

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

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

DECEMBER 31, 2024

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

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INDEPENDENT AUDITOR'S REPORT

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

Opinion

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

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major of Fraser Valley Metropolitan Recreation District, as of December 31, 2024, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

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

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

Required Supplementary Information

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

Supplementary Information

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

Watson Coon Ryan, LLC

CENTENNIAL, COLORADO
JULY 16, 2025

Fraser Valley Metropolitan Recreation District
Fraser, Colorado
Management's Discussion and Analysis
For the Year Ended December 31, 2024

The Fraser Valley Metropolitan Recreation District was founded in 1979 to provide recreational programs and facilities to residents and visitors. The District encompasses 218 square miles in the eastern portion of Grand County, Colorado. Included in the boundaries are the Towns of Winter Park and Fraser and surrounding rural areas, including Tabernash. The District owns and operates the Pole Creek Golf Club, the Grand Park Community Recreation Center, the Fraser Valley Sports Complex which is also home to the IceBox Ice Rink and the Foundry Cinema & Bowl.

As management of the Fraser Valley Metropolitan Recreation District, Fraser, Colorado (the "District") we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended December 31, 2024. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our annual audited financial statements.

Financial Highlights

- At the close of the fiscal year, the District's assets exceeded its liabilities by \$14,818,893 (net position). Of this amount, \$11,638,203 was invested in capital assets (net of accumulated depreciation and related debt), which are not available to meet ongoing obligations to citizens and creditors. The District's overall net position increased by \$2,623,137 compared to the prior year.
- In November 2023, the District closed on Certificates of Participation using the proceeds to purchase the Foundry Cinema and Bowl and to establish a Reserve Fund for capital improvements at the Grand Park Community Recreation Center.
- In 2024, the Grand Park Community Recreation Center Expansion Project was completed, adding approximately 3,500 square feet of new fitness and training space. The total project cost was \$2,901,632 and was funded through a combination of Reserve Funds, proceeds from the 2023 Certificates of Participation, and alternative funding including grants, fundraising, and contributions.
- The District's deposit portfolio decreased by \$848,080 in 2024. While unrestricted cash increased by \$138,319, restricted cash declined by \$986,399, primarily due to the expenditure of Certificate of Participation proceeds for the Recreation Center Expansion Project.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements, which provide an overview of the District's financial condition and activities for the fiscal year. The District's financial statements are comprised of four components: 1) government-wide financial statements, 2) fund financial statements 3) notes to the financial statements and 4) required supplementary information, including comparisons of budget to actual comparisons prepared on a budgetary (Non-US GAAP) basis.

The Government-wide financial statements are designed to provide readers with a broad overview of the District's finances, using an accrual basis of accounting similar to that used by private-sector businesses.

- Statement of Net Position presents information on all of the District's assets, liabilities and deferred outflows and inflows of resources. The resulting difference is reported as net position. Over time, changes in net position may serve as a useful indicator of whether the District's overall financial position is improving or deteriorating.
- Statement of Changes in Net Position shows how the District's net position has changed over the fiscal year by comparing program revenues, general revenues and direct expenses across governmental and business-type activities. Revenues and expenses are reported when the underlying event occurs, not necessarily when cash is received or paid. As a result, this statement includes financial activity that may impact future fiscal periods.

- *Fund financial statements* provide more detailed information about the District's funds and focus on individual fund operations rather than the District as a whole. The District uses Governmental Funds including the General Fund, Conservation Trust Fund and Debt Service Fund. The proprietary funds include the Pole Creek Golf Course and Foundry Cinema & Bowl funds.
- *Notes to the financial statements* provide important information that is essential to a full understanding of the data provided in the government-wide financial statements.

Government-wide Financial Analysis

As noted earlier, net position serves as a useful long-term indicator of a government's financial health. For the District, assets exceeded liabilities by \$14,818,893 at the close of the most recent fiscal year, reflecting a strong financial position.

Approximately 78% of the District's net position is invested in capital assets, net of any related debt still outstanding. These assets—such as facilities, infrastructure, and equipment—are essential for delivering services to the community and are therefore not available for future spending.

While the District's investment in capital assets is reported net of related debt, it is important to note that repayment of this debt must be funded through other resources, as the capital assets themselves cannot be liquidated to satisfy these obligations.

District Net Position

	Governmental Activities		Business Type Activities		Total Government		
	2024	2023	2024	2023	2024	2023	Variance
Current assets	5,975,182	5,065,945	1,379,987	1,476,035	7,355,169	6,541,980	813,189
Restricted assets	187,295	1,173,694	228,524	226,815	415,819	1,400,509	(984,690)
Capital assets, net	17,771,804	15,286,076	10,815,028	10,946,541	28,586,832	26,232,617	2,354,215
Total assets	23,934,281	21,525,715	12,423,539	12,649,391	36,357,820	34,175,106	2,182,714
Deferred outflows of resources (Deferred charge on refunding)	955,951	1,043,166	-	-	955,951	1,043,166	(87,215)
Total liabilities	14,467,445	14,752,987	4,742,681	5,075,538	19,210,126	19,828,525	(618,399)
Deferred inflows of resources (Deferred property tax revenue)	3,284,752	3,193,991	-	-	3,284,752	3,193,991	90,761
Net Position:							
Net investment in capital assets	5,389,051	2,055,459	6,249,152	6,080,141	11,638,203	8,135,600	3,502,603
Restricted	362,031	339,113	-	-	362,031	339,113	22,918
Unrestricted	1,386,953	2,227,331	1,431,706	1,493,712	2,818,659	3,721,043	(902,384)
Total net position	7,138,035	4,621,903	7,680,858	7,573,853	14,818,893	12,195,756	2,623,137

The District's overall net position increased by \$2,623,137 compared to the prior year demonstrating continued financial growth and stability. Current assets for the District increased \$813,189, primarily due to grant funds for the Recreation Center Expansion Project that were outstanding at the end of the fiscal year and subsequently received in 2025.

Capital assets also increased, reflecting the completion of the Recreation Center Expansion Project as well as the completion of several other capital improvements, including the final phase of paving the cart paths at the Golf Course.

At the close of the fiscal year, the District reported a positive net position, indicating its continued financial stability and capacity to meet ongoing obligations.

Change in the District's Net Position

	Governmental Activities		Business Type Activities		Total Government		
	2024	2023	2024	2023	2024	2023	Variance
User Charges:							
Golf Course	-	-	3,025,405	2,910,465	3,025,405	2,910,465	114,940
Foundry Cinema & Bowl	-	-	1,387,049	1,269,044	1,387,049	1,269,044	118,005
Recreation Center	1,404,361	1,347,888	-	-	1,404,361	1,347,888	56,473
Program Activities	504,001	473,262	-	-	504,001	473,262	30,739
Operating Grants, Fundraising & Other Contributions	1,646,454	225,804	12,700	9,090	1,659,154	234,894	1,424,260
Property & Specific Ownership Taxes	3,425,692	2,600,262	-	-	3,425,692	2,600,262	825,430
Other Non-operating	182,655	104,816	31,691	71,501	214,346	176,317	38,029
Total Revenues	7,163,163	4,752,032	4,456,845	4,260,100	11,620,008	9,012,132	2,607,876
Expenses:							
Golf Course	-	-	2,998,508	2,701,671	2,998,508	2,701,671	296,837
Foundry Cinema & Bowl	-	-	1,351,332	1,446,743	1,351,332	1,446,743	(95,411)
Recreation Center	2,229,424	1,836,917	-	-	2,229,424	1,836,917	392,507
Program Activities	1,281,597	1,140,114	-	-	1,281,597	1,140,114	141,483
Administration	728,083	661,368	-	-	728,083	661,368	66,715
Non-operating	407,927	403,677	-	-	407,927	403,677	4,250
Total Expenses	4,647,031	4,042,076	4,349,840	4,148,414	8,996,871	8,190,490	806,381
Change in net position	2,516,132	709,956	107,005	111,686	2,623,137	821,642	1,801,495
Net position – beginning of year	4,621,903	3,911,947	7,573,853	7,462,167	12,195,756	11,374,114	821,642
Net position – end of year	7,138,035	4,621,903	7,680,858	7,573,853	14,818,893	12,195,756	2,623,137

Revenues for the District increased \$2,607,876 over the prior year. Key drivers of this growth include:

- Following the 2023 property re-assessment, assessed valuations rose by 55%, resulting in a 63% increase in property tax revenue. Additionally, the District received \$75,982 from the State of Colorado through House Bill 22-238, reimbursing uncollected property taxes from 2022.

