PARACHUTE/BATTLEMENT MESA PARK & RECREATION DISTRICT

BASIC FINANCIAL STATEMENTS

December 31, 2025

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FINANCIAL SECTION

JOHN CUTLER & ASSOCIATES

Board of Directors
Parachute/Battlement Mesa
Park & Recreation District
Parachute, Colorado

INDEPENDENT AUDITORS' REPORT

Report on the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities and each major fund, of the Parachute/Battlement Mesa Park & Recreation 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, each major fund, of the Parachute/Battlement Mesa Park & Recreation 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 Parachute/Battlement Mesa Park & Recreation 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 required budgetary information on pages 21-22 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 and Other 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 individual fund schedule as 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 individual fund schedule 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 individual fund schedule is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

John Cutler & Associates, LLC

September 30, 2026

PARACHUTE/BATTLEMENT MESA
PARK AND RECREATION DISTRICT

PARACHUTE-BATTLEMENT MESA PARK & RECREATION DISTRICT MANAGEMENT DISCUSSION & ANALYSIS: 2025 AUDIT

This section of the Parachute Battlement Mesa Park & Recreation District ("PBMPRD" or the "District") annual financial report presents our analysis of the District's financial performance during the fiscal year ended December 31, 2025. Please read it in conjunction with the financial statements.

1. Financial Highlights

On January 1, 2016, the District assumed ownership, management, and financial control of the Battlement Mesa Golf Club (BMGC) and the Grand Valley Recreation Center (GVRC). Prior to these transfers the District provided activities and sports programs to the community.

The District has three types of Funds to comply with Governmental Accounting Standards Board for Fund reporting. These Funds consist of:

1. Governmental Type Funds: (1) General Fund; and (2) Conservation Trust Fund;
2. Business Type Activities Funds also known as Proprietary Funds: Recreation Fund with two sub funds: (1) Grand Valley Recreation and Programs Fund and; (2) Battlement Mesa Golf Club and Trails Fund.

The District is *currently* in good financial health and there is no long-term debt. PBMPRD has enough in unrestricted funds to maintain operations for over one year. However, the District has aging infrastructure with the transfer of ownership of the golf course and recreation center; that in some instances has exceeded its life expectancy and will need ongoing capital replacement and improvement projects. 2025 proprietary fund operating revenue increased from the 2024 realizing $820,339 increase over 2024.

A continual concern is that oil and gas production has decreased and affects property tax revenue in the years ahead. Property taxes from oil and gas production decreased in 2025 by $1,498,195. The District has realized decreased property tax revenues by 39.54% from the year 2024. Business type funds user fees and memberships do not necessarily cover all operating expenses and capital outlays.

Since assuming operations in the beginning of 2016, financial and management of BMGC and GVRC the District has spent approximately $12,651,463 in capital expenditures & projects. In 2025 the District performed the following capital projects expenditures for a total of $819,446:

- **BATTLEMENT MESA GOLF CLUB:** ($599,809)
  - Beverage Cart Barn and Dry Storage
  - Concrete Cart Path replacements
  - Replaced Golf Course Machinery and Carts
  - Planning for New Event Center
  - Pro-Shop Building Improvements Planning
  - Event Center Planning
  - 2018 Chevy Truck-Parks
  - New Holland Tractor-Parks
  - New Park Fencing
  - Sunset Park Shade Shelter and Picnic Tables
  - Irrigation Repairs – Ditch Rehab & Culvert
  - Monument Gulch Land Acquisition and Trail Development

- **GRAND VALLEY RECREATION CENTER**: ($219,637)
  - Repainting High Ceilings
  - Gutter Crack Fill
  - Replacement Recreation Equipment
  - Heat Pump Replacement
  - Boiler Replacement for Pool and Building
  - New Gym Door Locking System
  - Sauna Benches
  - Replacement Sand Filter (Pool)

Despite the age of the facilities and equipment, the District's assets increased in value due to the 2025 replacements and improvements. In 2025 the value of capital assets increased by $819,446. Depreciation recorded was $646,531.

The District's unrestricted net position increased by $310,056, with the remainder invested in capital assets. This is due to consistently monitoring expenses and ensuring the District is run as efficiently as possible. Cash and Investments showed an increase of $289,367 after funding for the golf course and recreation center capital outlays and business type activities.

Property tax income in 2025 was $2,550,562; however in this amount, the District did collect $1,337 in delinquent taxes. The property tax revenue in 2024 was the District's highest at $4,022,124 and 2025 is $1,471,562 less, reflecting the changes in assessments from Senate Bill SB-233 and House Bill 24B-1001. Oil and gas property tax revenue comprises around 83.97% of the total tax revenue for the District in 2025. The decrease in oil and gas property tax revenue affected the District's ability to perform the extensive capital repairs and basic maintenance that was needed and accomplished significant repairs and upgrades. Residential and multi-family property tax is 6.82% of property tax income.

The Board of Directors strive to keep user fees for the Rec Center, Golf Course and programs at a price that is affordable to those in the District. Keeping these rates low for the community means that property tax revenue is required to maintain operations and limits the amount available for repairs, maintenance, capital projects and ongoing operations.

Of note is that the District had to fund operations and capital replacements in 2025 by transferring $1,741,309 from the General Fund cash reserves to continue to operate and maintain the Grand Valley Rec Center, sports programs, Battlement Mesa Golf Club and Community Park. The ability to continue to transfer similar amounts from cash reserves may be unsustainable in the future without increases in rates, memberships, or requests to increase the mill levy.

