

CAÑON CITY AREA METROPOLITAN
RECREATION AND PARK DISTRICT

FINANCIAL STATEMENTS

December 31, 2022



Logan and Associates, LLC
CERTIFIED PUBLIC ACCOUNTANTS

TABLE OF CONTENTS

Independent Auditor's Report	a - c
Management's Discussion and Analysis	i - vi
Basic Financial Statements	
Statement of Net Position	1
Statement of Activities	2
Balance Sheet – Governmental Funds	3
Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental Funds	4
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	5
Statement of Net Position – Proprietary Funds	6
Statement of Revenues, Expenses and Changes in Fund Net Position – Proprietary Funds	7
Statement of Cash Flows – Proprietary Funds	8
Notes to Financial Statements	9 - 22
Required Supplementary Information	
Budgetary Comparison Schedule – General Fund	23
Budgetary Comparison Schedule – Conservation Trust Fund	24
Notes to Required Supplementary Information	25
Supplementary Information	
Governmental Funds	
Budgetary Comparison Schedule – Capital Projects Fund	26
Enterprise Funds	
Budgetary Comparison Schedule – Swimming Pool Fund	27
Budgetary Comparison Schedule – Program Activities Fund	28



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, 2022, 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, 2022, 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 24, 2023

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, 2022 and should be read in conjunction with the financial statements.

REPORT LAYOUT

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

BASIC FINANCIAL STATEMENTS

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

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

DISTRICT AS A WHOLE

GOVERNMENT-WIDE FINANCIAL STATEMENTS

Comparisons in this section discuss and analyze significant differences between the fiscal year 2021 and 2022. A condensed version of the statement of net position at December 31, 2021 and 2022 follows:

Net Position at Year-End

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Cash/Investments	\$ 1,429,511	\$ 1,015,659	\$ 500,378	\$ 356,827
Other Assets	1,022,175	1,022,945	2,785	1,403
Capital Assets, Net	<u>3,974,125</u>	<u>3,746,841</u>	<u>57,704</u>	<u>60,647</u>
Total Assets	<u>6,425,811</u>	<u>5,785,445</u>	<u>560,867</u>	<u>418,877</u>
Current Liabilities	162,811	55,063	33,191	23,627
Long Term Liabilities	<u>13,050</u>	<u>10,318</u>	<u>1,278</u>	<u>704</u>
Total Liabilities	<u>175,861</u>	<u>65,381</u>	<u>34,469</u>	<u>24,331</u>
Deferred inflows of resources				
Property Taxes	<u>959,699</u>	<u>971,113</u>	<u>-</u>	<u>-</u>
Net Position:				
Net investment in capital assets	3,974,125	3,746,841	57,704	60,647
Restricted for Tabor	38,100	32,900	-	-
Restricted for parks projects	209,960	166,689	-	-
Unrestricted	<u>1,068,066</u>	<u>802,521</u>	<u>468,694</u>	<u>333,899</u>
Total Net Position	<u>\$ 5,290,251</u>	<u>\$ 4,748,951</u>	<u>\$ 526,398</u>	<u>\$ 394,546</u>

Financial Analysis

Increased revenues from property taxes and program activities fees, and the investment in a lighting improvement project at Rouse Park contributed to the District's greater year end position in total assets.

The difference of \$107,748 in year end current liabilities in the governmental activities largely relates to a capital project at Rouse Park. Work on the lighting phase of the project occurred in December, and payments were made in 2023. Increases in accrued compensated absences contributed to the change in long term liabilities of both the governmental and business type activities.

GOVERNMENTAL ACTIVITIES

A condensed statement of activities for the governmental activities for the years ending December 31, 2022 and 2021 follows:

	<u>Governmental Activities</u>	
	<u>2022</u>	<u>2021</u>
Program revenues		
Charges for services	\$ 41,731	\$ 30,184
Operating grants and contributions	180,116	162,416
Capital grants and contributions	336,335	21,020
General revenues		
Property taxes	973,562	816,870
Specific ownership taxes	127,527	132,269
Unrestricted investment earnings	33,181	2,286
Grants and Contributions not Restricted to Specific Programs	514	173
Other	10,996	33,582
Total Revenues	<u>1,703,962</u>	<u>1,198,800</u>
Expenses		
General government	580,022	515,061
Parks and recreation	587,640	599,776
Total Expenses	<u>1,167,662</u>	<u>1,114,837</u>
Change in net position before transfers	536,300	83,963
Transfers	5,000	(50,000)
Change in net position after transfers	<u>541,300</u>	<u>33,963</u>
Net position, beginning of year	<u>4,748,951</u>	<u>4,714,988</u>
Net position, end of year	<u>\$ 5,290,251</u>	<u>\$ 4,748,951</u>

Financial Analysis

Tax revenue increased \$156,692 in 2022. The District received \$300,000 in ARPA funds from Fremont County to help fund an infrastructure improvement project at Rouse Park. Investment income increased significantly due to higher interest rates.