- The District received \$1,424,260 more in grants, fundraising and other contributions in 2024, largely due to funding for the Grand Park Community Recreation Center Expansion Project.
- Continued investment in CSAFE (Colorado Surplus Asset Fund Trust) allowed the District to maximize interest earnings, as reported under Other Non-Operating Income.
- Foundry operations showed continued improvement, particularly due to enhancements in food and beverage services and the implementation of an online bowling reservations system, which boosted bowling revenue.
- Modest fee increases and consistently high usage contributed to higher revenue at the golf course.
- The District has continued to expand recreational programming offerings, resulting in additional revenue from program participation.

Operating expenses for the District increased \$806,301 over the year prior. Key factors contributing to this increase include:

- Increased salaries, wages and related payroll costs, which accounted for approximately 58% of the overall rise in expenses.
- One-time costs related to equipping the expanded fitness area with equipment at the Recreation Center and facility upgrades at the Foundry Cinema & Bowl,
- Higher treasurer fees associated with the collection of property taxes resulting from increased property tax revenue.
- Initial principal and interest payments on the Certificates of Participation issued in 2023, which began in 2024 and are reflected in operating expenses.

Capital Assets

As of December 31, 2024, the District's investment in capital assets totaled \$28,586,832, net of accumulated depreciation of \$16,085,445. Capital assets include land, land improvements, buildings, equipment, right-of-use assets, leasehold improvements, and vehicles.

Significant additions during the year included the completion of the Grand Park Community Recreation Center Expansion Project and the final phase of golf cart path paving at the Golf Course, among other capital improvements.

	<u>District Capital Assets</u>		
	2024	2023	Variance
Land	4,488,787	4,488,787	-
Construction in Progress	-	77,500	(77,500)
Buildings and Improvements	34,453,032	31,259,256	3,193,776
Equipment and Vehicles	5,038,858	4,496,575	542,283
Right of Use Assets	661,501	1,317,969	(656,468)
Intangibles	30,099	14,000	16,099
Total Cost	44,672,277	41,654,087	3,018,190
Less: Accumulated Depreciation	(16,085,445)	(15,421,470)	(663,983)
Total	28,586,832	26,232,617	2,354,207

The District continues to invest in capital improvements and replacements to enhance facilities, improve operations, and better serve the community. In 2024, the completion of the Recreation Center Expansion Project added \$2,798,071 to the District's capital assets.

Additionally, the final phase of the golf course cart path paving project was completed at a cost of \$362,375. Other notable capital improvements during the year included the installation of a new point-of-sale (POS) system at the Foundry Cinema & Bowl, the lease of new turf maintenance equipment for both golf course and parks operations, the addition of parking lot lights at the Fraser Valley Sports Complex and the replacement of the aquatic play feature in the Recreation Center's natatorium.

These projects reflect the District's ongoing commitment to maintaining high-quality facilities and advancing its strategic priorities through thoughtful capital investment.

Debt Administration

Long-term Debt: Changes in long-term obligations as of the year ended December 31, 2024 are as follows:

	Beginning Balance	Additions	Payments (Retirements)	Ending Balance
2020 GO Bonds	11,330,000		(805,000)	10,525,000
Premiums	1,759,926		(149,252)	1,610,674
2023 Certificate of Participation (COP)	5,615,000		(75,000)	5,540,000
Discount on COP	(43,775)		1,459	(42,316)
Total	<u>18,661,151</u>	<u>-</u>	<u>(1,027,793)</u>	<u>17,633,358</u>

During 2024, the District paid \$404,600 interest on General Obligation (GO) Bonds and \$286,764 interest on the Certificates of Participation (COP) debt. As of December 31, 2024, accrued interest totaled \$56,049.

Repayment of the COP debt is funded through revenue generated by operations at the Foundry Cinema & Bowl and the Grand Park Community Recreation Center, while repayment of the GO Bonds is supported through dedicated property tax revenues.

Board of Directors Emphasis for the 2025 Budget

In developing the budget for 2025, the District considered the overall state of the economy including anticipated inflationary impacts. Historical revenue trends were analyzed, and targeted fee increases were incorporated to support projected revenues.

To meet the general operating expenses of the District during the 2025 budget year, the District has levied a property tax of 2.732 mills on the total 2024 assessed valuation of taxable property within the District.

The District used a departmental line-item budgeting approach, allocating resources to specific cost centers aligned with individual programs and services. Project accounting was utilized for capital improvements and other specific projects to allow for accurate tracking and management. Budgeted payroll expenses were developed using the approved 2025 Compensation Plan as a guide.

Capital expenditure needs were thoroughly reviewed as part of the budget development process, ensuring alignment with the District's strategic priorities and available resources.

The District maintains reserves in both the Assigned and Unassigned fund balances. The Assigned Fund reflects amounts designated for future capital asset maintenance, improvements and replacement, while the Unassigned Fund includes reserves available for any purpose, providing flexibility in responding to unforeseen needs or opportunities.

The final adopted budget for 2025 reflects reserve balances as follows:

	2024 <i>Original Budget</i>	2024 <i>Amended Budget</i>	2024 <i>Forecast</i>	2025 <i>Budget</i>
CONSERVATION TRUST - Capital Reserve (Restricted)	69,342	39,054	39,055	29,080
TABOR RESERVES - State Mandate (Restricted)	75,000	75,000	75,000	95,000
DEBT SERVICE RESERVE FUND (Restricted)	289,601	290,079	289,936	296,843
COMMUNITY GARDEN RESERVE FUND (Restricted)	9,000	9,000	9,000	9,000
GENERAL RESERVE FUND - GPCRC EXPANSION PROJECT	0	0	0	0
GENERAL RESERVE FUND (UNASSIGNED)	427,409	431,924	431,906	441,166
GENERAL RESERVE FUND - FOUNDRY CINEMA & BOWL (UNASSIGNED)	231,638	278,714	279,364	323,347
GENERAL RESERVE FUND - POLE CREEK CAPITAL (ASSIGNED)	1,069,947	1,017,119	1,019,056	933,540
GENERAL RESERVE FUND - PARKS & REC CAPITAL (ASSIGNED)	786,948	842,134	843,481	904,222
TOTAL RESERVES	2,958,885	2,983,024	2,986,798	3,032,198

The Board of Directors amended the 2024 Budget to reflect the receipt of additional revenues, adjustments in capital expenditures and increased costs associated with the Grand Park Community Recreation Center Expansion Project.

