

**ESTES VALLEY RECREATION
AND PARK DISTRICT**

FINANCIAL STATEMENTS

December 31, 2022



Logan and Associates, LLC
CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT

Members of the Board of Directors
Estes Valley Recreation and Park District
Estes Park, Colorado

Opinions

We have audited the financial statements Estes Valley Recreation and Park District (the "District") which comprise the statement of net position as of December 31, 2022, and the related statement of revenues, expenses and changes in fund net position and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the District as of December 31, 2022, and the respective changes in financial position and cash flows 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 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 opinion.

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

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements and related notes to 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
May 1, 2023

MANAGEMENT’S DISCUSSION AND ANALYSIS
(Unaudited)

This discussion and analysis of the financial performance of the Estes Valley Recreation and Park District (the District) provides an overview of the District’s financial activities for the fiscal year ended December 31, 2022. Please read in conjunction with the financial statements and accompanying notes.

FINANCIAL HIGHLIGHTS

The District’s net position increased by \$2,033,212 or 8.7%. During the year, the District’s operating revenues increased by \$167,291 or 3.6% and operating expenses increased by \$1,306,351 or 24.2%.

In November 2015, District voters approved ballot issues 4C and 4D for construction and operation of a Community Center. Ballot issue 4D authorized issuance of \$19,830,000 in General Obligation Bonds to finance construction. These funds were combined with 1A sales tax revenue from the Town of Estes Park, and supplemental (grant) funds, to construct and equip the \$27 million, 70,000 square foot facility. The building site for the new facility was conveyed to the District in 2016 by the Estes Park R-3 School District. The conveyance also included the existing aquatics facility. (See Financial Statement Note 5.) Construction of the new Community Center was completed in early 2018, and the grand opening was held March 3, 2018. In 2021 the District refinanced the Series 2015 and Series 2016 bonds that were purchased to finance Community Center construction, resulting in an economic gain of \$837,793. The refunding decreased the aggregate debt service payment by \$951,519.

Following is a Capital Summary for 2022 and looking ahead to 2023:

Facility	2022 Capital Additions / Work in Progress	2023 Budgeted Capital Additions
District	<ul style="list-style-type: none"> ▪ Replace/Upgrade District Signage 	<ul style="list-style-type: none"> ▪ Replace/Upgrade District Signage
Campgrounds (Mary’s Lake ML; East Portal EP)	<ul style="list-style-type: none"> ▪ ML upper loop A electric/water service ▪ ML phase 4 shade shelters ▪ Utility vehicle replacements (2) ▪ Repair day-use parking area ▪ New camp store stairs & railing 	<ul style="list-style-type: none"> ▪ East Portal water/sewer service engineered drawings ▪ ML phase 5 shade shelters ▪ Utility vehicle replacements (2) ▪ East Portal vault toilet
Community Ctr/Aquatics	<ul style="list-style-type: none"> ▪ Camera additions 	<ul style="list-style-type: none"> ▪ Lap pool decking & walls ▪ Utility vehicle for snow removal ▪ New PA system
Golf Courses	<ul style="list-style-type: none"> ▪ Irrigation system replacement ▪ 18H Pro Shop new floors & front desk ▪ Maintenance shop safety improvements ▪ New rough mower ▪ 9H parking lot repair 	<ul style="list-style-type: none"> ▪ Royer soil grinder ▪ Maintenance shop safety improvements ▪ 18H bathroom renovation ▪ 9H new floors & front desk
Marina	<ul style="list-style-type: none"> ▪ 2 new pontoon boats ▪ Dock replacement 	<ul style="list-style-type: none"> ▪ New pontoon boat ▪ Kayak racks ▪ Parking lot repair

