

CAÑON CITY AREA METROPOLITAN
RECREATION AND PARK DISTRICT

FINANCIAL STATEMENTS

December 31, 2025



Logan and Associates, LLC
CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities and each major fund of the Cañon City Area Metropolitan Recreation and Park District (the "District") as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities and each major fund of the Cañon City Area Metropolitan Recreation and Park District as of December 31, 2025, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

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

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

Required Supplementary Information

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

Supplementary Information

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

Logan and Associates, LLC

Aurora, Colorado
February 26, 2026

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

The discussion and analysis section is intended to be an easily readable analysis of the Cañon City Area Metropolitan Recreation and Park District's financial activities based on current known facts, decisions, or conditions. This analysis focuses on the fiscal year ended December 31, 2025 and should be read in conjunction with the financial statements.

REPORT LAYOUT

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

BASIC FINANCIAL STATEMENTS

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

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

DISTRICT AS A WHOLE

GOVERNMENT-WIDE FINANCIAL STATEMENTS

Comparisons in this section discuss and analyze significant differences between the fiscal year 2024 and 2025. A condensed version of the statement of net position at December 31, 2025 and 2024 follows:

Net Position at Year-End

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>	
	2025	2024	2025	2024
Cash/Investments	\$ 1,917,082	\$ 1,822,518	\$ 585,645	\$ 530,571
Other Assets	1,292,658	1,100,593	8,093	5,966
Capital Assets, Net	<u>4,693,745</u>	<u>4,049,574</u>	<u>93,978</u>	<u>103,086</u>
Total Assets	<u>7,903,485</u>	<u>6,972,685</u>	<u>687,716</u>	<u>639,623</u>
Current Liabilities	93,239	101,233	35,595	36,356
Long Term Liabilities	<u>18,672</u>	<u>13,170</u>	<u>-</u>	<u>914</u>
Total Liabilities	<u>111,911</u>	<u>114,403</u>	<u>35,595</u>	<u>37,270</u>
Deferred inflows of resources				
Property Taxes	<u>1,208,264</u>	<u>1,033,501</u>	<u>-</u>	<u>-</u>
Net Position:				
Net investment in capital assets	4,693,745	4,049,574	93,978	103,086
Restricted for Tabor	40,200	45,000	-	-
Restricted for parks projects	539,982	479,625	-	-
Unrestricted	<u>1,309,383</u>	<u>1,250,582</u>	<u>558,143</u>	<u>499,267</u>
Total Net Position	<u>\$ 6,583,310</u>	<u>\$ 5,824,781</u>	<u>\$ 652,121</u>	<u>\$ 602,353</u>

Financial Analysis

Increased revenues from property taxes, program activities and the investment in the planning and design of a potential new pool facility contributed to the District's greater year end position in total assets.

Long term liabilities increased, as accrued sick leave and compensated absences were higher in 2025.

The amount restricted for parks projects is higher as the balance in the Conservation Trust Fund increased.

GOVERNMENTAL ACTIVITIES

A condensed statement of activities for the governmental activities for the years ending December 31, 2025 and 2024 follows:

	<u>Governmental Activities</u>	
	<u>2025</u>	<u>2024</u>
Program revenues		
Charges for services	\$ 43,863	\$ 41,190
Operating grants and contributions	171,782	174,700
Capital grants and contributions	1,647	42,245
General revenues		
Property taxes	1,034,887	1,194,613
Specific ownership taxes	125,456	125,160
2A City sales and Use Taxes	733,610	-
Unrestricted investment earnings	89,702	103,361
Grants and Contributions not Restricted to Specific Programs	2,770	2,390
Other	22,278	8,779
Total Revenues	2,225,995	1,692,438
Expenses		
General government	742,224	686,077
Parks and recreation	735,242	776,675
Total Expenses	1,477,466	1,462,752
Change in net position before transfers	748,529	229,686
Transfers	10,000	10,000
Change in net position after transfers	758,529	239,686
Net position, beginning of year	5,824,781	5,585,095
Net position, end of year	\$ 6,583,310	\$ 5,824,781

Financial Analysis

Tax revenue decreased \$159,726 in 2025 as no backfill was received from the State. However, overall revenues increased as the District received pass-through sales tax revenue from the the City of Canon City as reimbursement for initial planning and design work on a new pool facility, construction of which was approved by the voters in 2024. This amount is listed as construction in progress on the District's asset schedule. In 2025 the District received more in rebates and dividends, but also experienced increased salary and benefit costs.

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

BUSINESS -TYPE ACTIVITIES

A condensed statement of activities for the business-type activities for the years ending December 31, 2025 and 2024 follows:

	Business-Type Activities	
	2025	2024
Operating Revenues		
Charges for services	\$ 442,303	\$ 438,997
Operating grants and contributions	17,245	19,932
Other Revenues		
Other	15,682	15,589
Unrestricted investment earnings	21,006	24,502
Total Revenues	496,236	499,020
Expenses		
Program activities	436,468	453,680
Pool	-	10,949
Total Expenses	436,468	464,629
Increase/(Decrease) in net position before transfers	59,768	34,391
Total Transfers	(10,000)	(10,000)
Change in net position	49,768	24,391
Net position, beginning of year	602,353	577,962
Net position, end of year	\$ 652,121	\$ 602,353

Financial Analysis

In 2025 participation in District programs increased slightly, but that increase was offset by a reduction in contributions and interest earnings.

There was a reduction of \$28,161 in total expenses. No expenses were attributed to the pool fund as the facility closed in 2023, and the expenses to maintain the facility were moved to the general fund in 2025.