Within the amended Conservation Trust Fund budget, \$20,000 in grant revenue was received from the Grand County Commissioners and \$50,000 was allocated to the Expansion Project. To address unexpected costs, the Board approved deferring certain planned capital expenditures and allocated an additional \$187,000 toward project completion. Increased user fee revenue from the Recreation Center helped offset some of these overruns.

The amended budget also accounted for lower than anticipated revenues at the Golf Course during the summer season. Cost saving measures helped reduce the impact of this shortfall, however the resulting effect was a reduction in the Pole Creek Reserve Fund balance.

To further manage overall expenses, the Board postponed the planned 2024 renovations to the Foundry Cinema and Bowl. This decision resulted in additional cost savings, which contributed to an increase in the Reserve Fund balance.

Requests for Information

This financial report is designed to provide a general overview of the District’s finances for all those with an interest in the government’s finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

**Fraser Valley Metropolitan Recreation District
 Attn: Ann McConnell, Associate Director / Finance
 P.O. Box 3348
 Winter Park, CO 80482**

GOVERNMENT-WIDE FINANCIAL STATEMENTS

FRASER VALLEY METROPOLITAN RECREATION DISTRICT
Statement of Net Position
December 31, 2024

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Assets:			
Cash, cash equivalents and investments	\$ 1,727,755	\$ 1,152,737	\$ 2,880,492
Accounts receivable:			
Property taxes receivable	3,286,649	--	3,286,649
Other taxes	10,517	--	10,517
Trade receivable	--	7,541	7,541
Other receivable	750,058	--	750,058
Inventory	10,422	132,683	143,105
Prepaid expenses	110,005	87,026	197,031
Prepaid debt insurance, net of accumulated amortization	79,776	--	79,776
Restricted cash	187,295	228,524	415,819
Capital assets, net of accumulated depreciation	17,771,804	10,815,028	28,586,832
Total assets	23,934,281	12,423,539	36,357,820
Deferred outflows of resources:			
Deferred charge on refunding	955,951	--	955,951
Total deferred outflows of resources	955,951	--	955,951
Liabilities:			
Accounts payable	819,883	46,837	866,720
Deferred revenue	--	13,600	13,600
Accrued expenses	87,097	49,426	136,523
Accrued interest payable	37,536	20,648	58,184
Accrued compensated absence	48,565	21,149	69,714
Gift cards	8,161	25,145	33,306
Prepaid membership fees	127,499	--	127,499
Right of use leases payable:			
Due within one year	43,854	64,656	108,510
Due in more than one year	82,717	79,995	162,712
Bonds payable:			
Due within one year	817,000	68,000	885,000
Due in more than one year	12,395,133	4,353,225	16,748,358
Total liabilities	14,467,445	4,742,681	19,210,126
Deferred inflows of resources:			
Unavailable property tax revenue	3,284,752	--	3,284,752
Total deferred inflows of resources	3,284,752	--	3,284,752
Net position:			
Net investment in capital assets	5,389,051	6,249,152	11,638,203
Restricted for:			
TABOR	95,000	--	95,000
Debt Service Fund	221,940	--	221,940
Conservation Trust Fund	36,091	--	36,091
Community Garden	9,000	--	9,000
Unrestricted	1,386,953	1,431,706	2,818,659
Total net position	\$ 7,138,035	\$ 7,680,858	\$ 14,818,893

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

FRASER VALLEY METROPOLITAN RECREATION DISTRICT
Statement of Changes in Net Position
For the year ended December 31, 2024

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Fund raising, Operating Grants and Contributions	Primary Government		Total
				Governmental Activities	Business-Type Activities	
Governmental activities:						
General recreation	\$ 507,381	\$ 236,673	\$ --	\$ (270,708)		\$ (270,708)
Parks and facilities	774,216	267,328	--	(506,888)		(506,888)
Recreation center	2,229,424	1,404,361	139,089	(685,974)		(685,974)
Administration	728,083	--	1,507,365	779,282		779,282
Debt Service	407,927	--	--	(407,927)		(407,927)
Total governmental activities	<u>4,647,031</u>	<u>1,908,362</u>	<u>1,646,454</u>	<u>(1,092,215)</u>		<u>(1,092,215)</u>
Business activities:						
Foundry	1,351,332	1,387,049	--		35,717	35,717
Golf course	2,998,508	3,025,405	12,700		39,597	39,597
Total business activities	<u>4,349,840</u>	<u>4,412,454</u>	<u>12,700</u>		<u>75,314</u>	<u>75,314</u>
Total Primary Government	<u>\$ 8,996,871</u>	<u>\$ 6,320,816</u>	<u>\$ 1,659,154</u>	<u>(1,092,215)</u>	<u>75,314</u>	<u>(1,016,901)</u>
General revenues:						
Taxes				3,425,692	--	3,425,692
Interest				179,585	--	179,585
Gain(loss) on disposal of assets				--	5,492	5,492
Miscellaneous				3,070	26,199	29,269
Total general revenues				<u>3,608,347</u>	<u>31,691</u>	<u>3,640,038</u>
Change in net position				2,516,132	107,005	2,623,137
Net position - beginning of year				<u>4,621,903</u>	<u>7,573,853</u>	<u>12,195,756</u>
Net position - end of year				<u>\$ 7,138,035</u>	<u>\$ 7,680,858</u>	<u>\$ 14,818,893</u>

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

FUND FINANCIAL STATEMENTS

FRASER VALLEY METROPOLITAN RECREATION DISTRICT
Balance Sheet
Governmental Funds
December 31, 2024

	General Fund	Debt Service	GPRC Expansion Fund	Conservation Trust Fund	Total Governmental Funds
ASSETS					
Cash, cash equivalents and investments	\$ 1,506,540	\$ 221,215	\$ -	\$ -	\$ 1,727,755
Accounts receivable:					
Property taxes receivable	2,029,496	1,257,153	--	--	3,286,649
Other taxes	10,517	--	--	--	10,517
Other receivable	19,839	--	730,219	--	750,058
Inventory	10,422	--	--	--	10,422
Prepaid expenses and deposits	110,005	--	--	--	110,005
Restricted cash	55,686	--	95,518	36,091	187,295
Total assets	\$ 3,742,505	\$ 1,478,368	\$ 825,737	\$ 36,091	\$ 6,082,701
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
Liabilities					
Accounts payable	\$ 49,406	\$ --	\$ 770,477	\$ --	\$ 819,883
Accrued liabilities	87,097	--	--	--	87,097
Gift cards payable	8,161	--	--	--	8,161
Prepaid membership fees	127,499	--	--	--	127,499
Total liabilities	272,163	--	770,477	--	1,042,640
Deferred inflows of resources:					
Unavailable property tax revenue	2,028,324	1,256,428	--	--	3,284,752
Total deferred inflows of resources	2,028,324	1,256,428	--	--	3,284,752
Fund balances					
Nonspendable for:					
Prepaid expenses and inventory	\$ 120,427	\$ --	\$ --	\$ --	\$ 120,427
Restricted for:					
TABOR	95,000	--	--	--	95,000
Debt Service Fund	--	221,940	--	--	221,940
Conservation Trust Fund	--	--	--	36,091	36,091
Capital Expansion	--	--	55,260	--	55,260
Community Garden	9,000	--	--	--	9,000
Assigned for:					
Capital asset management	1,140,730	--	--	--	1,140,730
Unassigned	76,861	--	--	--	76,861
Total fund balances	1,442,018	221,940	55,260	36,091	1,755,309
Total liabilities, deferred inflows of resources and fund balances	\$ 3,742,505	\$ 1,478,368	\$ 825,737	\$ 36,091	\$ 6,082,701

