECREATION DISTRICT
RECONCILIATION OF NON GAAP BUDGETARY BASIS (ACTUAL) TO
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION (UNAUDITED)
ENTERPRISE FUND
For the Year Ended December 31, 2024

For financial statement presentation purposes the District is shown as an enterprise fund. Enterprise funds recognize income when earned and expenses when incurred. Depreciation is recorded on capitalized equipment and amortization is recorded on assets associated with leased equipment and subscription assets. For budgetary purposes, all receipts are shown as revenue when received regardless of whether they are earned revenue or liabilities, and expenditures are recorded for all disbursements, including capital expenditures, debt service and lease payments, regardless of the period those disbursements benefit. The following table shows the reconciliation of the Non-GAAP budgetary basis to the Statements of Revenues, Expenses, and Changes in Net Position for the year ended December 31, 2024:

Operating Revenues (Budgetary Basis)	\$ 22,580,923
Amortization of Lease Related Deferred Inflow of Resources	811,502
Principal Payments Received on Leases Receivable	<u>(774,662)</u>
Operating Revenues (GAAP)	<u>22,617,763</u>
Operating Expenses (Budgetary Basis)	42,468,116
Depreciation and Amortization	5,237,591
Amortization of Prepaid Subscription Assets	(55,136)
Principal Payments Paid on Subscriptions Payable	(15,346)
Principal Payments Paid on Leases Payable	(26,322)
Lease Termination	(1,819)
Capital Outlay	<u>(13,521,391)</u>
Operating Expenses (GAAP)	<u>34,085,693</u>
Nonoperating Revenues (Expenses) (Budgetary Basis)	16,474,289
Debt Principal Payments	2,020,000
Amortization of Bond Premiums	363,052
Amortization of Deferred Loss on Refunding	(39,306)
Loss on Disposal of Capital Assets	<u>(100)</u>
Nonoperating Revenues (Expenses) (GAAP)	<u>18,817,935</u>
Other Revenues (Expenses), Gains or (Losses) (Budgetary Basis)	930,306
Contributions-Capital Assets	<u>504,594</u>
Other Revenues (Expenses), Gains or (Losses) (GAAP)	<u>1,434,900</u>
Change in Net Position per Statements of Revenues, Expenses and Changes in Net Position	<u>\$ 8,784,905</u>

FOOTHILLS PARK & RECREATION DISTRICT
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUNDS AVAILABLE
ACTUAL AND BUDGET (NON GAAP BUDGETARY BASIS) (UNAUDITED)
ENTERPRISE FUND
For the Year Ended December 31, 2023