2. Overview of the Financial Statements

The annual report consists of three parts:

Management's Discussion and Analysis
Financial Statements
Supplementary Information

3. Required Financial Statements

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

Statement of Net Position

The statement of net position provides information about the nature and amounts of investments in resources (assets) and obligations to District creditors (liabilities). It also provides the basis for computing the rate of return, evaluating the capital structure of the District, and assessing the liquidity and financial flexibility of the District.

Statement of Revenues, Expenses, and Changes in Net Position

This statement measures the results of the District's operations over the past year and may be used to determine profitability, credit worthiness, and whether the District has successfully recovered all it costs through its user fees, taxes, and other changes.

Statement of Cash Flows

The final required financial statement is the statement of cash flows. The primary purpose of this statement is to provide information about the District's cash receipts and payments during the reporting period. This statement reports cash receipts, cash payments, and the net changes in cash resulting from operations, non-capital financing, capital related financing, and investing activities. It also provides answers to such questions as where the cash came from, how was cash used, and what was the change in cash balance during the reporting period.

4. Financial Analysis of The District

One of the most important questions asked about the District's finances is "Is the District as a whole better off or worse off as a result of this year's activities?" The statement of net position and statement of revenues, expenses, and changes in net position report information about the District's activities in a way that can help answer that question. These two statements report the net position of the District and the related change in these assets. The District's net position (the difference between assets and liabilities) is one way to measure financial health or financial position. Over time, increases in the District's net position, is one indicator that the District's financial health is improving. However, one will need to consider other non-financial factors such as changes in economic conditions, population growth, or changed governmental legislation.

5. Net Position

As part of our analysis, we provide a summary of the District's statement of net position:

Condensed Statement of Net Position (previously referred to as Balance Sheet)

			2025 - 2024 Change	
	2025	**2024**	**$**	**%**
Current & Other Assets	$7,595,825	$7,932,009	($336,184)	(4.20%)
Capital Assets	$ 11,710,810	$11,469,585	$694,216	6.30%
Total Assets	$19,306,635	$18,948,603	$358,032	2.06%
Total Liabilities	$386,402	$324,923	$61,479	18.92%
Deferred Inflow of Resources	$1,574,448	$2,282,167	$61,479	(31.01%)
Net Position:				
Invested in capital assets net of related debt	$11,710,403	$11,016,594	$693,809	6.30%
Restricted for emergencies	$154,900	$170,600	($15,700)	(9.20%)
Unrestricted	$5,480,075	$5,154,319	$325,756	6.32%
Total Net Position	**$17,345,785**	**$16,341,513**	**$1,004,272**	**6.15%**

Current Assets decreased by 4.2% primarily due to investing in replacement capital assets, which increased 6.3% over 2024 and decreases in property tax receivables.

Total liabilities increased 18.92% due mostly to accounts payable associated with the Recreation Center repairs and maintenance, golf upgrades and accrued compensated absences. The District has no long-term debt, and these short-term liabilities are paid off within a few months.

Although capital improvements of $694,216 were made, depreciation expense offset some of the value of capital assets, which increased by 6.30%. Restricted funds consist of the TABOR requirement to maintain 3% emergency reserves. Unrestricted funds increased by $325,756 or 6.32%.

Revenues in 2025 associated with oil and gas decreased as well as interest income at rates due to lower interest rates. The unrestricted funds can be utilized as needed and directed by the Board of Directors. In 2025 the District's Net Position improved by $1,004,272 due in large part to increases in 2025 capital asset outlays.

Deferred Inflow of Resources decreased $707,719 as 2025 was property value reassessment year and oil and gas property taxes significant decreased.

While the statement of net position shows the net position; the statement of revenue, expenses, and changes in net position answers as to the nature and sources of these changes.

The primary sources of income prior to 2016 were program and activities income and non-operating income (property taxes). With Grand Valley Recreation Center and Battlement Mesa Golf Club under the Park and Rec District umbrella, there are user fees and memberships that contribute to operating revenue.

Condensed Statement of Revenue, Expenses and Changes in Net Position
(Previously referred to as Income Statement)

	Gov't Funds	Proprietary Funds	All Funds
Revenue			
Operating Revenue	$2,550,547	$2,401,142	$4,951,689
Non-Operating Revenue	$51,106	$390,305	$441,411
Total Revenues	**$2,601,653**	**$2,791,447**	**$5,393,100**
Expenses			
Gov't Fund Expense	$690,567		$690,567
Operating Expense		$4,229,082	$4,229,082
Transfers Out	$1,741,309		$1,741,309
Total Expenses	**$2,431,876**	**$4,229,082**	**$6,660,958**
Income/Loss before Transfers	$169,777	($1,435,605)	($1,265,828)
Transfers In	-	$1,741,309	$1,741,309
			-
Net Income	$169,777	$305,674	$475,451
Beginning Balances (Adjusted)	$4,386,527	$12,483,807	$16,870,334
Ending Balances	**$4,556,304**	**$12,789,481**	**$17,345785**

For Auditing purposes, the Governmental Fund contains the General Fund and the Conservation Trust Fund. These funds are not considered Business Type Funds/Proprietary Funds, which charge fees for services. The primary revenue for the Governmental Fund is property tax revenue.

The General Fund is used to pay payroll taxes, insurance, employee medical benefits, employee retirement, treasurer's fees, office supplies, printing, postage, elections, management, accounting, legal, audit and sales tax collected.

The Proprietary Fund consists of those funds or activities that charge fees for service or usage; and receive only a part of their income from property tax revenue. The Funds included under the Proprietary (or Business Type Activities) Fund consist of the Grand Valley Recreation Center and Programs and the Battlement Mesa Golf Club.