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

Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds.	17,771,804
Long-term liabilities, including earned benefits payable, accrued interest, leases and bonds payable are not due and payable in the current period and therefore, are not reported in the funds.	(12,389,078)

Net Position of Governmental Activities \$ 7,138,035

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

FRASER VALLEY METROPOLITAN RECREATION DISTRICT
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds
For the year ended December 31, 2024

	General	Debt Service	GPRC Expansion Fund	Conservation Trust	Totals
Revenues:					
Property taxes	\$ 1,997,946	\$ 1,273,032	\$ --	\$ --	\$ 3,270,978
Specific ownership taxes	154,714	--	--	--	154,714
General recreation	236,673	--	--	--	236,673
Parks & facilities	267,328	--	--	--	267,328
Recreation center	1,404,361	--	--	--	1,404,361
Fund raising	15,563	--	38,956	--	54,519
Grants	42,600	--	1,353,374	--	1,395,974
Interest	126,717	2,824	50,047	--	179,588
Capital improvement fee	--	--	139,089	--	139,089
Miscellaneous	3,070	--	--	--	3,070
Conservation trust income	-	--	--	56,872	56,872
Total revenues	4,248,972	1,275,856	1,581,466	56,872	7,163,166
Expenditures:					
General recreation	484,733	--	--	--	484,733
Parks & facilities	604,759	--	--	--	604,759
Recreation center	1,659,447	--	103,562	--	1,763,009
Administration	552,073	400	--	--	552,473
Debt Service:					
Bond principal	15,000	805,000	--	--	820,000
Bond interest	63,885	404,600	--	--	468,485
Grant expenditures	12,507	--	--	--	12,507
Treasurer's fees	100,064	63,762	--	--	163,826
Capital outlay	306,654	--	2,798,071	6,048	3,110,773
Total expenditures	3,799,122	1,273,762	2,901,633	6,048	7,980,565
Excess (deficiency) of revenues over expenditures	449,850	2,094	(1,320,167)	50,824	(817,399)
Other Financing Sources (Uses):					
Transfers between funds	(187,000)	--	237,000	(50,000)	--
Total other financing sources (uses)	(187,000)	--	237,000	(50,000)	--
Net change in fund balances	262,850	2,094	(1,083,167)	824	(817,399)
Fund balances - beginning of the year	1,179,168	219,846	1,138,427	35,267	2,572,708
Fund balances - end of the year	\$ 1,442,018	\$ 221,940	\$ 55,260	\$ 36,091	\$ 1,755,309

Net Changes in Fund Balance of the Governmental Fund (817,399)

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

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeded capital asset additions and contributed capital assets during the year. 2,507,170

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. This amount represents principal payments made during the year and the effect of debt refunding. 820,000

Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore, are not recorded as expenditures in governmental funds. 6,361

Change in Net Position of Governmental Activities \$ 2,516,132

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

FRASER VALLEY METROPOLITAN RECREATION DISTRICT
Statement of Revenues, Expenditures, and Changes in Fund Balances -
General Fund
For the year ended December 31, 2024

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues:				
Property taxes	\$ 1,921,324	\$ 1,998,934	\$ 1,997,946	\$ (988)
Specific ownership taxes	152,000	156,157	154,714	(1,443)
General recreation	228,500	238,251	236,673	(1,578)
Parks and facilities	268,000	269,557	267,328	(2,229)
Recreation center	1,289,750	1,410,465	1,404,361	(6,104)
Fundraising	15,750	16,313	15,563	(750)
Grants	3,500	5,740	42,600	36,860
Interest	116,800	124,748	126,717	1,969
Miscellaneous	--	3,073	3,070	(3)
Total revenues	3,995,624	4,223,238	4,248,972	25,734
Expenditures:				
General recreation	456,473	489,809	484,733	5,076
Parks and facilities	615,554	614,501	604,759	9,742
Recreation center	1,634,796	1,675,626	1,659,447	16,179
Fundraising	8,750	8,750	-	8,750
Administration	568,449	551,374	552,073	(699)
Grant expenditures	3,500	4,509	12,507	(7,998)
Interest expense	-	57,350	63,885	(6,535)
Principal payments	71,719	15,250	15,000	250
Treasurer's fees	96,066	100,114	100,064	50
Capital outlay	395,451	503,434	306,654	196,780
Total expenditures	3,850,758	4,020,717	3,799,122	221,595
Excess of revenues over (under) expenditures	\$ 144,866	\$ 202,521	449,850	\$ 247,329
Other Financing Sources (Uses):				
Transfers between funds			(187,000)	
Fund balance - beginning of year			<u>1,179,168</u>	
Fund balance - end of year			<u><u>\$ 1,442,018</u></u>	

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

FRASER VALLEY METROPOLITAN RECREATION DISTRICT
Statement of Net Position
Proprietary Funds
December 31, 2024

	The Foundry Fund	Golf Course Fund	Total
ASSETS			
Cash and cash equivalents	\$ 196,193	\$ 956,544	\$ 1,152,737
Accounts receivable:			
Trade receivable	7,541	-	7,541
Inventory	26,696	105,987	132,683
Prepaid expenses	18,883	68,143	87,026
Restricted cash	228,524	-	228,524
Capital assets, net of accumulated depreciation of \$7,344,203	4,107,755	6,707,273	10,815,028
Total assets	4,585,592	7,837,947	12,423,539
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable	38,646	8,191	46,837
Deferred revenue	8,304	5,296	13,600
Accrued salaries and wages	22,360	27,066	49,426
Accrued interest	20,648	-	20,648
Compensated absence	2,328	18,821	21,149
Gift cards	3,757	21,388	25,145
Bonds payable, net	4,421,225	-	4,421,225
Right of use lease liability			
Current	-	64,656	64,656
Long-term	-	79,995	79,995
Total liabilities	4,517,268	225,413	4,742,681
Net Position			
Net investment in capital assets	(313,470)	6,562,622	6,249,152
Unrestricted	381,794	1,049,912	1,431,706
Total net position	68,324	7,612,534	7,680,858
Total liabilities and net position	\$ 4,585,592	\$ 7,837,947	\$ 12,423,539

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

FRASER VALLEY METROPOLITAN RECREATION DISTRICT
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For the year ended December 31, 2024