Parks and Trails	<ul style="list-style-type: none"> ▪ Stanley Park – Replace tennis courts ▪ Lake Estes Trail shoreline repair ▪ Cherokee Draw parking lot repair 	<ul style="list-style-type: none"> ▪ Stanley Park <ul style="list-style-type: none"> ○ Parking lot repair ○ Paint Bluebird & Osprey shelters ○ Skate Park renovation plans ▪ Cherokee Draw parking lot repair ▪ Lake Estes Trail fishing pier rebuild
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- Financial Statement Note 5 describes long-term obligations of the District. In 2022, the District negotiated a Loan Agreement with Bank of the San Juans for the Estes Park Golf Course irrigation replacement project.
- In 2008 Ballot question 4C was approved by voters to increase tax revenue by 1.200 mills for District operations. The new revenue was to make funds available for Community Center operations, the Aquatics Center, Stanley Park, trails, fleet equipment and pine beetle abatement/tree maintenance. The mill levy in 2009-2014 was increased by .973 mills to support expenses in those areas, excluding Community Center operations. Funds for the Aquatic Center were utilized to offset operating costs which are no longer cost-shared by the School District. Funds for trail development have been utilized to leverage GOCO trails funding, complete a trails master plan, set aside for future trails, and for ongoing maintenance of trails within the District. Trees were treated for pine beetle, and new trees were planted. A portion was used to purchase/lease a variety of fleet equipment. Starting in 2015, in anticipation of moving forward with development of the Community Center, the District levied the remaining .227 mills for Community Center operating funds. The District began incurring operating expenses (staff and program planning services) for the Community Center in 2016 and continues to levy .227 mills for Community Center operations.
- In April 2014 the electors of the Town of Estes Park passed Ballot Issue 1A, which provided for the collection and distribution by the Town of a portion of the Town’s sales tax for the construction and equipping of a community center, including facilities for senior services. Following the District’s successful November 2015 election for funding and operation of the Estes Valley Community Center, the District and Town negotiated an IGA for transfer of the 1A funds to the project (see Financial Statement Note 3). For the year ended December 31, 2021, the amount of 1A funds collected by the Town and transferred to the District for this purpose was \$1,131,816.
- In November 2015, District voters approved ballot issues 4C and 4D for construction and operation of a Community Center. Ballot issue 4C provided for up to \$200,000/year in operating funds for 10 years. The District began levying this amount in 2018.
- The District continued its Assistance Agreement with the Bureau of Reclamation for implementing physical changes to existing facilities to meet requirements of the Americans with Disabilities Act and maintaining Bureau of Reclamation properties the District manages. The 2022 activity under this agreement included shoreline repair of 2013 flood damage along the Lake Estes Trail.
- In addition to federal funding from the Bureau of Reclamation, the District received the following grants, contributions, and donations during 2022:
 - Cost sharing totaling \$10,626 by the Estes Park Gun and Archery Club.
 - Transfers from the Estes Valley Rec & Park Foundation totaling \$4,980 for Community Center memberships and youth sports scholarships.

- Impact Assistance Grant totaling \$50,000 from Larimer County, CO.
- Safety grant funds totaling \$7,078 from CO Special Districts Property & Liability Pool.
- In 2013, the Board adopted a continuing goal of increasing reserves by at least \$50,000 per year. The reserve amount at December 31, 2022 was \$4,794,121, a \$141,798 increase from the December 31, 2021 balance of \$4,652,323. Approximately \$843,455 of these reserves is designated for trail development and maintenance; \$924,180 is set aside as improvement or program funds; \$89,681 is Conservation Trust Fund designated; \$80,475 TABOR reserve; and the remaining \$2,856,330 is available for operations.

USING THIS FINANCIAL REPORT

This annual financial report consists of three parts:

- Management’s Discussion and Analysis
- Financial Statements
- Supplementary notes that provide additional information to some of the information in the financial statements.

REQUIRED FINANCIAL STATEMENTS

The financial statements of the District reflect accounting methods similar to those used by private sector companies. These statements offer important, transparent financial information about the District and 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). The Statement of Net Position is one way to measure the District’s financial position.

Statement of Revenues, Expenses, and Changes in Fund Net Position

This statement measures the results of the District’s operations during the past year. The statement presents the income and expenses of the District and enables the reader to determine whether the District has successfully recovered its costs through user fees and other revenues.

Statement of Cash Flows

The final required financial statement is the Statement of Cash Flows. This statement provides the reader with information about the sources and uses of the District’s cash during the year. The statement includes cash activity for operations, non-capital financing activities, capital and related financing activities and investing activities. The statement provides a comprehensive summary to the changes in cash and cash equivalents for the District during the fiscal year.

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 the Statement of Revenues, Expenses, and Changes in Fund Net Position report information about the District’s activities in a way that can help answer that question. These two statements report the District’s net position and the changes in it. Over time, increases or decreases in the District’s net position are indicators of whether its financial health is improving. However, other non-financial

factors, such as changes in economic conditions, population changes and, specifically for the District, severe weather changes, must also be considered.