As can be seen above the Proprietary (Business Type Activities) funds bring in $2,476.965 in operating revenue and total operating expenses were $4,229,082. Operating income only covers 58.5% of the operating expenses. The largest expense is approximately $2,090,354 for payroll and benefits. Utility charges are $202,369 and repairs and maintenance for the golf course, rec center and ballparks are close to $483,065. Due to the age of the facilities repairs and maintenance will only increase in the future. The majority of employees are part-time and seasonal which saves in benefits. But with the increase in the hourly rate to $14.42/hr. (2024) and $14.81/hr. (2025) and the State requirement that part-time and seasonal staff be paid 1-hour sick leave for every 30 hours worked, this added to the District's expenses.

Garfield County Federal and Mineral Lease District provided $85,000 in grants for the replacement roof, and irrigation at the Recreation Center facilities.

Programs, primarily youth sports programs, with operating revenue of $35,203 and expenses of $21,259. The Board understands this loss and believes it has an obligation to provide the youth of the District with these activities.

Battlement Mesa Golf Course operating revenue was $1,929,756 with expenses of $1,807,360. The expenses for the ballfield, Community Park, Skate and Dog Park are included under the golf course fund. The largest expenses were wages at $1,219,115, maintenance and repairs and utilities $364,907.

Grand Valley Recreation Center's total income for 2025 memberships and user fees were $431,168, while expenditures were $1,293,338 which was down from 2024 by $133,903. As with the golf course and programs, wages comprised most of the expense at $871,240. Constant and continual building repairs and maintenance continued to contribute to the $132,650 loss in 2025.

6. Budgetary Highlights

As required by state law, the District adopts a budget and appropriates funds by December 15 for the following fiscal year. If an amendment is necessary, the Board will approve a supplemental appropriation at a public hearing and file it with the State of Colorado.

7. Capital Assets and Debt Administration

Capital Assets

Capital Assets less disposed assets increased $819,446 with depreciation of $640,531 on capital projects that are referenced under Section 1: "Financial Highlights".

8. Long-Term Debt

The District has no long-term debt.

9. Economic Factors and New Year's Budget Rates

The District's Board of Directors and management consider many factors when setting the 2025 budget, including user fees and charges. The following table presents the changes in the District's budget from 2025 to 2024.

2025 vs. 2024 Budget

			2025 – 2024 Change	
	2025	**2024**	**$**	**%**
Revenues				
Operating Revenues	$1,871,945	$1,144,323	$727,622	63.59%
Non-Operating Revenues	$2,870,582	$4,341,564	($1,470,982)	(33.88%)
Transfers In	$1,109,000	$4,693,333	($3,584,333)	(76.37%)
Total Revenues	$4,742,527	$10,179,220	($5,436,693)	(76.37%)
Expenses				
Operating Expense	$1,476,600	$2,067,431	($590,831)	(28.58%)
G & A Expenses	$3,012,152	$1,976,797	$1,035,355	10.952.38%
Non-operating Expenses	$80,000	$90,000	($10,000)	-11.11%
Capital Outlay	$2,581,094	$2,335,000	$246,094	10.54%
Total Expenses	$7,149,846	$ 6,469,228	$680,618	23.23%
Change in Net Position	($2,407,319)	$3,709,992	($6,117,311)	(164.89%)
Transfers Out	($1,109,000)	($4,693,333)	$3,584,333	(76.37%)
Net Income	($1,298,319)	$775,490	($2,073,809)	(2677.48)
Beginning Net Position	$5,546,282	$5,428,261	$118,021	2.17%
Ending Net Position	$5,633,927	$5,546,282	$87,645	1.58%

Budgeted Operating Revenues increased by $727,622 between 2024-2025 primarily due to increased rates and the addition of a restaurant to the Golf Club Building, and annual membership rates for both the Pro Shop and Grand Valley Recreation Center, with the last increase made in 2024. This means there is an anticipated income of $1,871,945 in 2025 and with capital improvements of $2,581,094, for a total loss of $1,298,319 for the District after transfers. Non-Operating Revenue decreased by $1,470,982 due to an anticipated decrease in 2025 oil and gas property tax revenue and lower property assessments for multifamily and single family residential units.

Transfers out of the Governmental Fund and transfers into Proprietary Fund consisted of property taxes needed to fund operations, cover payroll, and perform capital improvements. The lower budgeted transfer of $1,009,000 in 2025 is due to decreases in non-operating expenditures and increased capital improvements.

The District strives to keep user rates low for the community; however, the Board is aware that property tax revenue may decrease further due to changes in the Residential Assessment Rate and oil and gas production decreasing with upcoming State Bills regarding property taxes. This may require an increase in the mill levy and/or increase in user fees and membership rates in order to continue to provide programs and recreation to the District residents. However, the majority of property tax (85%) comes from oil and gas companies and not residential.

Operating expenses include Battlement Mesa Golf Club, Grand Valley Recreation Center; sports programs and activities; day-to-day operations including wages, employee benefits, cost of goods sold, utilities, janitorial, repairs and maintenance, landscape maintenance, chemicals, and supplies. The majority of employees are hourly and with the minimum rate increase this has increased payroll expenses. Utilities are also increasing for water, sewer, electrical and gas. Maintenance of the Community Park has increased expenses due to landscape and equipment maintenance, trash, and water charges; and no revenue is generated for this facility.

The General and Administrative (G&A) budget includes advertising and promotion, computer, phone & internet services, property and liability insurance, workers compensation, management fees, accounting/finance, audit, legal fees, and contingency. Contingency of $154,900 is included under General and Administrative expenses.

Non-Operating expenses include TABOR 3% emergency reserve and Garfield County Treasurer's Fees to collect and distribute property taxes.