To offset rising staffing costs for all programs, a smaller portion of the Kids Klub Director's salary and benefits were allocated to the Program Activities fund, reducing expenses for this position by \$27,488.

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

FUND FINANCIAL STATEMENT ANALYSIS
GENERAL FUND

The general fund is the major operating fund of the District, providing most of the resources for the District's operations. Revenues of the general fund totaled \$ 1,274,560 for the year ended December 31, 2025 compared to \$1,430,233 for the year ended December 31, 2024. Expenditures of the general fund were \$1,307,007 for 2025 compared to \$1,335,740 for 2024. The following table reflects a summarization of revenues and expenditures for the general fund:

	<u>2025</u>	<u>2024</u>
Revenues		
Property taxes	\$1,034,887	\$1,194,613
Specific ownership taxes	125,456	125,160
Other	114,217	110,460
	<hr/>	<hr/>
Total revenues	<u>1,274,560</u>	<u>1,430,233</u>
Expenditures		
General government	714,419	660,183
Parks and trails	557,731	530,202
Capital Outlay	34,857	145,355
	<hr/>	<hr/>
Total expenditures	<u>1,307,007</u>	<u>1,335,740</u>
Excess (deficiency) of revenues over expenditures	(32,447)	94,493
Net Transfers	<u>85,000</u>	<u>50,000</u>
Net change in fund balance	52,553	144,493
Fund balance, beginning of year	<u>1,123,502</u>	<u>979,009</u>
Fund balance, end of year	<u><u>\$1,176,055</u></u>	<u><u>\$1,123,502</u></u>

Financial Analysis

Total revenues for 2025 decreased \$155,673 from the prior year. Unlike in 2024, the District did not receive any backfill property tax revenue from the state in 2025.

Without the backfill, the District reduced its expenditures in 2025 on machinery and equipment and capital outlay by \$110,498 compared to 2024. However, inflationary pressures continued to impact total expenditures, most prominently in salaries and benefits.

In 2025 the District moved the expenses relating to the maintenance of the closed pool facility from the pool fund into the general fund, increasing overall expenditures in utilities.

The District also increased the amount of the transfer from the Conservation Trust Fund into the General Fund in 2025.

CAPITAL ASSETS

The District's investment in capital assets, net of accumulated depreciation, for its governmental and business type activities totaled \$4,787,723 at December 31, 2025 compared to \$4,152,660 at December 31, 2024.

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
Land	\$1,781,421	\$1,781,421	\$6,000	\$6,000
Intangibles	14,100	14,100	-	-
Buildings	279,244	300,450	-	-
Improvements	1,628,807	1,689,297	43,208	45,820
Equipment	256,563	264,306	44,770	51,266
Construction in Progress	733,610	-		
	<hr/>	<hr/>	<hr/>	<hr/>
Capital Assets Net	<u>\$4,693,745</u>	<u>\$4,049,574</u>	<u>\$93,978</u>	<u>\$103,086</u>

In 2025 the Recreation District made improvements at two parks - adding agility equipment and a dedicated small dog area at the Arkansas Riverwalk Dog Park, and converting one of the handball courts at Rouse Park into storage. The District also invested in equipment, replacing one truck and purchasing a mini-excavator at auction.

After voters approved the construction of a pool in November 2024 using funding from a new city sales tax, the Recreation District and the City of Canon City entered into an intergovernmental agreement to utilize a portion of these tax revenues to begin the planning and design for the new pool. The Construction in Progress line above reflects this amount.

The reduced value in the business-type activities was due to depreciation.

FINANCIAL CONTACT

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

BASIC FINANCIAL STATEMENTS

CAÑON CITY AREA METROPOLITAN RECREATION AND PARK DISTRICT

STATEMENT OF NET POSITION
December 31, 2025

	GOVERNMENTAL ACTIVITIES	BUSINESS TYPE ACTIVITIES	TOTAL
ASSETS			
Cash and Investments	\$ 1,917,082	\$ 585,645	\$ 2,502,727
Receivables			
County Treasurer	8,326	-	8,326
City of Canon City	4,936	-	4,936
Other	-	3,304	3,304
Property Taxes	1,208,264	-	1,208,264
Prepaid Expenses	71,132	4,789	75,921
Capital Assets, Not Depreciated	2,529,131	6,000	2,535,131
Capital Assets, Depreciated Net of Accumulated Depreciation	2,164,614	87,978	2,252,592
TOTAL ASSETS	7,903,485	687,716	8,591,201
LIABILITIES			
Accounts Payable	17,817	5,208	23,025
Accrued Salaries and Benefits	17,608	2,612	20,220
Security Deposit	1,800	-	1,800
Unearned Revenue - Registration Fees	-	27,775	27,775
Noncurrent Liabilities			
Due in One Year	56,014	-	56,014
Due in More Than One Year	18,672	-	18,672
TOTAL LIABILITIES	111,911	35,595	147,506
DEFERRED INFLOW OF RESOURCES			
Deferred Property Tax Revenue	1,208,264	-	1,208,264
NET POSITION			
Net Investment in Capital Assets	4,693,745	93,978	4,787,723
Restricted for Emergencies	40,200	-	40,200
Restricted for Parks and Recreation	539,982	-	539,982
Unrestricted	1,309,383	558,143	1,867,526
TOTAL NET POSITION	\$ 6,583,310	\$ 652,121	\$ 7,235,431