	The Foundry Fund	Golf Course Fund	Total
Operating Revenues:			
Charges for sales and services:			
Merchandise sales	\$ -	\$ 289,955	\$ 289,955
Movie Tickets	328,521	-	328,521
Bowling Fees	348,580	-	348,580
Food and beverage sales	563,476	706,526	1,270,002
Vending and arcade income	33,526	-	33,526
Club rental	-	34,432	34,432
Golf cart rentals	-	425,734	425,734
Driving range	-	113,162	113,162
Green fees	-	1,081,398	1,081,398
Season Pass	-	183,677	183,677
Resident ID cards	-	106,893	106,893
Tournament premiums	29,145	69,428	98,573
Events	-	1,000	1,000
Sponsorships	40,680	-	40,680
Facility rental	43,121	-	43,121
Tee sign revenue	-	6,250	6,250
Grounds maintenance income	-	6,950	6,950
Fundraising	-	12,700	12,700
Total operating revenues	1,387,049	3,038,105	4,425,154
Operating expenses:			
Cost of goods sold:			
Pro shop merchandise and rentals	--	172,015	172,015
Food and beverage	176,987	228,717	405,704
Movies	137,948	--	137,948
Payroll and related taxes	467,606	1,257,727	1,725,333
Advertising and marketing	7,617	18,369	25,986
Contracted services	3,406	14,515	17,921
Equipment	15,865	29,296	45,161
Repairs and maintenance	19,327	77,631	96,958
Turf maintenance and landscaping	--	18,635	18,635
Supplies and parts	62,203	276,958	339,161
Interest	210,364	--	210,364
Utilities	44,952	86,137	131,089
Other operating - general	90,036	198,882	288,918
Depreciation	115,021	619,626	734,647
Total operating expenses	1,351,332	2,998,508	4,349,840
Operating Income	35,717	39,597	75,314
Nonoperating revenues:			
Loss on disposal of assets	--	5,492	5,492
Miscellaneous income	1,843	24,356	26,199
Total nonoperating revenues	1,843	29,848	31,691
Change in Net Position	37,560	69,445	107,005
Net position - beginning of year	30,764	7,543,089	7,573,853
Net position - end of year	\$ 68,324	\$ 7,612,534	\$ 7,680,858

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

FRASER VALLEY METROPOLITAN RECREATION DISTRICT
Statement of Cash Flows
Golf Course Fund
For the year ended December 31, 2024

Cash flows from operating activities:	
Cash received from customers and others	\$ 3,073,716
Cash paid to employees	(1,250,563)
Cash paid for goods and services	<u>(1,137,931)</u>
Net cash provided by operating activities	<u>685,222</u>
Cash flows from capital and related financing activities:	
Acquisition of capital assets	(561,912)
Payment on leases	<u>(209,831)</u>
Net cash (used) by capital and related financing activities	<u>(771,743)</u>
Decrease in cash and cash equivalents	(86,521)
Cash and cash equivalents - beginning	<u>1,043,065</u>
Cash and cash equivalents - ending	<u>\$ 956,544</u>
Reconciliation of operating income to net cash provided by operating activities:	
Operating income	\$ 69,445
Adjustments to reconcile operating loss to net cash provided/(used) by operating activities:	
Depreciation and amortization	619,626
Gain on disposal of capital assets	(5,492)
Decrease in accounts receivable	5,959
Increase in prepaid expenses	(5,589)
Decrease in inventory	13,591
Decrease in accounts payable	(45,540)
Increase in deferred revenue	5,296
Increase in accrued salaries and wages	3,967
Increase in other liabilities	20,762
Increase in compensated absences	<u>3,197</u>
Total Adjustments	<u>615,777</u>
Net cash provided by operating activities	<u>\$ 685,222</u>
Noncash capital financing activities:	
Right of use assets purchased with financing	\$ 92,560
Right of use assets and lease liabilities disposed	124,711

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

FRASER VALLEY METROPOLITAN RECREATION DISTRICT
Statement of Cash Flows
Foundry Fund
For the year ended December 31, 2024

Cash flows from operating activities:

Cash received from customers and others	\$ 1,396,461
Cash paid to employees	(461,508)
Cash paid for goods and services	(811,366)

Net cash provided by operating activities 123,587

Cash flows from capital and related financing activities:

Acquisition of capital assets	<u>(67,882)</u>
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Net cash (used) by capital and related financing activities (67,882)

Cash flows from non- capital financing activities:

Bond payments	<u>(60,000)</u>
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Net cash (used) by capital and related financing activities (60,000)

Decrease in cash and cash equivalents (4,295)

Cash, cash equivalents and restricted cash - beginning 429,012

Cash, cash equivalents and restricted cash - ending \$ 424,717

Reconciliation of operating income to net cash provided by operating activities:

Operating income	\$ 37,560
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Adjustments to reconcile operating loss to net cash provided/(used) by operating activities:

Depreciation and amortization	115,021
Amortization of bond discount	1,459
Increase in accounts receivable	(735)
Increase in prepaid expenses	(1,909)
Increase in inventory	(7,794)
Decrease in accounts payable	(8,467)
Increase in deferred revenue	8,304
Decrease in other liabilities	<u>(19,852)</u>

Total Adjustments 86,027

Net cash provided by operating activities \$ 123,587

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

NOTES TO THE FINANCIAL STATEMENTS

FRASER VALLEY METROPOLITAN RECREATION DISTRICT
Notes to Financial Statements
December 31, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

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

Basis of presentation

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

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

FRASER VALLEY METROPOLITAN RECREATION DISTRICT
Notes to Financial Statements
December 31, 2024

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

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

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

The District reports the following major governmental funds:

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

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

GPRC Expansion Fund - accounts for financial resources that are to be used for the expansion of the Grand Park Community Recreation Center.

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

The District reports the following proprietary funds:

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

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

Measurement focus, basis of accounting -The government-wide and proprietary financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flow. Non-exchange transactions, in which the District gives (or receives) value without directly receiving (or giving) equal value in exchange, including property taxes. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. The exceptions to this general rule are that principal and interest on general long-term debt are recognized when due.

FRASER VALLEY METROPOLITAN RECREATION DISTRICT
Notes to Financial Statements
December 31, 2024

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

Deposits and investments -The District considers cash and cash equivalents to be cash on hand, demand deposits and unrestricted investments with an original maturity of three months or less to be cash and cash equivalents. The District does not hold any investments as of December 31, 2024.

Receivables - The District considered all receivables collectible as of December 31, 2024.

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

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

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

Buildings	10- 40 years
Equipment	5-10 years
Land improvements	40 years
Leasehold improvements	10 years
Vehicles	5-10 years

FRASER VALLEY METROPOLITAN RECREATION DISTRICT
Notes to Financial Statements
December 31, 2024

Deferred outflows/inflows of resources - In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. The government only has one item that qualifies for reporting in this category, the deferred charge on refunding reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

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

Compensated absences - Compensated absences consist of vacation and paid sick and safe leave (PSSL), including public health emergency leave (PHEL), as provided under District policy and Colorado's Healthy Families and Workplaces Act. Full-time year-round employees accrue vacation based on years of service, from 80 hours annually in the first three years to a maximum of 200 hours annually for those with fifteen or more years. Vacation accrues each pay period and unused hours may be carried over year to year, subject to the maximum for each service tier. Employees are paid for accrued but unused vacation upon termination at their current pay rate. PSSL is accrued by nonexempt employees at one hour for every 30 hours worked, up to 48 hours per year, with a 48-hour carryover limit; exempt employees may accrue up to 96 hours per year, with a total maximum of 320 hours. PSSL and PHEL are available for qualifying medical and safety-related absences as defined by law and policy, but unused balances are not paid out at termination. The District records a liability for compensated absences in the government-wide and proprietary fund financial statements, calculated using the vesting method at current pay rates. The liability at year-end was \$69,714 which is expected to be paid out within one year, any amounts projected to be paid beyond one year are considered immaterial.

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

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

FRASER VALLEY METROPOLITAN RECREATION DISTRICT
Notes to Financial Statements
December 31, 2024

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

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

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

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

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

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

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

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

The restricted fund balance in the General Fund represents Emergency Reserves that have been provided as required by Article X, Section 20 of the Constitution of the State of Colorado. A total of \$95,000 of the General Fund balance has been restricted in compliance with this requirement. Additionally, \$9,000 has been restricted for use in the community garden.

FRASER VALLEY METROPOLITAN RECREATION DISTRICT
Notes to Financial Statements
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The restricted fund balance in the Debt Service Fund is restricted for the repayment of debt.