Total expenses increased in large part due to higher wage and benefits costs.

Transfers from the Programs Activity Fund (a business type activity) made a positive impact on the change in net position at the end of the year.

BUSINESS -TYPE ACTIVITIES

A condensed statement of activities for the business-type activities for the years ending December 31, 2022 and 2021 follows:

	Business-Type Activities	
	2022	2021
Operating Revenues		
Charges for services	\$ 489,653	\$ 420,712
Operating grants and contributions	160,228	42,541
Other Revenues		
Other	9,043	12,130
Unrestricted investment earnings	6,436	150
Total Revenues	665,360	475,533
Expenses		
Program activities	398,215	291,982
Pool	130,293	130,349
Total Expenses	528,508	422,331
Increase/(Decrease) in net position before transfers	136,852	53,202
Total Transfers	(5,000)	50,000
Change in net position	131,852	103,202
Net position, beginning of year	394,546	291,344
Net position, end of year	\$ 526,398	\$ 394,546

Financial Analysis

Operating revenues increased in 2022 due to a successful special event and increased participation in program activities. The District received a large grant from the Colorado Department of Human Services to support the operations and staff retention for Kids Klub, the District's childcare program. Utilizing these grant funds caused a corresponding increase in expenses.

The District was able to operate a full slate of program activities this year, resulting in an increase in wage costs and supplies.

In 2022, \$20,000 was transferred from the Conservation Trust Fund and \$30,000 from the General Fund (both governmental funds) to the Swimming Pool Fund (a business activity fund). The Programs Activity Fund transferred \$15,000 to the General Fund and \$40,000 to the Capital Projects Fund to help cover the costs associated with field maintenance and the Rouse Park stadium lighting project.

**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 \$ 1,172,787 for the year ended December 31, 2022 compared to \$1,015,177 for the year ended December 31, 2021. Expenditures of the general fund were \$1,064,797 for 2022 compared to \$976,360 for 2021. The following table reflects a summarization of revenues and expenditures for the general fund:

	<u>2022</u>	<u>2021</u>
Revenues		
Property taxes	\$973,562	\$816,870
Specific ownership taxes	127,527	132,269
Other	<u>71,698</u>	<u>65,978</u>
Total revenues	<u>1,172,787</u>	<u>1,015,117</u>
Expenditures		
General government	555,052	497,243
Parks and trails	459,647	435,599
Capital Outlay	<u>50,098</u>	<u>43,518</u>
Total expenditures	<u>1,064,797</u>	<u>976,360</u>
Excess (deficiency) of revenues over expenditures	107,990	38,757
Net Transfers	<u>45,000</u>	<u>50,000</u>
Net change in fund balance	152,990	88,757
Fund balance, beginning of year	<u>688,989</u>	<u>600,232</u>
Fund balance, end of year	<u><u>\$841,979</u></u>	<u><u>\$688,989</u></u>

Financial Analysis

The increase in total general fund revenues from 2021 to 2022 (\$157,670) is due predominately to additional tax revenues. Another factor affecting the higher overall revenues includes a substantial increase in interest income.

In 2022 the District continued to invest in equipment, including a new mower, trenching implement for the skid steer, and a chipper. An older vehicle was traded out for a newer truck.

Unlike in 2021, the District did not incur any election expenses, but inflationary pressures contributed to higher overall expenditures in 2022. Wage costs and utility expenses were significantly higher than in the prior year.

CAPITAL ASSETS

The District's investment in capital assets, net of accumulated depreciation, for its governmental and business type activities totaled \$4,031,829 at December 31, 2022 compared to \$3,807,488 at December 31, 2021.

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Land	\$1,781,421	\$1,781,421	\$6,000	\$6,000
Intangibles	14,100	14,100	-	-
Buildings	342,862	364,068	-	-
Improvements	1,646,530	1,427,109	51,704	54,647
Equipment	189,212	160,143	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Subtotal	<u>3,974,125</u>	<u>3,746,841</u>	<u>57,704</u>	<u>60,647</u>
Capital Assets Net	<u><u>\$3,974,125</u></u>	<u><u>\$3,746,841</u></u>	<u><u>\$57,704</u></u>	<u><u>\$60,647</u></u>

The District's change in capital assets in governmental activities resulted from depreciation and the acquisition of equipment, including a trencher implement, chipper, and mower. As part of a major improvement project, new LED stadium lights were installed at Rouse Park. For the business type activities, the change resulted from 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, Cañon City, Colorado 81212.