	Actual	Budget	Variance Favorable (Unfavorable)
	As Restated		
OPERATING REVENUES			
Aquatics	\$ 1,018,362	\$ 1,100,219	\$ (81,857)
Children's Programs	3,213,306	3,505,102	(291,796)
Golf	8,084,076	5,340,911	2,743,165
Ice Arena	2,757,096	2,649,275	107,821
Recreation Centers	2,123,848	1,911,070	212,778
Recreation Programs	2,838,857	2,866,788	(27,931)
Parks and Regional Parks	160,164	139,205	20,959
General and Administrative	33,921	19,050	14,871
Total Operating Revenues	20,229,630	17,531,620	2,698,010
OPERATING EXPENSES			
Aquatics	2,052,888	2,247,822	194,934
Children's Programs	2,893,550	3,116,441	222,891
Golf	4,537,468	4,410,181	(127,287)
Ice Arena	2,049,436	1,933,199	(116,237)
Recreation Centers	3,069,646	3,093,687	24,041
Recreation Programs	2,225,403	2,325,470	100,067
Parks and Regional Parks	4,748,596	5,093,102	344,506
General and Administrative	2,323,018	2,471,314	148,296
Facilities & Equipment Repairs and Replacements	26,568,998	34,826,820	8,257,822
Total Operating Expenses	50,469,003	59,518,036	9,049,033
OPERATING LOSS	(30,239,373)	(41,986,416)	11,747,043
NONOPERATING REVENUES (EXPENSES)			
Funds Available	-	29,812,465	(29,812,465)
Property and Specific Ownership Taxes	15,096,409	15,085,618	10,791
Conservation Trust	637,014	548,809	88,205
Grants	686,411	373,937	312,474
Grants Expense	(235,209)	(250,539)	15,330
Investment Income	1,695,507	205,208	1,490,299
Debt Service:			
Debt Principal and Interest	(3,565,816)	(3,571,663)	5,847
Interest Expense Subsidy	-	-	-
Proceeds from the Sale of Capital Assets	25,348	-	25,348
Proceeds from the Sale of Assets, Net of Expense	3,468	-	3,468
Proceeds from Insurance	484,996	-	484,996
Other Expenses	(218,327)	(217,419)	(908)
Total Net Nonoperating Revenues (Expenses)	14,609,801	41,986,416	(27,376,615)
NET CHANGE IN FUNDS AVAILABLE	(15,629,572)	\$ -	\$ (15,629,572)
FUNDS AVAILABLE - Beginning of year	38,820,897		
FUNDS AVAILABLE - End of year	\$ 23,191,325		
Funds available is computed as follows:			
Current Assets	\$ 47,051,770		
Current Portion of Lease Receivable	(774,662)		
Long-term investments	944,296		
Prepaid SBITA Assets	86,940		
Current Liabilities	(9,631,604)		
Accrued Compensated Absences Payable Non-Current Portion	(415,334)		
Current Portion of Long-term Debt	2,020,000		
Current Portion of Lease Payable	27,427		
Current Portion of SBITA Payable	65,217		
Deferred Property Taxes	(16,182,725)		
	\$ 23,191,325		

**FOOTHILLS PARK & RECREATION DISTRICT
RECONCILIATION OF NON GAAP BUDGETARY BASIS (ACTUAL) TO
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION (UNAUDITED)
ENTERPRISE FUND
For the Year Ended December 31, 2023**

For financial statement presentation purposes the District is shown as an enterprise fund. Enterprise funds recognize income when earned and expenses when incurred. Depreciation is recorded on capitalized equipment and amortization is recorded on assets associated with leased equipment and subscription assets. For budgetary purposes, all receipts are shown as revenue when received regardless of whether they are earned revenue or liabilities, and expenditures are recorded for all disbursements, including capital expenditures, debt service and lease payments, regardless of the period those disbursements benefit. The following table shows the reconciliation of the Non-GAAP budgetary basis to the Statements of Revenues, Expenses, and Changes in Net Position for the year ended December 31, 2023:

Operating Revenues (Budgetary Basis)	\$ 20,229,630
Amortization of Lease Related Deferred Inflow of Resources	816,995
Principal Payments Received on Leases Receivable	<u>(770,445)</u>
Operating Revenues (GAAP)	<u>20,276,180</u>
Operating Expenses (Budgetary Basis)	50,469,003
Depreciation and Amortization	3,986,390
Amortization of Prepaid Subscription Assets	(28,493)
Principal Payments Paid on Leases Payable	(24,664)
Principal Payments Paid on Subscriptions Payable	(13,645)
Capital Outlay	<u>(25,606,858)</u>
Operating Expenses (GAAP)	<u>28,781,733</u>
Nonoperating Revenues (Expenses) (Budgetary Basis)	14,609,801
Debt Principal Payments	1,945,000
Amortization of Bond Premiums	363,053
Amortization of Deferred Loss on Refunding	(39,307)
Loss on Disposal of Capital Assets	<u>(131,973)</u>
Nonoperating Revenues (Expenses) (GAAP)	<u>16,746,574</u>
Change in Net Position per Statements of Revenues, Expenses and Changes in Net Position	<u>\$ 8,241,021</u>

**FOOTHILLS PARK & RECREATION DISTRICT
HISTORY OF DISTRICT ASSESSED VALUATION, MILL LEVIES AND PROPERTY TAX COLLECTIONS
(UNAUDITED)**

The following tables set forth assessed valuation, mill levy and property tax information for the District, including information regarding Subdistrict A and Subdistrict B.