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

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CAÑON CITY AREA METROPOLITAN RECREATION AND PARK DISTRICT

STATEMENT OF ACTIVITIES
Year Ended December 31, 2025

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES		
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS
PRIMARY GOVERNMENT				
Governmental Activities				
General Government	\$ 742,224	\$ 43,863	\$ -	\$ -
Parks and Recreation	735,242	-	171,782	1,647
Total Governmental Activities	1,477,466	43,863	171,782	1,647
Business-Type Activities				
Swimming Pool	-	-	-	-
Program Activities	436,468	442,303	17,245	-
Total Business-Type Activities	436,468	442,303	17,245	-
Total Primary Government	\$ 1,913,934	\$ 486,166	\$ 189,027	\$ 1,647

GENERAL REVENUES
Property Taxes
Specific Ownership Taxes
No. 2A City Sales and Use Taxes
Grants and Contributions not
Restricted to Specific Programs
Interest
Miscellaneous
TRANSFERS

TOTAL GENERAL REVENUES

CHANGE IN NET POSITION

NET POSITION, Beginning

NET POSITION, Ending

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

NET (EXPENSE) REVENUE AND
CHANGE IN NET POSITION

GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTALS
\$ (698,361)	\$ -	\$ (698,361)
(561,813)	-	(561,813)
(1,260,174)	-	(1,260,174)
-	-	-
-	23,080	23,080
-	23,080	23,080
(1,260,174)	23,080	(1,237,094)
1,034,887	-	1,034,887
125,456	-	125,456
733,610	-	733,610
2,770	-	2,770
89,702	21,006	110,708
22,278	15,682	37,960
10,000	(10,000)	-
2,018,703	26,688	2,045,391
758,529	49,768	808,297
5,824,781	602,353	6,427,134
<u>\$ 6,583,310</u>	<u>\$ 652,121</u>	<u>\$ 7,235,431</u>

CAÑON CITY AREA METROPOLITAN RECREATION AND PARK DISTRICT

BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2025

	GENERAL FUND	CONSERVATION TRUST FUND	CAPITAL PROJECTS FUND	POOL REPLACEMENT FUND	TOTALS
ASSETS					
Cash and Investments	\$ 1,133,147	\$ 539,982	\$ 248,532	\$ (4,579)	\$ 1,917,082
Accounts Receivable					
County Treasurer	8,326	-	-	-	8,326
City of Canon City	-	-	-	4,936	4,936
Property Taxes Receivable	1,208,264	-	-	-	1,208,264
Prepaid Expenses	71,132	-	-	-	71,132
TOTAL ASSETS	2,420,869	539,982	248,532	357	3,209,740
LIABILITIES, DEFERRED INFLOWS AND FUND EQUITY					
LIABILITIES					
Accounts Payable	17,142	-	675	-	17,817
Accrued Salaries and Benefits	17,608	-	-	-	17,608
Security Deposit	1,800	-	-	-	1,800
TOTAL LIABILITIES	36,550	-	675	-	37,225
DEFERRED INFLOW OF RESOURCES					
Deferred Property Tax Revenue	1,208,264	-	-	-	1,208,264
FUND EQUITY					
Fund Balance					
Nonspendable	71,132	-	-	-	71,132
Restricted for Emergencies	40,200	-	-	-	40,200
Restricted for Parks and Recreation	-	539,982	-	-	539,982
Assigned for Subsequent Year's Expenditures	85,065	-	57,000	-	142,065
Assigned for Capital Projects	-	-	190,857	357	191,214
Unassigned	979,658	-	-	-	979,658
TOTAL FUND EQUITY	1,176,055	539,982	247,857	357	1,964,251
TOTAL LIABILITIES, DEFERRED INFLOWS, AND FUND EQUITY	\$ 2,420,869	\$ 539,982	\$ 248,532	\$ 357	\$ 3,209,740

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

Total Fund Balances of Governmental Funds	1,964,251
Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds.	4,693,745
Long-term liabilities and related items are not due and payable in the current period and are not reported in the funds. These include accrued compensated absences.	(74,686)
Net position of governmental activities	\$ 6,583,310

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

CAÑON CITY AREA METROPOLITAN RECREATION AND PARK DISTRICT

STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
Year Ended December 31, 2025

	GENERAL FUND	CONSERVATION TRUST FUND	CAPITAL PROJECTS FUND	POOL REPLACEMENT FUND	TOTALS
REVENUES					
Taxes	\$ 1,160,343	\$ -	\$ -	\$ -	\$ 1,160,343
No. 2A City Sales and Use Taxes	-	-	-	733,610	733,610
Grants and Contributions	2,770	-	1,290	357	4,417
Intergovernmental	-	171,782	-	-	171,782
Charges for Services	43,863	-	-	-	43,863
Interest	45,306	23,575	20,821	-	89,702
Miscellaneous	22,278	-	-	-	22,278
TOTAL REVENUES	1,274,560	195,357	22,111	733,967	2,225,995
EXPENDITURES					
General Government	714,419	-	-	-	714,419
Parks and Recreation	557,731	-	69,014	-	626,745
Capital Outlay	34,857	-	-	733,610	768,467
TOTAL EXPENDITURES	1,307,007	-	69,014	733,610	2,109,631
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(32,447)	195,357	(46,903)	357	116,364
OTHER FINANCING SOURCES (USES)					
Transfers In	85,000	-	50,000	-	135,000
Transfers Out	-	(125,000)	-	-	(125,000)
	85,000	(125,000)	50,000	-	10,000
NET CHANGE IN FUND BALANCES	52,553	70,357	3,097	357	126,364
FUND BALANCES, Beginning	1,123,502	469,625	244,760	-	1,837,887
FUND BALANCES, Ending	\$ 1,176,055	\$ 539,982	\$ 247,857	\$ 357	\$ 1,964,251