BASIC FINANCIAL STATEMENTS

PARACHUTE/BATTLEMENT MESA PARK AND RECREATION DISTRICT

STATEMENT OF NET POSITION
As of December 31, 2025

	GOVERNMENTAL ACTIVITIES	BUSINESS TYPE ACTIVITIES	TOTAL 2025	TOTAL 2024
ASSETS				
Cash and Investments	$ 4,185,696	$ 1,699,018	$ 5,884,714	$ 5,595,257
Receivables				
Property Taxes	1,574,448	-	1,574,448	2,282,167
Inventory	-	68,239	68,239	54,585
Prepaid Expenses	68,424	-	68,424	-
Capital Assets, Not Depreciated	-	2,661,421	2,661,421	2,643,468
Capital Assets, Depreciated				
Net of Accumulated Depreciation	580,407	8,468,982	9,049,389	8,373,126
TOTAL ASSETS	6,408,975	12,897,660	19,306,635	18,948,603
LIABILITIES				
Accounts Payable	216,726	-	216,726	-
Accrued Expenses	61,497	-	61,497	225,757
Accrued Compensated Absences	-	108,179	108,179	99,166
TOTAL LIABILITIES	278,223	108,179	386,402	324,923
DEFERRED INFLOWS OF RESOURCES				
Deferred Property Tax Revenue	1,574,448	-	1,574,448	2,282,167
NET POSITION				
Investment in Capital Assets	580,407	11,130,403	11,710,810	11,016,594
Restricted for Emergencies	154,900	-	154,900	170,600
Unrestricted	3,820,997	1,659,078	5,480,075	5,154,319
TOTAL NET POSITION	$ 4,556,304	$ 12,789,481	$ 17,345,785	$ 16,341,513

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

PARACHUTE/BATTLEMENT MESA PARK AND RECREATION DISTRICT

STATEMENT OF ACTIVITIES
Year Ended December 31, 2025

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES: CHARGES FOR SERVICES	PROGRAM REVENUES: OPERATING GRANTS AND CONTRIBUTIONS	PROGRAM REVENUES: CAPITAL GRANTS AND CONTRIBUTIONS
PRIMARY GOVERNMENT				
Governmental Activities				
General Government	$ 690,567	$ -	$ 16	$ -
Parks and Recreation	-	-	-	27,330
Total Governmental Activities	690,567	-	16	27,330
Business-Type Activities				
Recreation Center	4,229,082	2,315,215	87,927	-
Total Business-Type Activities	4,229,082	2,315,215	87,927	-
Total Primary Government	$ 4,919,649	$ 2,315,215	$ 87,943	$ 27,330
GENERAL REVENUES				
Property Taxes				
Specific Ownership Taxes				
Interest				
Other				
Transfers				
TOTAL GENERAL REVENUES				
CHANGE IN NET POSITION				
NET POSITION, Beginning , Restated				
NET POSITION, Ending				

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

GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	NET (EXPENSE) REVENUE AND CHANGE IN NET POSITION TOTALS	
		2025	2024
$ (690,551)	$ -	$ (690,551)	$ (968,960)
27,330	-	27,330	27,958
(663,221)	-	(663,221)	(941,002)
-	(1,825,940)	(1,825,940)	(2,281,884)
-	(1,825,940)	(1,825,940)	(2,281,884)
(663,221)	(1,825,940)	(2,489,161)	(3,222,886)
2,395,553	-	2,395,553	3,812,331
154,994	-	154,994	209,792
-	228,555	228,555	276,796
23,760	161,750	185,510	62,647
(1,741,309)	1,741,309	-	-
832,998	2,131,614	2,964,612	4,361,566
169,777	305,674	475,451	1,138,680
4,386,527	12,483,807	16,870,334	15,202,833
$ 4,556,304	$ 12,789,481	$ 17,345,785	$ 16,341,513

PARACHUTE/BATTLEMENT MESA PARK AND RECREATION DISTRICT

BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2025

	GENERAL FUND	CONSERVATION TRUST FUND	TOTAL GOVERNMENTAL FUNDS 2025	TOTAL GOVERNMENTAL FUNDS 2024
ASSETS				
Cash and Investments	$ 4,128,004	$ 57,692	$ 4,185,696	$ 4,082,200
Prepaid Expenses	68,424	-	68,424	-
Property Taxes Receivable	1,574,448	-	1,574,448	2,282,167
TOTAL ASSETS	$ 5,770,876	$ 57,692	$ 5,828,568	$ 6,364,367
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES				
LIABILITIES				
Accounts Payable	$ 216,726	$ -	$ 216,726	$ -
Accrued Expenses	61,497	-	61,497	224,494
TOTAL LIABILITIES	278,223	-	278,223	224,494
DEFERRED INFLOWS OF RESOURCES				
Deferred Property Tax Revenue	1,574,448	-	1,574,448	2,282,167
FUND EQUITY				
Nonspendable	68,424	-	68,424	-
Restricted for Emergencies	154,900	-	154,900	170,600
Unassigned	3,694,881	57,692	3,752,573	3,687,106
TOTAL FUND EQUITY	3,918,205	57,692	3,975,897	3,857,706
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND EQUITY	$ 5,770,876	$ 57,692	$ 5,828,568	$ 6,364,367
Amounts reported for governmental activities in the statement of net position are different because:				
Fund Balance, government activities			3,975,897	3,857,706
Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds.			580,407	-
Net position of governmental activities			$ 4,556,304	$ -