BASIC FINANCIAL STATEMENTS

CAÑON CITY AREA METROPOLITAN RECREATION AND PARK DISTRICT

STATEMENT OF NET POSITION
December 31, 2022

	GOVERNMENTAL ACTIVITIES	BUSINESS TYPE ACTIVITIES	TOTAL
ASSETS			
Cash and Investments	\$ 1,429,511	\$ 500,378	\$ 1,929,889
Receivables			
County Treasurer	13,159	-	13,159
Other	1,714	1,785	3,499
Property Taxes	959,699	-	959,699
Prepaid Expenses	47,603	1,000	48,603
Capital Assets, Not Depreciated	1,795,521	6,000	1,801,521
Capital Assets, Depreciated Net of Accumulated Depreciation	2,178,604	51,704	2,230,308
TOTAL ASSETS	6,425,811	560,867	6,986,678
LIABILITIES			
Accounts Payable	108,001	4,633	112,634
Accrued Salaries and Benefits	14,910	2,929	17,839
Customer Deposits	750	-	750
Unearned Revenue - Registration Fees	-	24,350	24,350
Noncurrent Liabilities			
Due in One Year	39,150	1,279	40,429
Due in More Than One Year	13,050	1,278	14,328
TOTAL LIABILITIES	175,861	34,469	210,330
DEFERRED INFLOW OF RESOURCES			
Deferred Property Tax Revenue	959,699	-	959,699
NET POSITION			
Net Investment in Capital Assets	3,974,125	57,704	4,031,829
Restricted for Emergencies	38,100	-	38,100
Restricted for Parks and Recreation	209,960	-	209,960
Unrestricted	1,068,066	468,694	1,536,760
TOTAL NET POSITION	\$ 5,290,251	\$ 526,398	\$ 5,816,649

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

THIS PAGE INTENTIONALLY LEFT BLANK

CAÑON CITY AREA METROPOLITAN RECREATION AND PARK DISTRICT

STATEMENT OF ACTIVITIES
Year Ended December 31, 2022

FUNCTIONS/PROGRAMS	EXPENSES	CHARGES FOR SERVICES	PROGRAM REVENUES	
			OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS
PRIMARY GOVERNMENT				
Governmental Activities				
General Government	\$ 580,022	\$ 41,731	\$ -	\$ -
Parks and Recreation	587,640	-	180,116	336,335
Total Governmental Activities	1,167,662	41,731	180,116	336,335
Business-Type Activities				
Swimming Pool	130,293	74,192	4,888	-
Program Activities	398,215	415,461	155,340	-
Total Business-Type Activities	528,508	489,653	160,228	-
Total Primary Government	\$ 1,696,170	\$ 531,384	\$ 340,344	\$ 336,335
			GENERAL REVENUES	
			Property Taxes	
			Specific Ownership Taxes	
			Grants and Contributions not Restricted to Specific Programs	
			Interest	
			Miscellaneous	
			TRANSFERS	
			TOTAL GENERAL REVENUES	
			CHANGE IN NET POSITION	
			NET POSITION, Beginning	
			NET POSITION, Ending	

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

NET (EXPENSE) REVENUE AND
CHANGE IN NET POSITION

GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTALS
\$ (538,291)	\$ -	\$ (538,291)
(71,189)	-	(71,189)
(609,480)	-	(609,480)
-	(51,213)	(51,213)
-	172,586	172,586
-	121,373	121,373
(609,480)	121,373	(488,107)
973,562	-	973,562
127,527	-	127,527
514	-	514
33,181	6,436	39,617
10,996	9,043	20,039
5,000	(5,000)	-
1,150,780	10,479	1,161,259
541,300	131,852	673,152
4,748,951	394,546	5,143,497
<u>\$ 5,290,251</u>	<u>\$ 526,398</u>	<u>\$ 5,816,649</u>

CAÑON CITY AREA METROPOLITAN RECREATION AND PARK DISTRICT

BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2022

	GENERAL FUND	CONSERVATION TRUST FUND	CAPITAL PROJECTS FUND	TOTALS
ASSETS				
Cash and Investments	\$ 817,436	\$ 209,960	\$ 402,115	\$ 1,429,511
Accounts Receivable				
County Treasurer	13,159	-	-	13,159
Other	1,714	-	-	1,714
Property Taxes Receivable	959,699	-	-	959,699
Prepaid Expenses	47,603	-	-	47,603
TOTAL ASSETS	1,839,611	209,960	402,115	2,451,686
LIABILITIES, DEFERRED INFLOWS AND FUND EQUITY				
LIABILITIES				
Accounts Payable	22,273	-	85,728	108,001
Accrued Salaries and Benefits	14,910	-	-	14,910
Customer Deposits	750	-	-	750
TOTAL LIABILITIES	37,933	-	85,728	123,661
DEFERRED INFLOW OF RESOURCES				
Deferred Property Tax Revenue	959,699	-	-	959,699
FUND EQUITY				
Fund Balance				
Nonspendable	47,603	-	-	47,603
Restricted for Emergencies	38,100	-	-	38,100
Restricted for Parks and Recreation	-	209,960	-	209,960
Assigned for Subsequent Years Expenditures	116,155	-	150,000	266,155
Assigned for Capital Projects	-	-	166,387	166,387
Unassigned	640,121	-	-	640,121
TOTAL FUND EQUITY	841,979	209,960	316,387	1,368,326
TOTAL LIABILITIES, DEFERRED INFLOWS, AND FUND EQUITY	\$ 1,839,611	\$ 209,960	\$ 402,115	\$ 2,451,686