NET POSITION

As part of our analysis, we provide a summary of the District's Statement of Net Position as presented below.

Summarized Statement of Net Position						
	2022	2021	\$ Change	2021	2020	\$ Change
Current Assets	\$ 10,371,000	\$ 9,518,148	\$ 852,852	\$ 9,518,148	\$ 8,428,749	\$ 1,089,399
Noncurrent Assets	37,248,707	35,158,451	2,090,256	35,158,451	36,081,462	(923,011)
Total Assets	47,619,707	44,676,599	2,943,108	44,676,599	44,510,211	166,388
Deferred Outflows of Resources	78,417	84,452	(6,035)	84,452	-	84,452
Total Assets and Deferred Outflows	\$ 47,698,124	\$ 44,761,051	\$ 2,937,073	\$ 44,761,051	\$ 44,510,211	\$ 250,840
Current Liabilities	2,300,831	2,003,680	297,151	2,003,680	1,651,079	352,601
Noncurrent Liabilities	17,272,637	16,703,850	568,787	16,703,850	18,023,429	(1,319,579)
Total Liabilities	19,573,468	18,707,530	865,938	18,707,530	19,674,508	(966,978)
Deferred Inflows of Resources	2,783,740	2,745,820	37,920	2,745,820	2,754,598	(8,778)
Net Position						
Net Investment in Capital Assets	18,313,872	16,905,473	1,408,399	16,905,473	16,692,834	212,639
Restricted:						
Debt Service	168,508	149,710	18,798	149,710	155,409	(5,699)
Tabor Reserve	80,475	101,992	(21,517)	101,992	86,003	15,989
Conservation Trust/Lottery	89,011	370,200	(281,189)	370,200	360,539	9,661
Unreserved	6,689,050	5,780,329	908,721	5,780,329	4,786,320	994,009
Total Net Position	25,340,916	23,307,704	2,033,212	23,307,704	22,081,105	1,226,599
Total Liabilities, Deferred Inflows and Net Position	\$ 47,698,124	\$ 44,761,054	\$ 2,937,070	\$ 44,761,054	\$ 44,510,211	\$ 250,843

As seen in the summary, the District's total net position increased by \$2,033,212 in 2022.

While the Statement of Net Position shows the change in financial position of the District, the Statement of Revenues, Expenses, and Changes in Fund Net Position provides the information as the source of this overall change.

ACTIVITIES

A summary of the District's Statement of Revenues, Expenses, and Changes in Fund Net Position is presented below:

Summarized Statement of Revenues, Expenses, and Changes in Fund Net Position						
	2022	2021	\$ Change	2021	2020	\$ Change
Operating Revenues	\$ 4,841,514	\$ 4,674,223	\$ 167,291	\$ 4,674,223	\$ 3,942,219	\$ 732,004
Non-Operating Revenues	4,323,777	4,151,207	172,570	4,151,207	3,777,996	373,211
Total Revenues	9,165,291	8,825,430	339,861	8,825,430	7,720,215	1,105,215
Operating Expenses	6,706,185	6,865,560	(159,375)	6,865,560	5,784,167	1,081,393
Non-Operating Expenses	425,894	733,271	(307,377)	733,271	558,314	174,957
Total Expenses	7,132,079	7,598,831	(466,752)	7,598,831	6,342,481	1,256,350
Increase (Decrease) in Net Position before Contributions	2,033,212	1,226,599	806,613	1,226,599	1,377,734	(151,135)
Contributed Capital	-	-	-	-	-	-
Change in Net Position	2,033,212	1,226,599	806,613	1,226,599	1,377,734	(151,135)
Beginning Net Position	23,307,704	22,081,105	1,226,599	22,081,105	20,703,371	1,377,734
Ending Net Position	\$ 25,340,916	\$ 23,307,704	\$ 2,033,212	\$ 23,307,704	\$ 22,081,105	\$ 1,226,599

As displayed above, the District's net position increased by \$2,033,212. 2022 operating revenues increased due to continued improvement in user activity after two years of dealing with Covid-19. Operating expenses were lower after a higher than normal 2021 that included some post Covid-19 spending that compensated for cutting back in 2020.