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

PARACHUTE/BATTLEMENT MESA PARK AND RECREATION DISTRICT

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

	GENERAL FUND	CONSERVATION TRUST FUND	TOTAL GOVERNMENTAL FUNDS 2025	TOTAL GOVERNMENTAL FUNDS 2024
REVENUES				
Property Taxes	$ 2,395,553	$ -	$ 2,395,553	$ 3,812,331
Specific Ownership Taxes	154,994	-	154,994	209,792
Grants and Donations	16	-	16	-
Intergovernmental	-	27,330	27,330	27,958
Interest	-	-	-	214,859
Other	23,760	-	23,760	23,733
TOTAL REVENUES	2,574,323	27,330	2,601,653	4,288,673
EXPENDITURES				
General Government	742,153	-	742,153	968,960
TOTAL EXPENDITURES	742,153	-	742,153	968,960
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	1,832,170	27,330	1,859,500	3,319,713
OTHER FINANCING SOURCES (USES)				
Transfer Out	(1,742,571)	1,262	(1,741,309)	(3,421,413)
NET CHANGE IN FUND BALANCE	89,599	28,592	118,191	(101,700)
FUND BALANCE, Beginning	3,828,606	29,100	3,857,706	3,959,406
FUND BALANCES, Ending	$ 3,918,205	$ 57,692	$ 3,975,897	$ 3,857,706

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

PARACHUTE/BATTLEMENT MESA PARK AND RECREATION DISTRICT

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF 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	$	118,191
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, $63,842, exceeded depreciation expense, ($12,256), in the current period.		51,586
Change in Net Position of Governmental Activities	$	169,777

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

PARACHUTE/BATTLEMENT MESA PARK AND RECREATION DISTRICT

STATEMENT OF NET POSITION
PROPRIETARY FUND TYPE
As of December 31, 2025

	2025	2024
ASSETS		
Current Assets		
Cash and Cash Equivalents	$ 1,699,018	$ 1,513,057
Total Current Assets	1,699,018	1,513,057
Noncurrent Assets		
Capital Assets, net of accumulated depreciation	11,130,403	11,016,594
Inventory	68,239	54,585
TOTAL ASSETS	12,897,660	12,584,236
LIABILITIES		
Current Liabilities		
Accrued Expenses	-	1,263
Accrued Compensated Absences	108,179	99,166
TOTAL LIABILITIES	108,179	100,429
NET POSITION		
Investment in Capital Assets	11,130,403	11,016,594
Unrestricted	1,659,078	1,467,213
TOTAL NET POSITION	$ 12,789,481	$ 12,483,807
	-	-

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

PARACHUTE/BATTLEMENT MESA PARK AND RECREATION DISTRICT

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

	2025	2024
OPERATING REVENUES		
Charges for Services	$ 1,448,896	$ 1,422,000
Pro Shop Sales	223,003	172,539
Restaurant Sales	643,316	-
Facility Rental	-	23,173
Miscellaneous	161,750	38,914
TOTAL OPERATING REVENUES	2,476,965	1,656,626
OPERATING EXPENSES		
Operations	4,229,082	4,163,736
TOTAL OPERATING EXPENSES	4,229,082	4,163,736
OPERATING LOSS	(1,752,117)	(2,507,110)
NON-OPERATING REVENUES		
Interest Income	228,555	61,937
Grants and Contributions	87,927	264,140
TOTAL NON-OPERATING REVENUES	316,482	326,077
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	(1,435,635)	(2,181,033)
CONTRIBUTIONS AND TRANSFERS		
Transfers In	1,741,309	3,421,413
TOTAL CONTRIBUTIONS AND TRANSFERS	1,741,309	3,421,413
NET INCOME (LOSS)	305,674	1,240,380
NET POSITION, Beginning	12,483,807	11,243,427
NET POSITION, Ending	$ 12,789,481	$ 12,483,807

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

PARACHUTE/BATTLEMENT MESA PARK AND RECREATION DISTRICT

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

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Received from Customers	$ 2,476,965	$ 1,656,626
Cash Paid to Suppliers	(3,588,455)	(3,616,272)
Net Cash Provided (Used) by Operating Activities	(1,111,490)	(1,959,646)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Grant and Contribution Revenue	87,927	264,140
Purchase of Capital Assets	(760,340)	(1,804,845)
Transfers from Other Funds	1,741,309	3,421,413
Net Cash Provided by Capital and Related Financing Activities	1,068,896	1,880,708
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest Received	228,555	61,937
Net Increase (Decrease) in Cash and Cash Equivalents	185,961	(17,001)
CASH AND CASH EQUIVALENTS, Beginning	1,513,057	1,530,058
CASH AND CASH EQUIVALENTS, Ending	$ 1,699,018	$ 1,513,057
RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES		
Operating Loss	$ (1,752,117)	$ (2,507,110)
Adjustments to Reconcile Operating Loss to Net Cash Used by Operating Activities		
Depreciation and Amortization	646,531	590,966
Loss on disposal of assets	-	5,605
Changes in Assets and Liabilities		
Inventory	(13,654)	(24,349)
Accrued Expenses	(1,263)	(81,020)
Accrued Compensated Absences	9,013	56,262
Total Adjustments	640,627	547,464
Net Cash Used by Operating Activities	$ (1,111,490)	$ (1,959,646)

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

NOTE 1: ***SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES***

Parachute/Battlement Mesa Parks and Recreation District serves the Parachute/Battlement Mesa area with youth and adult sports, and activities. The Parachute/Battlement Mesa Park & Recreation District was formed in 1984 and serves a 318-square mile area which includes Battlement Mesa, Parachute and the surrounding area. The District owns and operates the Grand Valley Recreation Center and Battlement Mesa Golf Course. In addition, the District provides a variety of outdoor and indoor recreational services to the public. These services include activities for all ages ranging from dog and skate parks to organized volleyball, soccer, basketball and wrestling leagues.

The accounting policies of Parachute/Battlement Mesa Park & Recreation District (the "District") conform to generally accepted accounting principles as applicable to governments. Following is a summary of the more significant policies.