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

Total Fund Balances of Governmental Funds	1,368,326
Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds.	3,974,125
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.	(52,200)
Net position of governmental activities	\$ 5,290,251

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, 2022

	GENERAL FUND	CONSERVATION TRUST FUND	CAPITAL PROJECTS FUND	TOTALS
REVENUES				
Taxes	\$ 1,101,089	\$ -	\$ -	\$ 1,101,089
Grants and Contributions	514	-	306,397	306,911
Intergovernmental	-	180,116	-	180,116
Charges for Services	41,731	-	-	41,731
Interest	18,457	4,655	10,069	33,181
Miscellaneous	10,996	-	-	10,996
TOTAL REVENUES	<u>1,172,787</u>	<u>184,771</u>	<u>316,466</u>	<u>1,674,024</u>
EXPENDITURES				
General Government	555,052	-	-	555,052
Parks and Recreation	459,647	-	289,282	748,929
Capital Outlay	50,098	-	-	50,098
TOTAL EXPENDITURES	<u>1,064,797</u>	<u>-</u>	<u>289,282</u>	<u>1,354,079</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	107,990	184,771	27,184	319,945
OTHER FINANCING SOURCES (USES)				
Transfers In	75,000	-	101,500	176,500
Transfers Out	(30,000)	(141,500)	-	(171,500)
	<u>45,000</u>	<u>(141,500)</u>	<u>101,500</u>	<u>5,000</u>
NET CHANGE IN FUND BALANCES	152,990	43,271	128,684	324,945
FUND BALANCES, Beginning	<u>688,989</u>	<u>166,689</u>	<u>187,703</u>	<u>1,043,381</u>
FUND BALANCES, Ending	<u>\$ 841,979</u>	<u>\$ 209,960</u>	<u>\$ 316,387</u>	<u>\$ 1,368,326</u>

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

CAÑON CITY AREA METROPOLITAN RECREATION AND PARK DISTRICT

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
Year Ended December 31, 2022

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

Net Changes in Fund Balances - Total Governmental Funds	\$ 324,945
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 \$321,134 and capital contributions \$29,938 exceeded depreciation expense (\$123,788), in the current period.	227,284
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds. This includes the change in accrued compensated absences.	<u>(10,929)</u>
Change in Net Position of Governmental Activities	<u>\$ 541,300</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, 2022

	SWIMMING POOL FUND	PROGRAM ACTIVITIES FUND	TOTALS
ASSETS			
Current Assets			
Cash and Investments	\$ 35,429	\$ 464,949	\$ 500,378
Accounts Receivable	-	1,785	1,785
Prepaid Expenses	-	1,000	1,000
Total Current Assets	<u>35,429</u>	<u>467,734</u>	<u>503,163</u>
Noncurrent Assets			
Capital Assets, Not Being Depreciated	6,000	-	6,000
Capital Assets, Net of Accumulated Depreciation	<u>5,288</u>	<u>46,416</u>	<u>51,704</u>
Total Noncurrent Assets	<u>11,288</u>	<u>46,416</u>	<u>57,704</u>
TOTAL ASSETS	<u>46,717</u>	<u>514,150</u>	<u>560,867</u>
LIABILITIES			
Current Liabilities			
Accounts Payable	257	4,376	4,633
Accrued Salaries and Benefits	-	2,929	2,929
Unearned Revenue - Registration Fees	-	24,350	24,350
Accrued Compensated Absences	-	1,279	1,279
Total Current Liabilities	<u>257</u>	<u>32,934</u>	<u>33,191</u>
Noncurrent Liabilities			
Accrued Compensated Absences	-	1,278	1,278
Total Noncurrent Liabilities	<u>-</u>	<u>1,278</u>	<u>1,278</u>
TOTAL LIABILITIES	<u>257</u>	<u>34,212</u>	<u>34,469</u>
NET POSITION			
Net Investment in Capital Assets	11,288	46,416	57,704
Unreserved	<u>35,172</u>	<u>433,522</u>	<u>468,694</u>
TOTAL NET POSITION	<u>\$ 46,460</u>	<u>\$ 479,938</u>	<u>\$ 526,398</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, 2022