BUDGETARY HIGHLIGHTS

The Colorado State Law requires that the District adopt a budget and appropriate funds for the following year by December 15th of each year. If an amendment is necessary, the Board of Directors will approve a supplemental appropriation at a public hearing and file it with the State of Colorado. The Board of Directors approved the annual appropriation at the December 13, 2022, meeting and an additional appropriation at the April 18, 2023, meeting.

CAPITAL ASSETS

At December 31, 2022, the District had \$37.2 million invested in a broad range of property and equipment, net of accumulated depreciation. The following schedule summarizes the District's property and equipment, and changes from 2021 to 2022, and 2020 to 2021:

Capital Assets						
	2022	2021	\$ Change	2021	2020	\$ Change
Non-Depreciable Assets	\$ 4,948,461	\$ 2,352,643	\$ 2,595,818	\$ 2,352,643	\$ 2,417,384	\$ (64,741)
Depreciable Assets	42,540,955	41,697,205	843,750	41,697,205	41,143,956	553,249
Accumulated Depreciation	(10,240,709)	(8,891,397)	(1,349,312)	(8,891,397)	(7,479,878)	(1,411,519)
Total Depreciable Assets, Net	32,300,246	32,805,808	(505,562)	32,805,808	33,664,078	(858,270)
Total Capital Assets, Net	\$ 37,248,707	\$ 35,158,451	\$ 2,090,256	\$ 35,158,451	\$ 36,081,462	\$ (923,011)

LONG-TERM DEBT

CAPITAL LEASE OBLIGATIONS

The District entered into a lease-purchase agreement during each of the years 2016-2018, one agreement in 2021, and one in 2022. Appropriations for lease payments are made annually and do not extend beyond the current year. The related capital assets have been recorded in the statement of net assets as capital assets.

GENERAL OBLIGATION BONDS

As described in the Financial Highlights above, and in Note 5 in the Financial Statements, on November 3, 2015, District voters approved Ballot Issues 4C and 4D regarding the construction and operation of a Community Recreation Center. Ballot Issue 4D authorized the District to issue \$19,830,000 in General Obligation Bonds to finance construction of the Community Center. The District issued \$9,000,000 in bonds for this project during 2015, and \$10,830,000 in 2016. Both bond issues were sold at a premium, and have interest rates ranging from 3.00 to 5.00%, with maturity dates ranging from 2016 to 2035. In December 2021, the District issued Series 2021 bonds in the amount of \$14,260,000 with interest rates ranging from 0.60 to 2.62%. The proceeds were used to refund the principal balance of the Series 2015 bonds and a portion of the Series 2016 bonds. The following summary outlines the change in long-term debt from 2021 to 2022 and 2020 to 2021.

Long-term Debt						
	2022	2021	\$ Change	2021	2020	\$ Change
Total Bonds Payable	\$ 15,805,000	\$ 16,845,000	\$ (1,040,000)	\$ 16,845,000	\$ 16,285,000	\$ 560,000
Total Loans Payable	3,067,415	1,280,965	1,786,450	1,280,965	1,616,765	(335,800)
	18,872,415	18,125,965	746,450	18,125,965	17,901,765	224,200
Bond Premium	140,837	211,465	(70,628)	211,465	-	
Total	\$ 19,013,252	\$ 18,337,430	\$ 675,822	\$ 18,337,430	\$ 17,901,765	\$ 560,000

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET RATES

The 2023 budget reflects a conservative approach following the impacts of COVID-19. Capital expenses include improvement projects in Stanley Park, and infrastructure and equipment purchases for the community center, golf courses, campgrounds, and marina.

The Board of Directors considers many factors when setting the District's budget, including user fees and charges. During the 2023 budget process, a nominal increase in 18-hole golf course fees and community center fees were enacted; other fees were not materially changed from the prior year. Operating revenues for 2023 have been budgeted conservatively to recognize the unknowns of weather, visitation, natural and pandemic disasters, and general economic conditions.