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

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

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

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

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

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

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

Fair value of financial instruments - The District's financial instruments include cash and cash equivalents, accounts receivable, inventory, prepaid expenses, accrued liabilities, and accounts payable. The District estimates that the fair value of all financial instruments at December 31, 2024 does not differ materially from the aggregate carrying values of its financial instruments recorded in the accompanying balance sheet. The carrying amount of these financial instruments approximates fair value because of the short maturity of these instruments. Investments held in the Colorado Surplus Asset Fund (CSAFE) are valued at amortized cost.

Use of estimates - The preparation of financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Actual results could differ from those estimates.

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

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

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

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

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

During the year ended December 31, 2024, the District overexpended the Debt Service Fund budget.

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

TABOR also requires local governments to establish emergency reserves to be used for declared emergencies only. Emergencies, as defined by TABOR, exclude economic conditions, revenue shortfalls, or salary or fringe benefit increases. These reserves are required to be 3% or more of fiscal year general revenues (excluding bonded debt service) for the fiscal year ended December 31, 2024.

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

Recently Issued Accounting Pronouncements - GASB 101 In June 2022, the GASB issued guidance (GASB 101). This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. Leave is attributable to services already rendered when an employee has performed the services required to earn the leave. Leave that accumulates is carried forward from the reporting period in which it is earned to a future reporting period during which it may be used for time off or otherwise paid or settled. In estimating the leave that is more likely than not to be used or otherwise paid or settled, a government

FRASER VALLEY METROPOLITAN RECREATION DISTRICT
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should consider relevant factors such as employment policies related to compensated absences and historical information about the use or payment of compensated absences. However, leave that is more likely than not to be settled through conversion to defined benefit postemployment benefits should not be included in a liability for compensated absences. The District adopted the standard effective January 1, 2024. The impact of the adoption was not considered material to the financial statements.

2. DETAILED NOTES

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

At December 31, 2024 the District’s deposit portfolio consisted of the following:

Cash and cash equivalents		
Checking	\$	391,797
Money market		980,491
CSAFE		1,634,951
Cash reserves held by others		282,074
Cash on hand		6,998
Total Cash and Restricted Cash	\$	<u>3,296,311</u>

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

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

As of December 31, 2024, the District's deposits were not exposed to custodial credit risk, as all deposits were insured by FDIC or collateralized in accordance with PDPA. Colorado Revised Statutes and the Authority's investment policy specify investment instruments meeting defined rating and risk criteria in which local government entities may invest.

- Authorized investments include the following types of obligations:
- Bankers' acceptance of certain banks
- Obligations of the United States and certain U.S. government agency securities Certain international agency securities
- General obligation and revenue bonds of U.S. local government agencies
- Commercial paper

FRASER VALLEY METROPOLITAN RECREATION DISTRICT
Notes to Financial Statements
December 31, 2024

- Local government investment pools
- Written repurchase agreements collateralized by certain authorized securities
- Certain money market funds
- Guaranteed investment contracts

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

Concentration Of Credit Risk. The District has limits to the percentage of its portfolio that can be invested in certain types of investments. The District had invested \$1,634,951 as of December 31, 2024, in CSAFE.

CSAFE is an investment vehicle established by state statute for local government entities in Colorado to pool surplus funds for investment purposes. CSAFE operates similarly to a money market fund, and each share is equal in value to \$1.00. The designated custodial bank provides safekeeping and depository services to CSAFE in connection with the direct investment and withdrawal functions of CSAFE. All securities owned by CSAFE are held by the Federal Reserve Bank in the account maintained for the custodial bank. The custodian's internal records identify the investments owned by CSAFE. CSAFE maintains a Standard & Poor's principal stability fund rating of AAAm. The State Securities Commissioner administers and enforces all state statutes governing CSAFE. CSAFE financial statements may be obtained at www.csafe.org. CSAFE is an external investment pool valued at amortized cost, in accordance with the Governmental Accounting Standards Board's Statement No. 79, Certain External Investment Pools and Pool Participants.

FRASER VALLEY METROPOLITAN RECREATION DISTRICT
Notes to Financial Statements
December 31, 2024

Capital assets

The following schedule shows changes in capital assets, by category for the year ended December 31, 2024:

	Beginning Balance	Additions	Deletions	Reclassifications	Ending Balance
Governmental Activities:					
Capital assets not being depreciated:					
Land	\$ 3,553,505	\$ -	\$ -	\$ -	\$ 3,553,505
Construction in process	77,500	-	-	(77,500)	-
Total assets not being depreciated:	3,631,005	-	-	(77,500)	3,553,505
Capital assets being depreciated:					
Right of use asset	203,316	79,509	-	(52,355)	230,470
Buildings and improvements	17,772,419	2,846,932	(115,723)	77,500	20,581,128
Vehicles and equipment	1,870,371	218,505	(7,288)	52,355	2,133,943
Intangible	14,000	-	-	-	14,000
Total assets being depreciated:	19,860,106	3,144,946	(123,011)	77,500	22,959,541
Less accumulated depreciation and amortization	(8,205,035)	(658,524)	122,317	-	(8,741,242)
Net capital assets - Governmental Activities	\$ 15,286,076	\$ 2,486,422	\$ (694)	\$ -	\$ 17,771,804
Business-type Activities:					
Capital assets not being depreciated:					
Land	\$ 935,282	\$ -	\$ -	\$ -	\$ 935,282
Total assets not being depreciated:	935,282	-	-	-	935,282
Capital assets being depreciated:					
Right of use asset	1,114,653	92,560	(596,096)	(180,086)	431,031
Intangible	-	16,099	-	-	16,099
Buildings and improvements	13,486,837	385,067	-	-	13,871,904
Vehicles and equipment	2,626,204	228,628	(130,003)	180,086	2,904,915
Total assets being depreciated:	17,227,694	722,354	(726,099)	-	17,223,949
Less accumulated depreciation and amortization	(7,216,435)	(734,647)	606,879	-	(7,344,203)
Net capital assets - Business-type Activities	\$ 10,946,541	\$ (12,293)	\$ (119,220)	\$ -	\$ 10,815,028
NET CAPITAL ASSETS	\$ 26,232,617	\$ 2,474,129	\$ (119,914)	\$ -	\$ 28,586,832

Depreciation and amortization expense was charged to functions/programs of the primary government as follows:

Governmental activities:	
General recreation	\$ 12,145
Parks and facilities	164,222
Recreation center	482,157
Total depreciation and amortization expense - Governmental activities	\$ 658,524
Business-type activities:	
Golf Course	\$ 619,626
Foundry	115,021
Total depreciation and amortization expense - Business-type activities	\$ 734,647

FRASER VALLEY METROPOLITAN RECREATION DISTRICT
Notes to Financial Statements
December 31, 2024

Lease Liabilities

The following represents the changes in lease liabilities for the year ended December 31, 2024:

	Beginning Balance		Additions		Deletions		Ending Balance
Governmental activities:							
Recreational Van	\$ 39,357	\$	-	\$	(7,794)	\$	31,563
Toro Equipment	-		79,509		(17,467)		62,042
Mini Bus	28,322		-		(10,772)		17,550
Bobcat Lease	24,719		-		(9,303)		15,416
Total lease payable- Governmental activities	\$ 92,398	\$	79,509	\$	(45,336)	\$	126,571
Business-type activities:							
2019 Turf Truck	\$ 668	\$	-	\$	(668)	\$	-
Toro Equipment Lease	22,557		-		(22,557)		-
Exchange Bank #12319	50,334		-		(24,771)		25,563
Golf Car lease #12352	245,658		-		(245,658)		-
Exchange Bank #12391	67,417		-		(21,683)		45,734
Toro Equipment	-		92,560		(19,206)		73,354
Total lease payable - Business-type activities	\$ 386,634	\$	92,560		(209,831)	\$	144,651

Governmental Activity Leases:

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

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

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

In September 2024, the District entered into a lease agreement for various Toro equipment, to be shared with the golf course fund. The lease term is 60 months with payments of \$5,885 per year and interest accruing at 6.1%. The lease will expire in August of 2028.