	SWIMMING POOL FUND	PROGRAM ACTIVITIES FUND	TOTALS
OPERATING REVENUES			
Athletic and Program Fees	\$ 66,392	\$ 415,461	\$ 481,853
Rental Fees	7,800	-	7,800
Grants and Contributions	669	13,610	14,279
Miscellaneous	109	8,934	9,043
	<hr/>	<hr/>	<hr/>
TOTAL OPERATING REVENUES	74,970	438,005	512,975
OPERATING EXPENSES			
Salaries	77,994	203,022	281,016
Employee Benefits	1,259	28,766	30,025
Supplies	19,663	118,539	138,202
Purchased Services	31,046	45,276	76,322
Depreciation	331	2,612	2,943
	<hr/>	<hr/>	<hr/>
TOTAL OPERATING EXPENSES	130,293	398,215	528,508
OPERATING INCOME	<hr/> (55,323)	<hr/> 39,790	<hr/> (15,533)
NON-OPERATING REVENUES			
Grant Revenue	4,219	141,730	145,949
Interest Income	6,401	35	6,436
	<hr/>	<hr/>	<hr/>
TOTAL NON-OPERATING REVENUES	10,620	141,765	152,385
INCOME (LOSS) BEFORE TRANSFERS	<hr/> (44,703)	<hr/> 181,555	<hr/> 136,852
TRANSFERS			
Transfers In	50,000	-	50,000
Transfers Out	-	(55,000)	(55,000)
	<hr/>	<hr/>	<hr/>
TOTAL TRANSFERS	50,000	(55,000)	(5,000)
CHANGE IN NET POSITION	<hr/> 5,297	<hr/> 126,555	<hr/> 131,852
NET POSITION, Beginning	<hr/> 41,163	<hr/> 353,383	<hr/> 394,546
NET POSITION, Ending	<hr/> <u>\$ 46,460</u>	<hr/> <u>\$ 479,938</u>	<hr/> <u>\$ 526,398</u>

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, 2022
 Increase (Decrease) in Cash and Cash Equivalents

	SWIMMING POOL FUND	PROGRAM ACTIVITIES FUND	TOTALS
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash Received from Customers	\$ 74,192	\$ 421,648	\$ 495,840
Cash Received from Others	1,284	22,544	23,828
Cash Paid to Suppliers	(50,902)	(164,501)	(215,403)
Cash Paid to Employees	(79,253)	(228,846)	(308,099)
Net Cash Provided (Used) by Operating Activities	<u>(54,679)</u>	<u>50,845</u>	<u>(3,834)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Receipts from Other Funds	<u>50,000</u>	<u>-</u>	<u>50,000</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Grants Received	4,219	141,730	145,949
Payments to Other Funds	-	(55,000)	(55,000)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>4,219</u>	<u>86,730</u>	<u>90,949</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest Received	<u>6,401</u>	<u>35</u>	<u>6,436</u>
Net Cash Provided by Investing Activities	<u>6,401</u>	<u>35</u>	<u>6,436</u>
Net Increase (Decrease) in Cash and Cash Equivalents	5,941	137,610	143,551
CASH AND CASH EQUIVALENTS, Beginning	<u>29,488</u>	<u>327,339</u>	<u>356,827</u>
CASH AND CASH EQUIVALENTS, Ending	<u>\$ 35,429</u>	<u>\$ 464,949</u>	<u>\$ 500,378</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
Operating Income (Loss)	\$ (55,323)	\$ 39,790	\$ (15,533)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities			
Depreciation and Amortization	331	2,612	2,943
Changes in Assets and Liabilities			
Accounts Receivable	506	(888)	(382)
Accounts Payable	(193)	314	121
Unearned Revenue - Registration Fees	-	7,075	7,075
Accrued Salaries and Compensated Absences	-	2,942	2,942
Prepaid Item	-	(1,000)	(1,000)
Total Adjustments	<u>644</u>	<u>11,055</u>	<u>11,699</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ (54,679)</u>	<u>\$ 50,845</u>	<u>\$ (3,834)</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, 2022

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.

CAÑON CITY AREA METROPOLITAN RECREATION AND PARK DISTRICT

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

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, 2022

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 general 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, 2022

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

The District reports the following major proprietary funds:

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

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

Assets, Liabilities, Fund Balance/Net Assets

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

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

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

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

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

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

CAÑON CITY AREA METROPOLITAN RECREATION AND PARK DISTRICT

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

Compensated Absences – Full-time employees of the District are allowed to accumulate unused vacation and sick time. Vacation accumulates based on years of service. Employees will be paid for all accrued vacation time, but not accumulated sick time, upon separation of employment. Therefore, no liability for accumulated sick time is reported in the financial statements. Accrued vacation time is recognized as current salary costs when earned in the proprietary funds and when due in the governmental funds. A long-term liability is reported in the government-wide and proprietary fund financial statements for accrued compensated absences.