The 2023 budgeted revenues exceed expenditures. The Board has appropriated funds for 2023 compared to 2022 appropriations as follows:

	2023	2022	\$ Change	2022	2021	\$ Change
Fees and Charges	\$ 5,273,575	\$ 4,957,135	\$ 316,440	\$ 4,957,135	\$ 4,275,185	\$ 681,950
Conservation Trust/Lottery	66,500	60,000	6,500	60,000	58,000	2,000
Taxes	2,993,724	2,950,161	43,563	2,950,161	2,963,403	(13,242)
Interest Income	100,325	10,325	90,000	10,325	44,750	(34,425)
Transfer from (to) Reserves	(68,105)	604,199	(672,304)	604,199	493,303	110,896
Loan Issuance Proceeds	-	2,425,000	(2,425,000)	2,425,000	-	2,425,000
Intergovernmental Revenues	1,010,500	860,475	150,025	860,475	698,750	161,725
Miscellaneous	10,850	3,000	7,850	3,000	3,000	-
Total Revenues	9,387,369	11,870,295	(2,482,926)	11,870,295	8,536,391	3,333,904
Operating Expenses	6,222,209	5,320,962	901,247	5,320,962	4,762,557	558,405
Conservation Trust/Lottery	-	-	-	-	-	-
Interest Expense	86,033	44,162	41,871	44,162	44,312	(150)
Bond Issue Costs/Reserves	41,605	28,843	12,762	28,843	37,582	(8,739)
Loan Payments	716,147	578,075	138,072	578,075	559,799	18,276
Bond Debt Service	1,411,544	1,417,800	(6,256)	1,417,800	1,495,000	(77,200)
Capital Outlay	744,575	4,108,000	(3,363,425)	4,108,000	1,445,500	2,662,500
Reserves & Contingencies	135,436	118,379	17,057	118,379	105,047	13,332
Total Expenses	\$ 9,357,549	\$ 11,616,221	\$ (2,258,672)	\$ 11,616,221	\$ 8,449,797	\$ 3,166,424

DISTRICT ASSESSED VALUATIONS, MILL LEVIES AND PROPERTY TAX COLLECTIONS

The following summaries provide historical analysis of assessed valuations, mill levies and actual property tax collections for the District.

History of District's Assessed Valuation

Levy/Collection				Percent
Year	Boulder County	Larimer County	Total	Change
2011/2012	\$6,777,763	\$331,482,300	\$338,260,063	-2.22%
2012/2013	\$6,826,660	\$330,589,160	\$337,415,820	-0.25%
2013/2014	\$6,404,578	\$314,576,380	\$320,980,958	-5.12%
2014/2015	\$6,352,917	\$303,171,420	\$309,524,337	-3.70%
2015/2016	\$7,020,065	\$337,864,366	\$344,884,431	10.25%
2016/2017	\$6,963,622	\$339,602,502	\$346,566,124	0.49%
2017/2018	\$7,295,538	\$362,165,198	\$369,460,736	6.20%
2018/2019	\$7,180,061	\$362,617,046	\$369,797,107	0.09%
2019/2020	\$8,049,377	\$415,324,211	\$423,373,588	12.65%
2020/2021	\$8,060,700	\$415,258,017	\$423,318,717	-0.01%
2021/2022	\$9,435,967	\$443,733,946	\$453,169,913	6.59%
2022/2023	\$9,260,643	\$435,806,471	\$445,067,114	-1.82%

History of District's Mill Levy

Levy/Collection	Temporary Tax			Capital/S	Total Mill	
Year	General Fund	Credit	Bond Fund	pecial	Abatements	Levy
2011/2012	1.781	(0.359)	0	0.973	0.030	2.425
2012/2013	1.781	(0.328)	0	0.973	0.012	2.438
2013/2014	1.781	(0.205)	0	0.973	0.008	2.558
2014/2015	1.781	(0.095)	0	1.200	0.006	2.892
2015/2016	1.781	(0.203)	3.900	1.200	0.008	6.686
2016/2017	1.781	(0.162)	4.167	1.200	0.021	7.007
2017/2018	1.781	(0.207)	3.777	1.724	0.215	7.290
2018/2019	1.781	(0.150)	3.909	1.723	0.018	7.281
2019/2020	1.781	(0.323)	3.350	1.648	0.041	6.497
2020/2021	1.781	(0.274)	3.337	1.646	0.027	6.517
2021/2022	1.781	(0.326)	2.963	1.618	0.033	6.069
2022/2023	1.781	(0.174)	2.997	1.626	0.035	6.265