Reporting Entity

In accordance with governmental accounting standards, Parachute/Battlement Mesa Park & Recreation has considered the possibility of inclusion of additional entities in its basic 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 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 governmental organizations that are fiscally dependent upon it.

Based on the application of these criteria, the District does not include additional organizations in its reporting 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 of the nonfiduciary activities of the District. For the most part, the effect of interfund activity has been removed from these statements. *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 activities demonstrates the degree to which the direct expenses of the given function or segments are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment.

NOTE 1: ***SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES*** (Continued)

Government-Wide and Fund Financial Statements (Continued)

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 segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental 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 provider 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 period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period.

Property taxes, specific ownership taxes, grants, and interest associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. All other revenue items 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.

NOTE 1: ***SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES*** (Continued)

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

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.

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.

In the fund financial statements, the District reports the following major governmental funds:

> The *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.

The District reports the following major proprietary fund:

> The *Recreation Fund* accounts for the financial activities associated with the operation of the recreation center, park & recreation programs, and golf course.

Cash and Investments

Cash equivalents include investments with original maturities of three months or less.

Investments are recorded at fair value.

Capital Assets

Capital assets, which include property and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide 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 assets' lives are not capitalized.

NOTE 1: ***SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES*** (Continued)

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

The District depreciated its assets using the straight-line method over the following estimated useful lives:

Buildings and Improvements	10 - 50 years
Machinery and Equipment	3 - 30 years
Infrastructure	10 - 50 years

Compensated Absences

Employees of the District are allowed to accumulate unused paid time off up to a max of 120 hours. Upon termination of employment from the District, an employee will be compensated for all accrued paid time off at their current pay rate.

These compensated absences are recognized as current salary costs when earned in the proprietary fund types and when due in the governmental fund types. A liability has been recorded in the government-wide financial statements for the accrued compensated absences.

Long-Term Obligations

In the government-wide financial statements, and proprietary fund type in the fund 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 type statement of net position. Bond premiums, discounts, and bond issuance costs are deferred and amortized over the life of the bonds using the straight-line method.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

NOTE 1: ***SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES*** (Continued)

Deferred Outflows/Inflows of Resources

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

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

Net Position

The government-wide financial statements, utilize a net position presentation. Net position is categorized as investment in capital assets, restricted, and unrestricted.

Net Investment in Capital Assets includes the District's capital assets (net of accumulated depreciation) reduced by the outstanding balances of capital leases that are attributable to the acquisition of those assets.

Restricted Net Position includes assets that have third-party (statutory, bond covenant, or granting agency) limitations on their use. The District typically uses restricted assets first, as appropriate opportunities arise, but reserves the right to selectively defer the use until a future project.

Unrestricted Net Position typically includes unrestricted liquid assets. The Board has the authority to revisit or alter this designation.

NOTE 1: ***SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES*** (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 not in a spendable form (such as inventories and prepaid amounts) or are legally or contractually required to be maintained intact. The District has classified prepaid expenses as nonspendable.

- 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 has classified Emergency Reserves as being restricted because their use is restricted by State Statute for declared emergencies.

- Committed – This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the District Council. These amounts cannot be used for any other purpose unless the District Council removes or changes the specified use by taking the same type of action (ordinance or resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The District does not report any committed fund balances as of December 31, 2025.

- Assigned – This classification includes amounts the government intends to use for specific purposes that do not meet the criteria to be classified as restricted or committed.

- 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.

The District would typically use Restricted fund balances first, followed by Committed resources, and then Assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend Unassigned.

NOTE 1: ***SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES*** (Continued)

Property Taxes

Property taxes are levied on November 1 and attach as an enforceable lien on property on January 1. 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 revenue are recorded at December 31. As the tax is collected in the succeeding year, the deferred revenue is recognized as revenue and the receivable is reduced.

Adoption of New Accounting Standard

In fiscal year 2025, the District adopted GASB Statement No. 102, Certain Risk Disclosures. This Statement requires governments to evaluate and disclose specific vulnerabilities stemming from concentrations or constraints that limit their ability to acquire resources or control spending, provided certain criteria are met. Based on management's evaluation, no existing concentrations or constraints met all the mandated criteria for required disclosure. Accordingly, the adoption of this standard had no material impact on the District's financial statements.

NOTE 2: ***STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY***

Budgets and Budgetary Accounting

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

- In October, the District staff submits to the 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 comments.
- Prior to December 31, the budget is legally enacted through passage of a resolution.
- The District Administration is authorized to transfer budgeted amounts between departments within any fund. However, any revisions that alter the total expenditures of any fund must be approved by the Board of Directors.

NOTE 2: ***STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY*** (Continued)

Budgets and Budgetary Accounting

- Budgets are legally adopted for all funds of the District. Budgets for the General Fund is adopted on a basis consistent with generally accepted accounting principles (GAAP). The Budgetary comparison presented for the enterprise funds are presented on a non-GAAP budgetary basis. Capital outlay and debt payments are budgeted as expenditures.

- Budgeted amounts in the financial statements are as originally adopted or as amended by the Board of Directors. All appropriations lapse at year end. Colorado governments may not exceed budgeted appropriations at the fund level.

NOTE 3: ***DEPOSITS AND INVESTMENTS***

A summary of deposits and investments as of December 31, 2025 follows:

Petty Cash	$ 2,391
Cash Deposits	1,374,038
Investments	4,508,285
Total	**$ 5,884,714**

The above amounts are classified in the statement of net position as follows:

Governmental Activities	$ 4,185,696
Business-Type Activities	1,699,018
Total	**$ 5,884,714**

Deposits

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. 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 regulations. At December 31, 2025, State regulatory commissioners have indicated that all financial institutions holding deposits for the District are eligible public depositories. Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by the PDPA. 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 the uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits. The District has no policy regarding custodial credit risk for deposits.