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

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

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

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

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

CAÑON CITY AREA METROPOLITAN RECREATION AND PARK DISTRICT

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

as follows:

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

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

Property Taxes

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

CAÑON CITY AREA METROPOLITAN RECREATION AND PARK DISTRICT

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property Taxes (Continued)

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

Interfund Transactions

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

Use of Estimates

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

Subsequent Events

The District has evaluated events subsequent to the year ended December 31, 2022 through February 24, 2023, the date of these financial statements were issued, and has incorporated any required recognition into these financial statements.

NOTE 2: CASH AND INVESTMENTS

A summary of cash and investments at December 31, 2022, follows:

Cash Deposits	\$ 36,305
Petty Cash	160
Investments	<u>1,893,424</u>
Total	<u>\$ 1,929,889</u>

Deposits

The Colorado Public Deposit Protection Act (PDPA) requires that all local government entities deposit cash in eligible public depositories. Eligibility is determined by State regulations. Amounts on deposit in excess of Federal Deposit Insurance Corporation (FDIC) levels must be collateralized by eligible collateral as

CAÑON CITY AREA METROPOLITAN RECREATION AND PARK DISTRICT

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

NOTE 2: CASH AND INVESTMENTS (Continued)

financial institution. The PDPA allows the financial institution to create a single collateral pool for all public funds held. The pool is to be maintained by another institution, or held in trust for all uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits. At December 31, 2022, the District had bank deposits totaling \$100,799, all of which were insured by FDIC.

Investments

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

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

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

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

At December 31, 2022, the District had the following investments:

	Maturity	2022
Colorado Liquid Government Asset Trust (COLOTRUST)	Weighted Average under 60 days	\$ <u>1,893,424</u>

The District invested in the Colorado Local Government Liquid Asset Trust (COLOTRUST) (the Trust), an investment vehicle established for local government

CAÑON CITY AREA METROPOLITAN RECREATION AND PARK DISTRICT

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

NOTE 2: CASH AND INVESTMENTS (Continued)

Investments (Continued)

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.

The remainder of this page is intentionally left blank.

CAÑON CITY AREA METROPOLITAN RECREATION AND PARK DISTRICT

NOTES TO FINANCIAL STATEMENTS
December 31, 2022

NOTE 3: CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2022, is summarized below:

	Balances 12/31/2021	Additions	Deletions	Balances 12/31/2022
Governmental Activities:				
Capital Assets, not being depreciated				
Land	\$ 1,781,421	\$ -	\$ -	\$ 1,781,421
Water Rights	14,100	-	-	14,100
	<u>1,795,521</u>	<u>-</u>	<u>-</u>	<u>1,795,521</u>
Capital Assets, being depreciated				
Buildings	762,194	-	-	762,194
Improvements	2,562,457	300,974	-	2,863,431
Equipment	391,468	50,098	9,000	432,566
Total Capital Assets, being depreciated	<u>3,716,119</u>	<u>351,072</u>	<u>9,000</u>	<u>4,058,191</u>
Less accumulated depreciation				
Buildings	(398,126)	(21,206)	-	(419,332)
Improvements	(1,135,348)	(81,553)	-	(1,216,901)
Equipment	(231,325)	(21,029)	(9,000)	(243,354)
Total accumulated depreciation	<u>(1,764,799)</u>	<u>(123,788)</u>	<u>(9,000)</u>	<u>(1,879,587)</u>
Total Capital Assets, being depreciated, net	<u>1,951,320</u>	<u>227,284</u>	<u>-</u>	<u>2,178,604</u>
Governmental Activities Capital Assets, net	<u>\$ 3,746,841</u>	<u>\$ 227,284</u>	<u>\$ -</u>	<u>\$ 3,974,125</u>

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

General Government	\$ 14,041
Parks and Recreation	<u>109,747</u>
Total	<u>\$ 123,788</u>

During the year ended December 31, 2022, the District entered into a contract in the amount of \$132,235 for construction of improvements to the athletic fields at Rouse Park.

The remainder of this page is intentionally left blank.

CAÑON CITY AREA METROPOLITAN RECREATION AND PARK DISTRICT

NOTES TO FINANCIAL STATEMENTS
December 31, 2022

NOTE 3: CAPITAL ASSETS (Continued)

	Balances 12/31/2021	Additions	Deletions	Balances 12/31/2022
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	34,424	-	-	34,424
Total Capital Assets, being depreciated	299,509	-	-	299,509
Less accumulated depreciation				
Buildings	(134,267)	-	-	(134,267)
Improvements	(76,171)	(2,943)	-	(79,114)
Equipment	(34,424)	-	-	(34,424)
Total accumulated depreciation	(244,862)	(2,943)	-	(247,805)
Total Capital Assets, being depreciated, net	54,647	(2,943)	-	51,704
Business-type Activities Capital Assets, net	<u>\$ 60,647</u>	<u>\$ (2,943)</u>	<u>\$ -</u>	<u>\$ 57,704</u>

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

Swimming Pool Fund	\$ 331
Program Activities Fund	<u>2,612</u>
Total	<u>\$ 2,943</u>

NOTE 4: LONG-TERM DEBT

Governmental Activities

Following is a summary of long-term debt transactions for the governmental activities for the year ended December 31, 2022.