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

CAÑON CITY AREA METROPOLITAN RECREATION AND PARK DISTRICT

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
Year Ended December 31, 2025

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

Net Changes in Fund Balances - Total Governmental Funds	\$ 126,364
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which Capital Outlay \$809,524 exceeded depreciation expense (\$160,192) and loss on disposal (\$5,161), in the current period.	644,171
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds. This includes the change in accrued compensated absences.	<u>(12,006)</u>
Change in Net Position of Governmental Activities	<u>\$ 758,529</u>

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

CAÑON CITY AREA METROPOLITAN RECREATION AND PARK DISTRICT

STATEMENT OF NET POSITION
 PROPRIETARY FUNDS
 December 31, 2025

	SWIMMING POOL FUND	PROGRAM ACTIVITIES FUND	TOTALS
ASSETS			
Current Assets			
Cash and Investments	\$ 83,305	\$ 502,340	\$ 585,645
Accounts Receivable	-	3,304	3,304
Prepaid Expenses	-	4,789	4,789
Total Current Assets	<u>83,305</u>	<u>510,433</u>	<u>593,738</u>
Noncurrent Assets			
Capital Assets, Not Being Depreciated	6,000	-	6,000
Capital Assets, Net of Accumulated Depreciation	4,627	83,351	87,978
Total Noncurrent Assets	<u>10,627</u>	<u>83,351</u>	<u>93,978</u>
TOTAL ASSETS	<u>93,932</u>	<u>593,784</u>	<u>687,716</u>
LIABILITIES			
Current Liabilities			
Accounts Payable	-	5,208	5,208
Accrued Salaries and Benefits	-	2,612	2,612
Unearned Revenue - Registration Fees	-	27,775	27,775
TOTAL LIABILITIES	<u>-</u>	<u>35,595</u>	<u>35,595</u>
NET POSITION			
Net Investment in Capital Assets	10,627	83,351	93,978
Unreserved	83,305	474,838	558,143
TOTAL NET POSITION	<u>\$ 93,932</u>	<u>\$ 558,189</u>	<u>\$ 652,121</u>

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

CAÑON CITY AREA METROPOLITAN RECREATION AND PARK DISTRICT

STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
Year Ended December 31, 2025

	SWIMMING POOL FUND	PROGRAM ACTIVITIES FUND	TOTALS
OPERATING REVENUES			
Athletic and Program Fees	\$ -	\$ 442,303	\$ 442,303
Contributions and Sponsors	-	17,245	17,245
Miscellaneous	1,000	14,682	15,682
TOTAL OPERATING REVENUES	1,000	474,230	475,230
OPERATING EXPENSES			
Salaries	-	214,134	214,134
Employee Benefits	-	29,664	29,664
Supplies	-	102,622	102,622
Purchased Services	-	80,940	80,940
Depreciation	-	9,108	9,108
TOTAL OPERATING EXPENSES	-	436,468	436,468
OPERATING INCOME	1,000	37,762	38,762
NON-OPERATING REVENUES			
Interest Income	20,905	101	21,006
TOTAL NON-OPERATING REVENUES	20,905	101	21,006
INCOME (LOSS) BEFORE TRANSFERS	21,905	37,863	59,768
TRANSFERS			
Transfers Out	-	(10,000)	(10,000)
CHANGE IN NET POSITION	21,905	27,863	49,768
NET POSITION, Beginning	72,027	530,326	602,353
NET POSITION, Ending	\$ 93,932	\$ 558,189	\$ 652,121

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

CAÑON CITY AREA METROPOLITAN RECREATION AND PARK DISTRICT

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 Year Ended December 31, 2025
 Increase (Decrease) in Cash and Cash Equivalents

	SWIMMING POOL FUND	PROGRAM ACTIVITIES FUND	TOTALS
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash Received from Customers	\$ -	\$ 441,691	\$ 441,691
Cash Received from Others	1,000	31,927	32,927
Cash Paid to Suppliers	(380)	(184,405)	(184,785)
Cash Paid to Employees	-	(245,765)	(245,765)
Net Cash Provided (Used) by Operating Activities	<u>620</u>	<u>43,448</u>	<u>44,068</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Payments to Other Funds	-	(10,000)	(10,000)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>-</u>	<u>(10,000)</u>	<u>(10,000)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest Received	20,905	101	21,006
Net Cash Provided by Investing Activities	<u>20,905</u>	<u>101</u>	<u>21,006</u>
Net Increase (Decrease) in Cash and Cash Equivalents	21,525	33,549	55,074
CASH AND CASH EQUIVALENTS, Beginning	<u>61,780</u>	<u>468,791</u>	<u>530,571</u>
CASH AND CASH EQUIVALENTS, Ending	<u>\$ 83,305</u>	<u>\$ 502,340</u>	<u>\$ 585,645</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
Operating Income (Loss)	\$ 1,000	\$ 37,762	\$ 38,762
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities			
Depreciation and Amortization	-	9,108	9,108
Changes in Assets and Liabilities			
Accounts Receivable	-	(1,869)	(1,869)
Accounts Payable	(380)	(585)	(965)
Unearned Revenue - Registration Fees		1,257	1,257
Accrued Salaries and Compensated Absences	-	(1,967)	(1,967)
Prepaid Item	-	(258)	(258)
Total Adjustments	<u>(380)</u>	<u>5,686</u>	<u>5,306</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 620</u>	<u>\$ 43,448</u>	<u>\$ 44,068</u>

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

CAÑON CITY AREA METROPOLITAN RECREATION AND PARK DISTRICT

NOTES TO FINANCIAL STATEMENTS

December 31, 2025

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

The Cañon City Area Metropolitan Recreation and Park District (the "District"), a quasi-municipal corporation, operates pursuant to the provisions of the Colorado Revised Statutes of the Colorado Special District Act. The District is governed by a five-member Board of Directors. The District provides recreational activities and park services for the residents in Cañon City, Colorado and the surrounding area.