NOTE 3: ***DEPOSITS AND INVESTMENTS*** (Continued)

At December 31, 2025, the District had deposits with financial institutions with a carrying amount of $1,374,038. The bank balances with the financial institutions were $1,366,195. Of these balances, $250,000 was covered by federal depository insurance and $1,116,195 was covered by collateral held by authorized escrow agents in the financial institutions name (PDPA).

Investments

Interest Rate Risk

The District has a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk

Colorado statutes specify in which instruments the units of local government may invest which includes:

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

The above investments are authorized for all funds and fund types used by Colorado municipalities and local governments.

The District's policy is to hold investments until maturity.

Local Government Investment Pools

The District had invested $4,508,285 in the Colorado Government Liquid Asset Trust (ColoTrust) which has a credit rating of AAAm by Standard and Poor's. ColoTrust is an investment vehicle established for local government entities in Colorado to pool surplus funds and is regulated by the State Securities Commissioner. It operates similarly to a money market fund and each share is equal in value to $1.00. Investments consist of U.S. Treasury and U.S. Agency securities, and repurchase agreements collateralized by U.S. Treasury and U.S. Agency securities. A designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. Substantially all securities owned are held by the Federal Reserve Bank in the account maintained for the custodial bank.

The custodian's internal records identify the investments owned by the entities.

NOTE 3: ***DEPOSITS AND INVESTMENTS*** (Continued)

ColoTrust is not a 2a7-like external investment pool. The unit of account is each share held, and the value of the position would be the fair value of the pool's share price multiplied by the number of shares held. The government-investor does not "look through" the pool to report a pro rata share of the pool's investments, receivables, and payables.

Fair Value

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant observable inputs. The District has no investments requiring categorization as of December 31, 2025.

NOTE 4: ***CAPITAL ASSETS***

	Balances 12/31/2024	Additions	Deletions	Balances 12/31/2025
Governmental-Type Activities				
Capital Assets, depreciated				
Buildings and Improvements	408,830	-	-	408,830
Intangible Asset – Master Plan	119,991	63,842	-	183,833
Total Capital Assets, depreciated	528,821	63,842	-	592,663
Less: Accumulated Depreciation				
Buildings and Improvements	-	-	-	-
Other Assets	-	12,256	-	12,256
Total Accumulated Depreciation	-	12,256	-	12,256
Total Capital Assets, depreciated, Net	528,821	51,586	-	580,407
Business-Type Activities,				
Capital Assets, Net	**$ 528,821**	**$ 51,586**	**$ -**	**$ 580,407**

Beginning balance was restated to correctly recognize capital assets in the governmental funds.

NOTE 4: ***CAPITAL ASSETS*** (Continued)

	Balances 12/31/2024	Additions	Deletions	Balances 12/31/2025
Business-Type Activities				
Capital Assets, not depreciated				
Land	$ 2,578,468	$ -	$ -	$ 2,578,468
Water Rights	65,000	-	-	65,000
Construction in Process	73,167	16,953	72,167	17,953
Total Capital Assets, not depreciated	2,716,635	16,953	72,167	2,661,421
Capital Assets, depreciated				
Buildings and Improvements	9,839,950	387,094	-	10,227,044
Equipment	1,680,560	428,550	-	2,109,110
Total Capital Assets, depreciated	11,520,510	815,644	-	12,336,154
Less: Accumulated Depreciation				
Buildings and Improvements	2,306,577	421,600	-	2,728,177
Equipment	914,064	224,931	-	1,138,995
Total Accumulated Depreciation	3,220,641	646,531	-	3,867,172
Total Capital Assets, depreciated, Net	8,299,869	169,113	-	8,468,982
Business-Type Activities, Capital Assets, Net	**$ 11,016,504**	**$ 186,066**	**$ (72,167)**	**$ 11,130,403**

Depreciation expense was charged to the recreation center, golf course and program activities.

NOTE 5: ***LONG-TERM DEBT***

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 12/31/24	Additions	Payments	Balance 12/31/25	Due In One Year
Compensated Absences	**$ 99,166**	**$ 9,013**	**$ -**	**$ 108,179**	**$ -**

Accrued Compensated Absences are being paid from resources generated by the Recreation Fund.

NOTE 6: *RISK MANAGEMENT*

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; injuries to employees; and natural disasters. The District carries commercial insurance to cover these risks. The District has not had any claims that exceeded insurable amounts for the last three years.

NOTE 7: *COMMITMENTS AND CONTINGENCIES*

Tabor Amendment

Colorado voters passed an amendment to the State Constitution, Article X, Section 20, which has several limitations, including revenue raising, spending abilities, and other specific requirements of state and local government. On November 5, 2013, voters within the District approved the collection, retention and expenditure the full amount of the District taxes, grants and all other revenue collected from all sources including property taxes, received in 2012 and each subsequent year, without regard to any revenue or expenditure limitations including those contained in Article X, Section 20 of the Colorado constitution or any other law.

The District has established an emergency reserve, representing 3% of qualifying expenditures, as required by the Amendment. At December 31, 2025, the emergency reserve of $154,900 was recorded in the General Fund.

NOTE 8: *SUBSEQUENT EVENTS*

Potential subsequent events were considered through September 30 2026. This is the date the financials were released. We noted no significant items required to be disclosed through this date.