	Balance 12/31/2021	Additions	Deletions	Balance 12/31/2022	Due Within One Year
Governmental Activities					
Accrued Compensated Absences	<u>\$ 41,271</u>	<u>\$ 44,585</u>	<u>\$ 33,656</u>	<u>\$ 52,200</u>	<u>\$ 39,150</u>

CAÑON CITY AREA METROPOLITAN RECREATION AND PARK DISTRICT

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

NOTE 4: LONG-TERM DEBT (Continued)

Business-type Activities

Following is a summary of long-term debt transactions for the business-type activities for the year ended December 31, 2022.

	Balance 12/31/2021	Additions	Deletions	Balance 12/31/2022	Due Within One Year
Business-Type Activities					
Accrued Compensated Absences	\$ 1,408	\$ 2,154	\$ 1,005	\$ 2,557	\$ 1,279

NOTE 5: INTERFUND TRANSFERS

Interfund transfers for the year ended December 31, 2022, consisted of the following:

<u>Transfers In</u>	<u>Transfers Out</u>	<u>Amount</u>
General	Conservation Trust	\$ 60,000
General	Program Activities	15,000
Capital Projects	Conservation Trust	61,500
Capital Projects	Program Activities	40,000
Swimming Pool	General	30,000
Swimming Pool	Conservation Trust	20,000
Total		<u>\$ 226,500</u>

During the year ended December 31, 2022, transfers to the General Fund were reimbursements for operating, parks and recreation expenses. The General Fund transferred funds to the Swimming Pool Fund to subsidize pool operations and maintenance. The Conservation Trust Fund transferred funds to the Capital Projects and Swimming Pool Funds for reimbursement of parks and recreation expenses. The Program Activities Fund transferred funds to General and Capital Projects for operating expenses and capital improvements projects.

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

CAÑON CITY AREA METROPOLITAN RECREATION AND PARK DISTRICT

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

NOTE 6: RISK MANAGEMENT (Continued)

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, 2022, employee contributions totaled \$10,102 and the District recognized pension expense of \$9,366.

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.

CAÑON CITY AREA METROPOLITAN RECREATION AND PARK DISTRICT

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

NOTE 8: COMMITMENTS AND CONTINGENCIES (Continued)

Tabor Amendment (Continued)

The District has established an emergency reserve, representing 3% of qualifying fiscal year spending, as required by the Amendment. At December 31, 2022, the emergency reserve of \$38,100 was reported as a restriction of fund balance and net position in the General Fund and Governmental Activities, respectively.

REQUIRED SUPPLEMENTARY INFORMATION

CAÑON CITY AREA METROPOLITAN RECREATION AND PARK DISTRICT

BUDGETARY COMPARISON SCHEDULE
GENERAL FUND

Year Ended December 31, 2022
(With Comparative Totals for December 31, 2021)

	2022			2021
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)	ACTUAL
REVENUES				
Taxes				
Property Taxes	\$ 972,100	\$ 973,562	\$ 1,462	\$ 816,870
Specific Ownership Taxes	115,000	127,527	12,527	132,269
Charges for Services				
Rental Fees	10,300	21,681	11,381	10,864
Property Leases	19,900	20,050	150	19,320
Grants and Contributions	300	514	214	173
Interest	2,000	18,457	16,457	2,039
Miscellaneous	11,800	10,996	(804)	33,582
TOTAL REVENUES	1,131,400	1,172,787	41,387	1,015,117
EXPENDITURES				
Current				
General Government	612,850	555,052	57,798	497,243
Parks and Recreation	572,075	459,647	112,428	435,599
Capital Outlay	50,000	50,098	(98)	43,518
TOTAL EXPENDITURES	1,234,925	1,064,797	170,128	976,360
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(103,525)	107,990	211,515	38,757
OTHER FINANCING SOURCES				
Transfers In	75,000	75,000	-	80,000
Transfers Out	(40,000)	(30,000)	10,000	(30,000)
NET CHANGE IN FUND BALANCE	(68,525)	152,990	221,515	88,757
FUND BALANCE, Beginning	688,008	688,989	981	600,232
FUND BALANCE, Ending	\$ 619,483	\$ 841,979	\$ 222,496	\$ 688,989

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, 2022
 (With Comparative Totals for December 31, 2021)

	2022		VARIANCE Positive (Negative)	2021
	ORIGINAL AND FINAL BUDGET	ACTUAL		ACTUAL
REVENUES				
Lottery Revenues	\$ 125,000	\$ 180,116	\$ 55,116	\$ 162,416
Interest	500	4,655	4,155	80
TOTAL REVENUES	125,500	184,771	59,271	162,496
OTHER FINANCING SOURCES (USES)				
Transfers Out	(145,000)	(141,500)	3,500	(125,000)
NET CHANGE IN FUND BALANCE	(19,500)	43,271	62,771	37,496
FUND BALANCE, Beginning	166,689	166,689	-	129,193
FUND BALANCE, Ending	\$ 147,189	\$ 209,960	\$ 62,771	\$ 166,689

See the accompanying Independent Auditor's Report.