Business-Type Activity Leases:

In January 2019, the District entered into a lease agreement for a Chevy Silverado Turf Truck. The lease term is for 60 months with payments of \$672 and interest accruing at 7.39%. The lease expired in January 2024.

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

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

In April 2021 the District entered into a lease for 100 Club Car Electric Golf Cars and Two Club Car Café Express Beverage Carts. The lease commencement date was April 27, 2021 with three payments of \$42,320 per year. The lease will expire August 1, 2025. Interest accrues at 3.0%. During 2024, the assets were returned and the lease was terminated.

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

In September 2024, the District entered into a lease agreement for various Toro equipment, to be shared with the general fund. The lease term is 60 months with payments of \$6,908 per year and interest accruing at 6.1%. The lease will expire in August of 2028.

Future minimum lease payments

Governmental activities:

	Principal	Interest	Total
2025	43,854	7,253	51,107
2026	36,255	4,513	40,768
2027	26,292	2,470	28,761
2028	20,170	1,188	21,358
Total	\$ 126,571	\$ 15,424	\$ 141,995

Business-type activities:

	Principal	Interest	Total
2025	64,656	6,136	70,792
2026	40,956	3,527	44,483
2027	18,804	1,921	20,725
2028	20,235	490	20,725
Total	\$ 144,651	\$ 12,074	\$ 156,725

Long-term debt

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

FRASER VALLEY METROPOLITAN RECREATION DISTRICT
Notes to Financial Statements
December 31, 2024

District determines and by lot within maturity on December 1, 2030 and on any date thereafter, at a redemption price equal to the principal amount, plus accrued interest to the redemption date.

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

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

Certificate of Participation (COP)

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

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

Future payments for long-term debt are as follows:

Year	GO Bond		COP Debt		Total Debt	
	Principal	Interest	Principal	Interest	Principal	Interest
2025	\$ 800,000	\$ 388,500	\$ 85,000	\$ 284,100	\$ 885,000	\$ 672,600
2026	825,000	372,500	95,000	279,850	920,000	652,350
2027	835,000	356,000	100,000	275,100	935,000	631,100
2028	870,000	322,600	105,000	270,100	975,000	592,700
2029	905,000	287,800	105,000	264,850	1,010,000	552,650
2030-2034	5,120,000	868,000	620,000	1,239,000	5,740,000	2,107,000
2035-2039	1,170,000	46,800	795,000	1,067,500	1,965,000	1,114,300
2040-2044	-	-	1,020,000	847,000	1,020,000	847,000
2045-2049	-	-	1,305,000	555,975	1,305,000	555,975
2050-2053	-	-	1,310,000	176,400	1,310,000	176,400
Total	\$10,525,000	\$2,642,200	\$5,540,000	\$5,259,875	\$16,065,000	\$7,902,075

FRASER VALLEY METROPOLITAN RECREATION DISTRICT
Notes to Financial Statements
December 31, 2024

Changes in long-term obligations as of the year ended December 31, 2024 are as follows:

	Beginning Balance	Additions	Payments (Amortization)	Ending Balance
2020 GO Bonds	\$ 11,330,000	-	(805,000)	10,525,000
Premiums on Bond	1,759,926	-	(149,251)	1,610,675
2023 Certificate of Participation (COP)	5,615,000	-	(75,000)	5,540,000
Discount on COP	(43,775)	-	1,459	(42,316)
Total	\$ 18,661,151	\$ -	\$ (1,027,792)	\$ 17,633,359

During 2024, the District paid \$404,600 interest on the bonds and \$286,764 on the COP debt. Accrued interest at December 31, 2024 was \$56,049.

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

3. OTHER INFORMATION

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

5. POST-RETIREMENT BENEFITS

Defined contribution plan – Effective January 14, 2024, the District provides retirement benefits for all of its employees through two defined contribution plans: a 401(a) plan and a 457(b) plan, both administered by the Colorado Retirement Association. Under defined contribution plans, benefits depend solely on the amounts contributed to each plan, plus investment earnings.

All employees are required to participate in the 401(a) plan. Under this plan, the District contributes 3.75% of each covered employee’s compensation. Employee contributions to the 401(a) plan, if any, are determined in accordance with plan provisions. The 401(a) plan is immediately and fully vested.

In addition to the 401(a) plan, the District offers a 457(b) deferred compensation plan, which allows employees to make voluntary salary deferral contributions, subject to annual Internal Revenue Service limits. The District does not make contributions directly to the 457(b) plan, however, it does match up to 5.45% of a qualified employee’s contribution to a 457(b) plan by depositing the matching funds into the employees 401(a) plan.

During 2024, the District contributed \$174,210 to the plan.

6. Reconciliation of government-wide and fund financial statements

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

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

FRASER VALLEY METROPOLITAN RECREATION DISTRICT
Notes to Financial Statements
December 31, 2024

Capital assets of \$26,513,046 less accumulated depreciation and amortization of \$8,741,242 or a net book value of \$17,771,804 are not financial resources and therefore are not reported in the governmental funds.

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

Deferred charge on refunding	\$ (955,951)
Prepaid bond insurance	(79,776)
Accrued compensated absences	48,565
Accrued interest payable	37,536
Leases payable: Due within one year	43,854
Leases payable: Due in more than one year	82,717
Bond Premium, net of amortization	1,610,674
COP and Bonds payable: Due within one year	817,000
COP and Bonds payable: Due in more than one year	10,784,459
Net adjustment	<u>\$ 12,389,078</u>

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

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

Depreciation and amortization expense	\$ (603,603)
Capital outlay	3,110,773
Net adjustment	<u>\$ 2,507,170</u>

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

Bond principal payments	\$ 820,000
Net adjustment	<u>\$ 820,000</u>

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

Gain on disposal of assets	\$ 323
Change in accrued Bond interest	6,038
Net adjustment	<u>\$ 6,361</u>

OTHER SUPPLEMENTARY INFORMATION

FRASER VALLEY METROPOLITAN RECREATION DISTRICT
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget to Actual
Debt Service Fund
For the year ended December 31, 2024

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues:				
Property taxes	\$ 1,272,668	\$ 1,272,647	\$ 1,273,032	\$ 385
Interest	2,000	2,499	2,824	325
Total revenues	1,274,668	1,275,146	1,275,856	710
Expenditures/expenses:				
Administration	400	400	400	--
Bond principal	805,000	805,000	805,000	--
Bond interest	404,600	404,600	404,600	--
Treasurer's fees	63,633	63,633	63,762	(129)
Total expenditures/expenses	1,273,633	1,273,633	1,273,762	(129)
Excess (deficiency) of revenues over expenditures	1,035	1,513	2,094	581
Net change in fund balances	\$ 1,035	\$ 1,513	2,094	\$ 581
Fund balance - beginning of year			219,846	
Fund balance - end of year			\$ 221,940	