The accounting policies of the District conform to generally accepted accounting principles as applicable to governmental entities. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. A summary of the District's more significant accounting policies follows.

Reporting Entity

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

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

Government-Wide and Fund Financial Statements

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

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

NOTES TO FINANCIAL STATEMENTS

December 31, 2025

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Government-Wide and Fund Financial Statements (Continued)

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

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

Measurement Focus, Basis of Accounting and Financial Statement Presentation

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

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

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

CAÑON CITY AREA METROPOLITAN RECREATION AND PARK DISTRICT

NOTES TO FINANCIAL STATEMENTS

December 31, 2025

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses or capital contributions.

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

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

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

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

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

CAÑON CITY AREA METROPOLITAN RECREATION AND PARK DISTRICT

NOTES TO FINANCIAL STATEMENTS

December 31, 2025

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Pool Replacement Fund – The Pool Replacement Fund is used to account for financing the design, engineering and construction of a new pool. Funds are provided through voter approved No. 2A City Sales and Use taxes, grants and contributions.

The District reports the following major proprietary funds:

Swimming Pool Fund – The Swimming Pool Fund accounts for the operation and maintenance of the District-owned swimming pool through user charges and rates. The swimming pool was closed in 2024.

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

Assets, Liabilities, Fund Balance/Net Assets

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

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

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

Capital Assets – Capital assets, which include property, plant, buildings and related improvements, equipment, vehicles, and all infrastructure owned by the District, are reported in the applicable government-wide or business-type activities columns of the government-wide financial statements and the proprietary funds in the fund financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

CAÑON CITY AREA METROPOLITAN RECREATION AND PARK DISTRICT

NOTES TO FINANCIAL STATEMENTS

December 31, 2025

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

Buildings	20 – 40 years
Improvements	10 – 50 years
Equipment	10 – 30 years

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

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

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

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

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

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

CAÑON CITY AREA METROPOLITAN RECREATION AND PARK DISTRICT

NOTES TO FINANCIAL STATEMENTS

December 31, 2025

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

CAÑON CITY AREA METROPOLITAN RECREATION AND PARK DISTRICT

NOTES TO FINANCIAL STATEMENTS

December 31, 2025

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property Taxes

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

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

Interfund Transactions

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

Use of Estimates

The preparation of the basic financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Subsequent Events

The District has evaluated events subsequent to the year ended December 31, 2025 through February 26, 2026, the date these financial statements were issued, and has incorporated any required recognition into these financial statements.

NOTE 2: CASH AND INVESTMENTS

A summary of cash and investments at December 31, 2025, follows:

Cash Deposits	\$ 23,818
Petty Cash	160
Investments	<u>2,478,749</u>
Total	<u>\$ 2,502,727</u>

CAÑON CITY AREA METROPOLITAN RECREATION AND PARK DISTRICT

NOTES TO FINANCIAL STATEMENTS

December 31, 2025

NOTE 2: CASH AND INVESTMENTS (Continued)

Deposits

The Colorado Public Deposit Protection Act (PDPA) requires that all local government entities deposit cash in eligible public depositories. Eligibility is determined by State regulations. Amounts on deposit in excess of Federal Deposit Insurance Corporation (FDIC) levels must be collateralized by eligible collateral as determined by the PDPA. The FDIC insures depositors up to \$250,000 for each financial institution. The PDPA allows the financial institution to create a single collateral pool for all public funds held. The pool is to be maintained by another institution, or held in trust for all uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits. At December 31, 2025, the District had bank deposits totaling \$65,620, all of which were insured by FDIC.

Investments

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

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

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

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

CAÑON CITY AREA METROPOLITAN RECREATION AND PARK DISTRICT

NOTES TO FINANCIAL STATEMENTS
December 31, 2025

NOTE 2: CASH AND INVESTMENTS (Continued)

Investments (Continued)

At December 31, 2025, the District had the following investments:

	Maturity	2025
Colorado Liquid Government Asset Trust (COLOTRUST)	Weighted Average under 60 days	<u>\$ 2,478,749</u>

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

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

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CAÑON CITY AREA METROPOLITAN RECREATION AND PARK DISTRICT

NOTES TO FINANCIAL STATEMENTS
December 31, 2025

NOTE 3: CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2025, is summarized below:

	Balances 12/31/2024	Additions	Deletions	Balances 12/31/2025
Governmental Activities:				
Capital Assets, not being depreciated				
Land	\$ 1,781,421	\$ -	\$ -	\$ 1,781,421
Water Rights	14,100	-	-	14,100
Construction in Progress	-	733,610	-	733,610
	<u>1,795,521</u>	<u>733,610</u>	<u>-</u>	<u>2,529,131</u>
Capital Assets, being depreciated				
Buildings	762,194	-	-	762,194
Improvements	3,055,895	44,137	-	3,100,032
Equipment	507,211	31,777	16,590	522,398
Total Capital Assets, being depreciated	<u>4,325,300</u>	<u>75,914</u>	<u>16,590</u>	<u>4,384,624</u>
Less accumulated depreciation				
Buildings	(461,744)	(21,206)	-	(482,950)
Improvements	(1,366,598)	(104,627)	-	(1,471,225)
Equipment	(242,905)	(34,359)	(11,429)	(265,835)
Total accumulated depreciation	<u>(2,071,247)</u>	<u>(160,192)</u>	<u>(11,429)</u>	<u>(2,220,010)</u>
Total Capital Assets, being depreciated, net	<u>2,254,053</u>	<u>(84,278)</u>	<u>5,161</u>	<u>2,164,614</u>
Governmental Activities Capital Assets, net	<u>\$ 4,049,574</u>	<u>\$ 649,332</u>	<u>\$ 5,161</u>	<u>\$ 4,693,745</u>

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

General Government	\$ 15,799
Parks and Recreation	<u>144,393</u>
Total	<u>\$ 160,192</u>

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CAÑON CITY AREA METROPOLITAN RECREATION AND PARK DISTRICT

NOTES TO FINANCIAL STATEMENTS
December 31, 2025

NOTE 3: CAPITAL ASSETS (Continued)

	Balances 12/31/2024	Additions	Deletions	Balances 12/31/2025
Business-type Activities:				
Capital Assets, not being depreciated				
Land	\$ 6,000	\$ -	\$ -	\$ 6,000
Capital Assets, being depreciated				
Buildings	134,268	-	-	134,268
Improvements	130,817	-	-	130,817
Equipment	88,836	-	8,498	80,338
Total Capital Assets, being depreciated	353,921	-	8,498	345,423
Less accumulated depreciation				
Buildings	(134,267)	-	-	(134,267)
Improvements	(84,998)	(2,612)	-	(87,610)
Equipment	(37,570)	(6,496)	(8,498)	(35,568)
Total accumulated depreciation	(256,835)	(9,108)	(8,498)	(257,445)
Total Capital Assets, being depreciated, net	97,086	(9,108)	-	87,978
Business-type Activities Capital Assets, net	<u>\$ 103,086</u>	<u>\$ (9,108)</u>	<u>\$ -</u>	<u>\$ 93,978</u>

Depreciation expense was charged to the District's Program Activities Fund.

NOTE 4: LONG-TERM DEBT

Governmental Activities

Following is a summary of long-term debt transactions for the governmental activities for the year ended December 31, 2025:

	Balance 12/31/2024	Additions	Deletions	Balance 12/31/2025	Due Within One Year
Governmental Activities					
Accrued Compensated Absences	<u>\$ 62,680</u>	<u>\$ 48,239</u>	<u>\$ 36,233</u>	<u>\$ 74,686</u>	<u>\$ 56,014</u>

Business-type Activities

Following is a summary of long-term debt transactions for the business-type activities for the year ended December 31, 2025:

	Balance 12/31/2024	Additions	Deletions	Balance 12/31/2025	Due Within One Year
Business-Type Activities					
Accrued Compensated Absences	<u>\$ 1,828</u>	<u>\$ -</u>	<u>\$ 1,828</u>	<u>\$ -</u>	<u>\$ -</u>

CAÑON CITY AREA METROPOLITAN RECREATION AND PARK DISTRICT

NOTES TO FINANCIAL STATEMENTS
December 31, 2025

NOTE 5: INTERFUND TRANSFERS

Interfund transfers for the year ended December 31, 2025, consisted of the following:

Transfers In	Transfers Out	Amount
General	Conservation Trust	\$ 75,000
General	Program Activities	10,000
Capital Projects	Conservation Trust	50,000
Total		\$ 135,000

During the year ended December 31, 2025, transfers to the General Fund were reimbursements for operating, parks and recreation expenses. The Conservation Trust Fund transferred funds to the General and Capital Projects Funds for reimbursement of parks and recreation expenses. The Program Activities Fund transferred funds to General Fund for operating expenses.

NOTE 6: RISK MANAGEMENT

The District is exposed to various risks of loss related to torts, property and casualty, errors and omissions, injuries to employees and health claims. Risks of loss from property and liability coverage and injuries to employees are covered by the District's participation in the Colorado Special District's property and liability pool, along with participation in the worker's compensation pool. The Colorado Special Districts Pool is a separate and independent governmental public entity risk pool formed through intergovernmental agreement by member special districts to provide defined liability and property coverage. The aggregate limit of losses paid by the pool for property claims is limited to \$1,000,000, with commercial company reinsurance covering any losses in excess of that amount up to \$3,000,000. All other risks of loss are handled by the purchase of commercial insurance. Settled claims from the liability pool and commercial policies have not exceeded the insurance coverage in any of the past three years.

NOTE 7: RETIREMENT COMMITMENTS

The District contributes to a simple IRA defined-contribution plan (the Plan) for all of its full-time employees. The contribution requirements of Plan participants and the District are established and may be amended by the Board of Directors. The Plan is administered by Elk Mountain Financial LLC. The Plan allows employees to defer a portion of their compensation as provided by the Internal Revenue Code. The District will match eligible employee's contributions up to 3% of their compensation. Employees are 100% vested in the District's contributions. For the year ended December 31, 2025, employee contributions totaled \$15,630 and the District recognized pension expense of \$13,756.