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

December 31, 2022

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, 2022
 (With Comparative Totals for December 31, 2021)

	2022		VARIANCE Positive (Negative)	2021
	ORIGINAL AND FINAL BUDGET	ACTUAL		ACTUAL
REVENUES				
Grants and Contributions	\$ 332,000	\$ 306,397	\$ (25,603)	\$ 5,370
Interest	1,000	10,069	9,069	167
TOTAL REVENUES	333,000	316,466	(16,534)	5,537
EXPENDITURES				
Parks and Recreation	493,000	289,282	203,718	53,524
TOTAL EXPENDITURES	493,000	289,282	203,718	53,524
EXCESS OF REVENUES OVER EXPENDITURES	(160,000)	27,184	187,184	(47,987)
OTHER FINANCING SOURCES				
Transfers In	105,000	101,500	(3,500)	25,000
TOTAL OTHER FINANCING SOURCES	105,000	101,500	(3,500)	25,000
NET CHANGE IN FUND BALANCE	(55,000)	128,684	183,684	(22,987)
FUND BALANCE, Beginning	187,703	187,703	-	210,690
FUND BALANCE, Ending	\$ 132,703	\$ 316,387	\$ 183,684	\$ 187,703

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, 2022

(With Comparative Totals for December 31, 2021)

	2022		VARIANCE Positive (Negative)	2021
	ORIGINAL AND FINAL BUDGET	ACTUAL		ACTUAL
REVENUES				
Athletic and Program Fees	\$ 74,000	\$ 66,392	\$ (7,608)	\$ 66,441
Rental Fees	9,000	7,800	(1,200)	8,950
Contributions from Sponsors	500	669	169	1,040
Grants	-	4,219	4,219	-
Investment Income	200	6,401	6,201	149
Miscellaneous	-	109	109	920
Transfers In	60,000	50,000	(10,000)	50,000
TOTAL REVENUES	143,700	135,590	(8,110)	127,500
EXPENDITURES				
Salaries	82,650	77,994	4,656	77,237
Employee Benefits	2,000	1,259	741	863
Supplies	14,800	19,663	(4,863)	12,197
Facilities	38,710	31,046	7,664	38,497
Capital Outlay	350	-	350	-
Contingency Reserve	2,000	-	2,000	-
TOTAL EXPENDITURES	140,510	129,962	10,548	128,794
NET INCOME, Budget Basis	\$ 3,190	5,628	\$ 2,438	(1,294)
GAAP BASIS ADJUSTMENTS				
Depreciation		(331)		(1,555)
NET INCOME, GAAP Basis		5,297		(2,849)
NET POSITION, Beginning		41,163		44,012
NET POSITION, Ending		\$ 46,460		\$ 41,163

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, 2022
 (With Comparative Totals for December 31, 2021)

	2022			VARIANCE Positive (Negative)	2021
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL		ACTUAL
REVENUES					
Athletic and Program Fees	\$ 375,800	\$ 395,800	\$ 415,461	\$ 19,661	\$ 345,321
Contributions from Sponsors	11,250	11,250	13,610	2,360	11,286
Grants	4,500	142,500	141,730	(770)	30,215
Investment Income	-	-	35	35	1
Miscellaneous	7,300	7,300	8,934	1,634	11,210
TOTAL REVENUES	398,850	556,850	579,770	22,920	398,033
EXPENDITURES					
Salaries	198,065	214,065	203,022	11,043	152,601
Employee Benefits	30,525	30,525	28,766	1,759	24,776
Supplies	126,375	129,875	118,539	11,336	78,408
Purchased Services	38,200	46,200	45,276	924	35,212
Capital Outlay	2,625	2,625	-	2,625	43,359
Transfer Out	55,000	55,000	55,000	-	-
TOTAL EXPENDITURES	450,790	478,290	450,603	27,687	334,356
NET INCOME, Budget Basis	\$ (51,940)	\$ 78,560	129,167	\$ 50,607	63,677
GAAP BASIS ADJUSTMENTS					
Capital Outlay			-		43,359
Depreciation			(2,612)		(985)
NET INCOME, GAAP Basis			126,555		106,051
NET POSITION, Beginning			353,383		247,332
NET POSITION, Ending			\$ 479,938		\$ 353,383

See the accompanying Independent Auditor's Report.