NOTE 9: *ADJUSTMENTS TO AND RESTATEMENTS OF BEGINNING BALANCES*

During the fiscal year ending on December 31,2025, beginning net position was increased by $528,821. This adjustment was necessary to correctly recognize Capital Assets in the governmental funds. The effect of the restatement is shown below:

	Net Position: Government Wide
December 31, 2024, as previously reported	$ 3,857,706
Correction of an error	528,821
December 31, 2024, as restated	**$ 4,386,527**

REQUIRED SUPPLEMENTARY INFORMATION

PARACHUTE/BATTLEMENT MESA PARK AND RECREATION DISTRICT

GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2025

	2025			
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)	2024 ACTUAL
REVENUES				
Property Taxes	$ 2,282,082	$ 2,395,553	$ 113,471	$ 3,812,331
Specific Ownership Taxes	100,000	154,994	54,994	209,792
Grants and Donations	258,500	16	(258,484)	-
Interest	175,000	-	(175,000)	214,859
Other	55,000	23,760	(31,240)	23,733
TOTAL REVENUES	2,870,582	2,574,323	(296,259)	4,260,715
EXPENDITURES				
General Government				
Professional Services	377,760	148,507	229,253	12,584
Payroll Expense	3,600	259,995	(256,395)	240,951
Office Expense	133,575	113,170	20,405	31,672
Insurance	73,500	94,008	(20,508)	77,351
Treasurer Fees	65,000	45,529	19,471	76,327
Repair and Maintenance	86,838	592	86,246	120,638
Utilities	-	2,356	(2,356)	607
Other Expenses	45,000	14,154	30,846	-
Capital Outlay	1,850,000	63,842	1,786,158	408,830
TOTAL EXPENDITURES	2,635,273	742,153	1,893,120	968,960
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	235,309	1,832,170	1,596,861	3,291,755
OTHER FINANCING SOURCES (USES)				
Transfer Out	(3,236,000)	(1,742,571)	1,493,429	(3,422,555)
TOTAL OTHER FINANCING SOURCES (USES)	(3,236,000)	(1,742,571)	1,493,429	(3,422,555)
NET CHANGE IN FUND BALANCE	(3,000,691)	89,599	3,090,290	(130,800)
FUND BALANCE Beginning	3,828,606	3,828,606	-	3,959,406
FUND BALANCE, Ending	$ 827,915	$ 3,918,205	$ 3,090,290	$ 3,828,606

See the accompanying independent auditors' report.

PARACHUTE/BATTLEMENT MESA PARK AND RECREATION DISTRICT

CONSERVATION TRUST FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2025

	2025			
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)	2024 ACTUAL
REVENUES				
Intergovernmental	$ 30,000	$ 27,330	$ (2,670)	$ 27,958
TOTAL REVENUES	30,000	27,330	(2,670)	27,958
EXPENDITURES				
General Government				
Parks and Recreation	-	-	-	-
TOTAL EXPENDITURES		-	-	-
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	30,000	27,330	(2,670)	27,958
OTHER FINANCING SOURCES (USES)				
Transfer Out	(30,000)	1,262	31,262	1,142
TOTAL OTHER FINANCING SOURCES (USES)	(30,000)	1,262	31,262	1,142
NET CHANGE IN FUND BALANCE	-	28,592	28,592	29,100
FUND BALANCE Beginning	29,100	29,100	-	-
FUND BALANCE, Ending	$ 29,100	$ 57,692	$ 28,592	$ 29,100

See the accompanying independent auditors' report.

INDIVIDUAL FUND SCHEDULES

PARACHUTE/BATTLEMENT MESA PARK AND RECREATION DISTRICT

RECREATION FUND
BUDGETARY COMPARISON SCHEDULE
BUDGET (NON-GAAP) BASIS
Year Ended December 31, 2025

	2025			
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)	2024 ACTUAL
REVENUES				
Charges for Services	$ 1,234,945	$ 1,448,896	$ 213,951	$ 1,422,000
Facility Rental	-	-	-	23,173
Interest Income	30,000	228,555	198,555	61,937
Pro Shop Sales	137,000	223,003	86,003	172,539
Restaurant Sales	500,000	643,316	143,316	-
Miscellaneous	500	161,750	161,250	38,914
Transfers In	3,236,000	1,741,309	(1,494,691)	3,421,413
Grants	250,000	85,000	(165,000)	261,000
Contribution Revenue	8,500	2,927	(5,573)	3,140
TOTAL REVENUES	5,396,945	4,534,756	(862,189)	5,404,116
EXPENDITURES				
Salaries and Benefits	2,002,014	2,080,278	(78,264)	1,995,566
Office Expense	42,174	129,389	(87,215)	151,462
Utilities	187,118	202,508	(15,390)	180,378
Recreation Center Operating Expense	36,000	21,551	14,449	17,501
Program Expense	25,525	26,362	(837)	60,054
Restaurant Operating Expense	32,500	293,727	(261,227)	-
Golf and Park Operating Expense	80,000	34,359	45,641	431,541
Repair and Maintenance Expenses	485,285	514,279	(28,994)	728,117
Pro Shop Operating Expense	28,000	175,514	(147,514)	-
Other	133,957	104,520	29,437	8,151
Capital Outlay	1,386,000	-	1,386,000	-
Contingency	75,000	64	74,936	-
TOTAL EXPENDITURES	4,513,573	3,582,551	931,022	3,572,770
NET INCOME (Budget Basis)	$ 883,372	952,205	$ 68,833	1,831,346
GAAP BASIS ADJUSTMENTS				
Depreciation		(646,531)		(590,966)
NET INCOME (LOSS), GAAP BASIS		305,674		1,240,380
NET POSITION, Beginning		12,483,807		11,457,289
Prior Period Adjustment		-		(213,862)
NET POSITION, Beginning, Restated		12,483,807		11,243,427
NET POSITION, Ending		$ 12,789,481		$ 12,483,807

See the accompanying independent auditors' report.