CAÑON CITY AREA METROPOLITAN RECREATION AND PARK DISTRICT

NOTES TO FINANCIAL STATEMENTS

December 31, 2025

NOTE 8: COMMITMENTS AND CONTINGENCIES

Tabor Amendment

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

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

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

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

The District has established an emergency reserve, representing 3% of qualifying fiscal year spending, as required by the Amendment. At December 31, 2025, the emergency reserve of \$40,200 was reported as a restriction of fund balance and net position in the General Fund and Governmental Activities, respectively.

NOTE 9: CITY OF CAÑON CITY INTERGOVERNMENTAL AGREEMENT

On November 5, 2024, City of Cañon City (the "City") voters approved Ballot Issue No. 2A authorizing the City to collect a three-tenths of one percent (0.30%) temporary sales and use tax, beginning January 1, 2025 through December 31, 2050 for the financing of construction of a community recreational pool and related pool capital improvements to be constructed and operated by the District.

Effective April 7, 2025, the District and the City entered into an intergovernmental agreement identifying obligations of the City and the District, including that the City is to deposit the sales and use tax revenues into a special fund known as the swimming pool construction tax fund. The IGA further states that if the District is unsuccessful in getting registered voters approval of a revenue source for pool operations at the November 4, 2025 election, then the City is only obligated to reimburse the District for pool project costs up to November 4, 2025. During the year ended December 31, 2025, the City reimbursed the District \$733,610 for engineering, legal and design services related to the pool project.

REQUIRED SUPPLEMENTARY INFORMATION

CAÑON CITY AREA METROPOLITAN RECREATION AND PARK DISTRICT

BUDGETARY COMPARISON SCHEDULE
 GENERAL FUND
 Year Ended December 31, 2025
 (With Comparative Totals for December 31, 2024)

	2025		VARIANCE with FINAL BUDGET	2024
	ORIGINAL and FINAL BUDGET	ACTUAL		ACTUAL
REVENUES				
Taxes				
Property Taxes	\$ 1,034,250	\$ 1,034,887	\$ 637	\$ 1,194,613
Specific Ownership Taxes	120,000	125,456	5,456	125,160
Charges for Services				
Rental Fees	12,800	16,763	3,963	18,590
Property Leases	27,500	27,100	(400)	22,600
Grants and Contributions	100	2,770	2,670	2,390
Interest	30,000	45,306	15,306	58,101
Miscellaneous	5,900	22,278	16,378	8,779
TOTAL REVENUES	<u>1,230,550</u>	<u>1,274,560</u>	<u>44,010</u>	<u>1,430,233</u>
EXPENDITURES				
Current				
General Government	758,850	714,419	44,431	660,183
Parks and Recreation	656,550	557,731	98,819	530,202
Capital Outlay	50,000	34,857	15,143	145,355
TOTAL EXPENDITURES	<u>1,465,400</u>	<u>1,307,007</u>	<u>158,393</u>	<u>1,335,740</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(234,850)	(32,447)	202,403	94,493
OTHER FINANCING SOURCES				
Transfers In	85,000	85,000	-	70,000
Transfers Out	-	-	-	(20,000)
TOTAL OTHER FINANCING SOURCES	<u>85,000</u>	<u>85,000</u>	<u>-</u>	<u>50,000</u>
NET CHANGE IN FUND BALANCE	(149,850)	52,553	202,403	144,493
FUND BALANCE, Beginning	<u>1,123,500</u>	<u>1,123,502</u>	<u>2</u>	<u>979,009</u>
FUND BALANCE, Ending	<u>\$ 973,650</u>	<u>\$ 1,176,055</u>	<u>\$ 202,405</u>	<u>\$ 1,123,502</u>

See the accompanying Independent Auditor's Report.

CAÑON CITY AREA METROPOLITAN RECREATION AND PARK DISTRICT

BUDGETARY COMPARISON SCHEDULE
 CONSERVATION TRUST FUND

Year Ended December 31, 2025

(With Comparative Totals for December 31, 2024)

	2025		VARIANCE with FINAL BUDGET	2024
	ORIGINAL and FINAL BUDGET	ACTUAL		ACTUAL
REVENUES				
Lottery Revenues	\$ 135,000	\$ 171,782	\$ 36,782	\$ 174,700
Interest	10,000	23,575	13,575	23,543
TOTAL REVENUES	145,000	195,357	50,357	198,243
OTHER FINANCING SOURCES (USES)				
Transfers Out	(125,000)	(125,000)	-	(89,000)
NET CHANGE IN FUND BALANCE	20,000	70,357	50,357	109,243
FUND BALANCE, Beginning	469,625	469,625	-	360,382
FUND BALANCE, Ending	\$ 489,625	\$ 539,982	\$ 50,357	\$ 469,625

See the accompanying Independent Auditor's Report.

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
December 31, 2025

NOTE 1: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgets

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

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

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

SUPPLEMENTARY INFORMATION

CAÑON CITY AREA METROPOLITAN RECREATION AND PARK DISTRICT

BUDGETARY COMPARISON SCHEDULE
 CAPITAL PROJECTS FUND
 Year Ended December 31, 2025
 (With Comparative Totals for December 31, 2024)