Historical Property Tax Collections

Levy/Collection	Total Taxed	Total Taxes	Percent of Levy
Year	Levied	Collected	Collected
2010/2011	\$808,738	\$806,183	99.68%
2011/2012	\$820,281	\$815,186	99.38%
2012/2013	\$822,619	\$819,743	99.65%
2013/2014	\$820,749	\$815,235	99.33%
2014/2015	\$895,145	\$889,497	99.37%
2015/2016	\$2,305,864	\$2,290,197	99.32%
2016/2017	\$2,428,543	\$2,419,333	99.62%
2017/2018	\$2,692,986	\$2,681,145	99.56%
2018/2019	\$2,692,416	\$2,682,796	99.64%
2019/2020	\$2,750,656	\$2,736,327	99.48%
2020/2021	\$2,754,598	\$2,746,807	99.72%
2021/2022	\$2,745,820	\$2,744,699	99.96%

For further information regarding these reports, please contact Tom Carosello, Executive Director, Estes Valley Recreation & Park District, P.O. Box 1379, Estes Park, Colorado 80517, (970)586-8191.

BASIC FINANCIAL STATEMENTS

ESTES VALLEY RECREATION AND PARK DISTRICT

STATEMENT OF NET POSITION

December 31, 2022

ASSETS

Current Assets

Cash and Investments	\$ 4,687,497
Restricted Cash and Investments	2,363,378
Accounts Receivable	156,199
Property Taxes Receivable	2,783,740
Inventory	149,176
Prepaid Expenses	231,010
	10,371,000

Noncurrent Assets

Capital Assets, Not Being Depreciated	4,948,461
Capital Assets, Net of Accumulated Depreciation	32,300,246
	37,248,707

TOTAL ASSETS

47,619,707

DEFERRED OUTFLOWS OF RESOURCES

Deferred Amount on Debt Refunding	78,417
	78,417

LIABILITIES

Current Liabilities

Accounts Payable	243,418
Accrued Interest Payable	60,989
Accrued Salaries and Benefits	78,707
Unearned Revenue - Fees	93,833
Accrued Compensated Absences	83,269
Bonds Payable - Current	1,045,000
Loans Payable - Current	695,615
	2,300,831

Noncurrent Liabilities

Bonds Payable	14,760,000
Loans Payable	2,371,800
Bond Premium	140,837
	17,272,637

TOTAL LIABILITIES

19,573,468

DEFERRED INFLOWS OF RESOURCES

Deferred Property taxes	2,783,740
	2,783,740

NET POSITION

Net Investment in Capital Assets	18,313,872
Restricted:	
Debt Service	168,508
TABOR Emergency Reserve	80,475
Conservation Trust/Lottery	89,011
Unreserved	6,689,050
	6,867,034
TOTAL NET POSITION	\$ 25,340,916

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

ESTES VALLEY RECREATION AND PARK DISTRICT

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION For the Year Ended December 31, 2022

OPERATING REVENUES	
Fees and Charges for Services	\$ 4,831,295
Miscellaneous	10,219
TOTAL OPERATING REVENUES	<u>4,841,514</u>
OPERATING EXPENSES	
General and Administrative	786,932
Community Center	1,639,534
Golf Courses and Pro Shops	1,445,154
Marina	528,974
Parks	198,375
Campgrounds	605,309
Depreciation	1,501,907
TOTAL OPERATING EXPENSES	<u>6,706,185</u>
OPERATING LOSS	<u>(1,864,671)</u>
NON-OPERATING REVENUES (EXPENSES)	
Taxes	2,937,011
Conservation Trust/Lottery	73,067
Intergovernmental Revenues	1,182,431
Investment Income	131,268
Interest Expense	(415,626)
Gain (Loss) on Disposal of Capital Assets	(10,268)
TOTAL NON-OPERATING REVENUES	<u>3,897,883</u>
CHANGE IN NET POSITION	2,033,212
NET POSITION, Beginning	<u>23,307,704</u>
NET POSITION, Ending	<u><u>\$ 25,340,916</u></u>

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

ESTES VALLEY RECREATION AND PARK DISTRICT

STATEMENT OF CASH FLOWS For the Year Ended December 31, 2022 Increase (Decrease) in Cash and Cash Equivalents