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

FRASER VALLEY METROPOLITAN RECREATION DISTRICT
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget to Actual
Conservation Trust Fund
For the year ended December 31, 2024

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues:				
Conservation trust income	\$ 40,000	\$ 59,812	\$ 56,872	\$ (2,940)
Interest income	75	23	-	(23)
Total revenues	40,075	59,835	56,872	(2,963)
Expenditures/expenses:				
Capital outlay	\$ 6,000	\$ 56,048	\$ 6,048	\$ 50,000
Total expenditures/expenses	6,000	56,048	6,048	50,000
Other Financing Sources (Uses):				
Transfers from other funds	--	--	(50,000)	\$ (50,000)
Total other financing sources (uses)	--	--	(50,000)	(50,000)
Excess of revenues over expenditures	<u>\$ 34,075</u>	<u>\$ 3,787</u>	824	<u>\$ (2,963)</u>
Fund balance - beginning of year			<u>35,267</u>	
Fund balance - end of year			<u>\$ 36,091</u>	

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

FRASER VALLEY METROPOLITAN RECREATION DISTRICT
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget to Actual
GPRC Expansion Fund
For the year ended December 31, 2024

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues:				
Grant income	\$ 1,344,800	\$ 1,351,550	\$ 1,353,374	\$ 1,824
Fundraising income	35,725	42,206	38,956	(3,250)
Capital improvement fee	147,500	139,137	139,089	(48)
Interest income	25,000	50,047	50,047	--
Total revenues	1,553,025	1,582,940	1,581,466	(1,474)
Expenditures:				
GPRC supplies	--	--	103,562	(103,562)
Capital outlay	2,636,192	2,903,107	2,798,071	105,036
Total expenditures	2,636,192	2,903,107	2,901,633	1,474
Nonoperating revenues:				
Prior year capital release	1,083,167	1,083,167	--	(1,083,167)
Total nonoperating revenues	1,083,167	1,083,167	--	(1,083,167)
Other Financing Sources (Uses):				
Transfers from other funds	--	237,000	237,000	--
Total other financing sources (uses)	--	237,000	237,000	--
Net change in fund balance	-	-	(1,083,167)	(1,083,167)

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

FRASER VALLEY METROPOLITAN RECREATION DISTRICT
Schedule of Revenues, Expenses, and Changes in Fund Net Position -
Budget (non-US GAAP Basis) to Actual
Golf Course Fund
For the year ended December 31, 2024

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Operating Revenues:				
Charges for sales and services:				
Merchandise sales	257,000	288,856	\$ 289,955	\$ 1,099
Food and beverage sales	821,350	709,054	706,526	(2,528)
Club rental	29,000	34,432	34,432	-
Golf cart rentals	445,000	426,430	425,734	(696)
Driving range	120,000	113,203	113,162	(41)
Green fees	1,075,000	1,081,398	1,081,398	-
Season Pass	205,000	183,677	183,677	-
Resident ID cards	110,000	106,893	106,893	-
Tournament premiums	55,000	69,426	69,428	2
Events	1,000	1,000	1,000	-
Tee sign revenue	6,000	6,250	6,250	-
Grounds maintenance income	6,950	6,950	6,950	-
Fundraising	7,500	12,700	12,700	-
Total operating revenues	3,138,800	3,040,269	3,038,105	(2,164)
Operating expenses:				
Cost of goods sold:				
Pro shop merchandise and rentals	155,200	214,847	172,015	42,832
Food and beverage	277,300	229,058	228,717	341
Payroll and related taxes	1,298,911	1,252,309	1,257,727	(5,418)
Advertising and marketing	14,500	17,319	18,369	(1,050)
Contracted services	11,500	13,185	14,515	(1,330)
Equipment	144,961	156,621	29,296	127,325
Repairs and maintenance	83,000	75,496	77,631	(2,135)
Turf maintenance and landscaping	22,000	18,635	18,635	-
Supplies and parts	232,300	230,980	276,958	(45,978)
Utilities	98,400	87,951	86,137	1,814
Other operating - general	199,070	197,178	198,882	(1,704)
Capital outlay	653,533	654,270	561,912	92,358
Total operating expenses	3,190,675	3,147,849	2,940,794	207,055
Operating income	(51,875)	(107,580)	97,311	204,891
Nonoperating revenues (expenses):				
Loss on disposal of assets	--	--	5,492	(5,492)
Miscellaneous income	8,000	11,374	24,356	(12,982)
Total nonoperating revenues	8,000	11,374	29,848	(18,474)
Net income/(loss)	\$ (43,875)	\$ (96,206)	\$ 127,159	\$ 186,417
Reconciliation to GAAP Basis				
Capital outlay			(561,912)	
Depreciation			619,626	
Total reconciliation to GAAP Basis			57,714	
Net income/(loss) on GAAP Basis			69,445	
Net position - beginning of year			7,543,089	
Net position - end of year			\$ 7,612,534	

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

FRASER VALLEY METROPOLITAN RECREATION DISTRICT
Schedule of Revenues, Expenses, and Changes in Fund Net Position -
Budget (non-US GAAP Basis) to Actual
Foundry Fund
For the year ended December 31, 2024

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Operating Revenues:				
Charges for sales and services:				
Movie Tickets	\$ 300,000	\$ 323,500	\$ 328,521	\$ 5,021
Bowling Fees	375,000	342,000	348,580	6,580
Food and beverage sales	490,000	544,628	563,476	18,848
Vending and arcade income	21,000	31,450	33,526	2,076
Tournament premiums	25,000	29,150	29,145	(5)
Sponsorships	48,000	40,000	40,680	680
Facility rental	24,000	36,500	43,121	6,621
Total operating revenues	1,283,000	1,347,228	1,387,049	39,821
Operating expenses:				
Cost of goods sold:				
Food and beverage	\$ 151,600	\$ 173,418	\$ 176,987	\$ (3,569)
Movies	150,000	140,723	137,948	2,775
Payroll and related taxes	419,627	464,497	467,606	(3,109)
Advertising and marketing	6,200	7,707	7,617	90
Contracted services	3,000	3,406	3,406	-
Equipment	20,900	20,046	15,865	4,181
Repairs and maintenance	19,000	19,878	19,327	551
Supplies and parts	28,750	35,012	62,203	(27,191)
Utilities	44,000	43,486	44,952	(1,466)
Interest	--	229,411	189,716	39,695
Other operating - general	91,975	90,148	90,036	112
Capital outlay	140,000	96,852	67,882	28,970
Total operating expenses	1,075,052	1,324,584	1,283,545	41,039
Operating income	207,948	22,644	103,504	(1,218)
Nonoperating revenues (expenses):				
Bond payment	(291,800)	(60,000)	(60,000)	-
Agent fees	(250)	(250)	--	(250)
Miscellaneous income	0	2,110	1,843	1,843
Total nonoperating revenues	(292,050)	(58,140)	(58,157)	233,893
Net income/(loss)	\$ (84,102)	\$ (35,496)	\$ 45,347	\$ (1,218)
Net position - beginning of year			30,764	
Net position - end of year			\$ 76,111	
Reconciliation to GAAP Basis				
Capital outlay			(67,882)	
Accrued interest expense			20,648	
Bond payment			(60,000)	
Depreciation			115,021	
Total reconciliation to GAAP Basis			7,787	
Net income/(loss) on GAAP Basis			37,560	
Net position - beginning of year			30,764	
Net position - end of year			\$ 68,324	

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