History of District Assessed Valuation

Levy/Collection Year	Regular District Property (1)	Subdistrict A	Subdistrict B	Entire District Total (2)	Percent Change
2019/2020	96,737,259	1,279,056,793	23,836,379	1,375,794,052	12.91%
2020/2021	95,833,076	1,293,342,422	23,882,105	1,389,175,498	0.97%
2021/2022	100,999,368	1,414,072,760	26,982,935	1,515,072,128	9.06%
2022/2023	98,568,674	1,389,155,623	26,339,352	1,487,724,297	-1.81%
2023/2024	115,703,234	1,594,719,092	29,831,190	1,710,422,326	14.97%

(1) Represents property within the District that is not within Subdistrict A or Subdistrict B.

(2) As Subdistrict B is located entirely with Subdistrict A, the assessed valuation attributable to Subdistrict B has been included in the District total as a component of Subdistrict A.

History of Mill Levies

Levy/Collection Year	District		Subdistrict A		Subdistrict B	
	General	Bond	General (1) (2)	Bond	General (1) (2)	Bond
2019/2020	6.831	0.000	1.176	1.534	4.300	4.519
2020/2021	6.829	0.000	2.648	0.000	4.300	4.694
2021/2022	6.829	0.000	2.669	0.000	4.300	4.105
2022/2023	6.829	0.000	2.669	0.000	8.405	0.000
2023/2024	6.829	0.000	2.666	0.000	8.405	0.000

(1) In addition to mills levied for the payment of tax credits, refunds, and abatements pursuant to state law which are included in these numbers, Subdistrict A and Subdistrict B also impose a general mill levy as shown in the above table, for payment of property taxes for expenses in connection with improvements that benefit the respective subdistrict.

(2) In addition to their respective total mills presented above, taxpayers within Subdistrict A are also responsible for the payment of property taxes attributable to the District's mill levy and taxpayers in Subdistrict B are also responsible for the payment of property taxes attributable to both the District's and Subdistrict's A mill levies.

History of Property Tax Collections

Levy/Collection Year	Total Taxes Levied	Current Tax Collections (1)	Percent of Levy Collected
2019/2020	13,071,945	13,025,388	99.6%
2020/2021	13,126,245	13,010,910	99.1%
2021/2022	14,347,376	14,268,307	99.4%
2022/2023	14,091,268	14,076,114	99.9%
2023/2024	16,183,639	16,661,155	103.0%

(1) Figures include current and delinquent tax collections, as well as interest and/or penalties thereon and backfill payments received from the State of Colorado in 2024 under Senate Bill 22-238. The Jefferson County Treasurer's collection fee has not been deducted.

FOOTHILLS PARK AND RECREATION DISTRICT
History of Revenues, Expenses and Changes in Net Position (Unaudited)