	2025		VARIANCE with FINAL BUDGET	2024
	ORIGINAL and FINAL BUDGET	ACTUAL		ACTUAL
REVENUES				
Grants and Contributions	\$ 3,500	\$ 1,290	\$ (2,210)	\$ 42,245
Interest	10,000	20,821	10,821	21,717
TOTAL REVENUES	<u>13,500</u>	<u>22,111</u>	<u>8,611</u>	<u>63,962</u>
EXPENDITURES				
Parks and Recreation	<u>125,000</u>	<u>69,014</u>	<u>55,986</u>	<u>104,642</u>
TOTAL EXPENDITURES	<u>125,000</u>	<u>69,014</u>	<u>55,986</u>	<u>104,642</u>
EXCESS OF REVENUES OVER EXPENDITURES	(111,500)	(46,903)	64,597	(40,680)
OTHER FINANCING SOURCES				
Transfers In	<u>50,000</u>	<u>50,000</u>	<u>-</u>	<u>49,000</u>
NET CHANGE IN FUND BALANCE	(61,500)	3,097	64,597	8,320
FUND BALANCE, Beginning	<u>244,760</u>	<u>244,760</u>	<u>-</u>	<u>236,440</u>
FUND BALANCE, Ending	<u>\$ 183,260</u>	<u>\$ 247,857</u>	<u>\$ 64,597</u>	<u>\$ 244,760</u>

See the accompanying Independent Auditor's Report.

CAÑON CITY AREA METROPOLITAN RECREATION AND PARK DISTRICT

BUDGETARY COMPARISON SCHEDULE
 POOL REPLACEMENT FUND
 Year Ended December 31, 2025

	2025		VARIANCE with FINAL BUDGET
	ORIGINAL and FINAL BUDGET	ACTUAL	
REVENUES			
No. 2A City Sales and Use Taxes	\$ 1,680,000	\$ 733,610	\$ (946,390)
Grants and Contributions	1,255,000	357	(1,254,643)
Interest	20,000	-	(20,000)
TOTAL REVENUES	<u>2,955,000</u>	<u>733,967</u>	<u>(2,221,033)</u>
EXPENDITURES			
Current			
Debt Issuance Costs	300,000	-	300,000
Capital Outlay	3,655,000	733,610	2,921,390
Debt Service			
Bond Principal	1,680,000	-	1,680,000
Bond Interest and Fiscal Charges	51,500	-	51,500
TOTAL EXPENDITURES	<u>5,686,500</u>	<u>733,610</u>	<u>4,952,890</u>
EXCESS OF REVENUES OVER EXPENDITURES	(2,731,500)	357	2,731,857
OTHER FINANCING SOURCES			
Debt Proceeds	<u>24,800,000</u>	<u>-</u>	<u>(24,800,000)</u>
NET CHANGE IN FUND BALANCE	22,068,500	357	(22,068,143)
FUND BALANCE, Beginning	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE, Ending	<u>\$ 22,068,500</u>	<u>\$ 357</u>	<u>\$ (22,068,143)</u>

See the accompanying Independent Auditor's Report.

CAÑON CITY AREA METROPOLITAN RECREATION AND PARK DISTRICT

BUDGETARY COMPARISON SCHEDULE
SWIMMING POOL FUND

Year Ended December 31, 2025
(With Comparative Totals for December 31, 2024)

	2025			2024
	ORIGINAL and FINAL BUDGET	ACTUAL	VARIANCE with FINAL BUDGET	ACTUAL
REVENUES				
Investment Income	\$ -	\$ 20,905	\$ 20,905	\$ 24,384
Miscellaneous	-	1,000	1,000	1,304
TOTAL REVENUES	-	21,905	21,905	25,688
EXPENDITURES				
Facilities	-	-	-	10,619
TOTAL EXPENDITURES	-	-	-	10,619
NET INCOME, Budget Basis	<u>\$ -</u>	21,905	<u>\$ 21,905</u>	15,069
GAAP BASIS ADJUSTMENTS				
Depreciation		-		(330)
NET INCOME, GAAP Basis		21,905		14,739
NET POSITION, Beginning		72,027		57,288
NET POSITION, Ending		<u>\$ 93,932</u>		<u>\$ 72,027</u>

See the accompanying Independent Auditor's Report.

CAÑON CITY AREA METROPOLITAN RECREATION AND PARK DISTRICT

BUDGETARY COMPARISON SCHEDULE
PROGRAM ACTIVITIES FUND
Year Ended December 31, 2025
(With Comparative Totals for December 31, 2024)

	2025		VARIANCE with FINAL BUDGET	2024
	ORIGINAL and FINAL BUDGET	ACTUAL		ACTUAL
REVENUES				
Athletic and Program Fees	\$ 461,000	\$ 442,303	\$ (18,697)	\$ 438,997
Contributions and Sponsors	15,000	17,245	2,245	14,297
Grants	3,750	-	(3,750)	5,635
Investment Income	100	101	1	118
Miscellaneous	10,850	14,682	3,832	14,285
TOTAL REVENUES	490,700	474,331	(16,369)	473,332
EXPENDITURES				
Salaries	234,020	214,134	19,886	210,498
Employee Benefits	32,940	29,664	3,276	34,570
Supplies	117,252	102,622	14,630	127,404
Purchased Services	107,950	80,940	27,010	74,030
Capital Outlay	9,108	-	9,108	55,832
Transfer Out	10,000	10,000	-	10,000
TOTAL EXPENDITURES	511,270	437,360	73,910	512,334
NET INCOME, Budget Basis	\$ (20,570)	36,971	\$ 57,541	(39,002)
GAAP BASIS ADJUSTMENTS				
Depreciation		(9,108)		(7,178)
Capital Outlay		-		55,832
NET INCOME, GAAP Basis		27,863		9,652
NET POSITION, Beginning		530,326		520,674
NET POSITION, Ending		\$ 558,189		\$ 530,326

See the accompanying Independent Auditor's Report.