	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Operating Revenues				As Restated	
Fees and Charges:					
Aquatics	\$ 386,017	\$ 817,973	\$ 951,756	\$ 1,018,362	\$ 1,233,624
Children's Programs	1,260,708	1,743,268	2,130,627	3,213,306	3,501,491
Golf	6,645,712	7,218,366	7,056,992	8,083,987	9,394,635
Ice Arena	1,519,297	2,369,165	2,630,924	2,790,921	2,873,548
Recreation Centers	875,736	1,232,208	1,633,501	2,123,848	2,224,395
Recreation Programs	1,015,556	1,953,131	2,300,871	2,850,023	3,143,204
Parks and Regional Parks	236,456	503,851	456,604	161,812	224,363
General and Administrative	8,748	48,762	34,156	33,921	22,503
Total	<u>11,948,230</u>	<u>15,886,724</u>	<u>17,195,431</u>	<u>20,276,180</u>	<u>22,617,763</u>
Operating Expenses					
Aquatics	1,280,812	1,851,269	1,981,929	2,052,888	2,499,337
Children's Programs	1,929,931	2,141,536	2,522,774	2,893,550	3,239,913
Golf	3,870,897	4,206,636	4,523,014	4,507,367	5,180,753
Ice Arena	1,218,413	1,605,348	1,913,048	2,047,941	2,105,421
Recreation Centers	2,203,321	2,674,976	2,865,293	3,069,646	3,317,393
Recreation Programs	1,451,877	1,853,317	2,154,659	2,225,403	2,407,270
Parks and Regional Parks	4,112,855	4,328,455	4,483,295	4,748,596	5,383,979
General and Administrative	2,265,012	2,116,275	2,316,790	2,287,813	2,662,467
Facilities & Equipment Repairs and Replacements	899,312	820,216	510,940	962,139	2,051,569
Depreciation	3,068,322	3,146,039	3,567,662	3,986,390	5,237,591
Total	<u>22,300,752</u>	<u>24,744,067</u>	<u>26,839,404</u>	<u>28,781,733</u>	<u>34,085,693</u>
Operating Loss	(10,352,522)	(8,857,343)	(9,643,973)	(8,505,553)	(11,467,930)
Nonoperating Revenues (Expenses)					
Property and Specific Ownership Taxes	14,002,521	14,015,179	15,253,212	15,096,409	17,722,628
Conservation Trust	501,080	591,421	586,730	637,014	556,600
Grants and Contributions	1,977,388	934,061	1,593,101	686,411	383,531
Grants Expense	(135,131)	(46,174)	(110,815)	(235,209)	(118,915)
Investment Income	82,720	1,539	652,277	1,695,507	1,121,727
Interest Expense	(689,503)	(834,301)	(1,378,591)	(1,297,070)	(1,227,641)
Interest Expense Subsidy	26,928	18,215	7,877	-	-
Bond Issuance Cost	-	(255,350)	-	-	-
Gain (Loss) on Sale of Assets	28,673	62,426	22,477	28,617	618,375
Proceeds from Insurance	28,994	5,653	17,630	353,222	18,734
Other Income	-	-	-	-	-
Other Expenses	(202,986)	(213,866)	(223,224)	(218,327)	(257,104)
Total	<u>15,620,684</u>	<u>14,278,803</u>	<u>16,420,674</u>	<u>16,746,574</u>	<u>18,817,935</u>
Other Revenues (Expenses), Gains or (Losses)					
Capital Grants and Contributions	-	-	-	-	1,434,900
Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,434,900</u>
Change in Net Position	5,268,162	5,421,460	6,776,701	8,241,021	8,784,905
Beginning Net Position	75,395,220	80,663,382	86,084,842	92,436,880	100,677,901
Ending Net Position	<u>\$ 80,663,382</u>	<u>\$ 86,084,842</u>	<u>\$ 92,861,543</u>	<u>\$ 100,677,901</u>	<u>\$ 109,462,806</u>

FOOTHILLS PARK AND RECREATION DISTRICT
Historical Net Position (Unaudited)

	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
				As Restated	
Net Investment in Capital Assets	\$ 67,004,564	\$ 69,409,656	\$ 72,412,235	\$ 72,868,570	\$ 87,931,169
Restricted	736,000	911,000	1,011,000	1,131,000	1,261,000
Unrestricted	<u>12,922,818</u>	<u>15,764,186</u>	<u>19,438,308</u>	<u>26,678,331</u>	<u>20,270,637</u>
Total Net Position	<u>\$ 80,663,382</u>	<u>\$ 86,084,842</u>	<u>\$ 92,861,543</u>	<u>\$ 100,677,901</u>	<u>\$ 109,462,806</u>