	TOTAL
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash Received from Customers	\$ 4,842,645
Cash Received from Others	10,219
Cash Paid to Suppliers	(2,754,961)
Cash Paid to Employees	(2,337,126)
Net Cash Provided (Used) by Operating Activities	(239,223)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Intergovernmental Receipts	1,255,498
Taxes Received	2,937,011
Net Cash Provided by Non-Capital Financing Activities	4,192,509
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Capital Asset Acquisitions	(3,602,181)
Loan Proceeds	2,425,000
Bond and Loan Principal Payments	(1,678,550)
Interest Paid on Bonds and Loans	(442,106)
Net Cash Provided (Used) by Capital and Related Financing Activities	(3,297,837)
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest Received	131,268
Net Cash Provided by Investing Activities	131,268
Net Increase (Decrease) in Cash and Cash Equivalents	786,717
CASH AND CASH EQUIVALENTS, Beginning	6,264,158
CASH AND CASH EQUIVALENTS, Ending	\$ 7,050,875
SUMMARY OF CASH AND INVESTMENTS	
Cash and Investments	\$ 4,687,497
Restricted Cash and Investments	2,363,378
Total Cash and Investments	\$ 7,050,875
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	
Operating Income (Loss)	\$ (1,864,671)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities	
Depreciation	1,501,907
Changes in Assets and Liabilities	
Accounts Receivable	8,441
Inventory	(31,058)
Prepaid Expenses	(5,595)
Accounts Payable	133,553
Unearned Revenue	2,909
Accrued Payroll Liabilities	15,291
Total Adjustments	1,625,448
Net Cash Provided (Used) by Operating Activities	\$ (239,223)

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

ESTES VALLEY RECREATION AND PARK DISTRICT

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

The Estes Valley 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 was organized in 1955 under provisions of Colorado statutes to provide recreational programs and facilities, including golf courses, a marina, campgrounds, trails and an aquatic center for the residents of and visitors to Estes Valley and the surrounding area. The District was originally created under the name of Rocky Mountain Metropolitan Recreation District and in 1985 changed its name to the current name, Estes Valley Recreation and Park District.

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. The District adopted GASB Statement No. 87 *Leases* for the year ended December 31, 2022. Adoption of this statement revised and established new reporting requirements for leases reported in the financial statements. As a result, the District changed the descriptions for previously reported capital leases to a new description called loans. A summary of the District's more significant accounting policies follows.

Reporting Entity

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.

In 2018, the District established the Estes Valley Recreation and Park Foundation (the "Foundation"). The Foundation is a 501(c)(3) nonprofit organization created to provide support for youth sports programs, financial assistance to low-income residents and improved park facilities. The District's accountability for the Foundation does not extend beyond making appointments to the Board of Directors. Members of the District's Board of Directors may serve on the Foundation Board, but do not serve in a controlling capacity. The Foundation is considered a related organization. The District received donations in the amount of \$4,980 from the Foundation during 2022.

Based on the application of the criteria, the District does not include additional organizations in its report entity, nor is it a component unit of any other governmental entity.

ESTES VALLEY RECREATION AND PARK DISTRICT

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Accounting

The District uses a proprietary fund to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions and activities.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The District uses a proprietary fund-type, an enterprise fund, to account for its activities of providing recreation and park services to District residents and visitors. The enterprise fund uses the economic resources measurement focus and the accrual basis of accounting for reporting. Revenues are recognized when earned and expenses are recognized when incurred, regardless of the timing of the related cash flows.

The activities of the fund are accounted for with a separate set of self-balancing accounts that comprise the District's assets, deferred outflows of resources, liabilities, deferred inflows of resources, net position, revenues and expenses. The fund distinguishes operating revenues and expenses from non-operating revenues and expenses, and capital contributions. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the fund's principal ongoing operations. Operating expenses 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 non-operating 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 as they are needed.

Assets, Liabilities and Net Position

Cash Equivalents and Investments – Cash equivalents include cash deposits and highly liquid investments with original maturities of three months or less when purchased. Investments are reported at fair value or the net asset value method.

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.

ESTES VALLEY RECREATION AND PARK DISTRICT

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities and Net Position (Continued)

Inventory – Inventory consists of supplies and items held for resale. Inventory held at the golf courses is valued on an average cost basis and the remainder of the District’s inventory is valued on the First-in, First-out basis.

Capital Assets – Capital assets, which include water rights, easements, land, buildings and related improvements, vehicles and equipment, are reported in the financial statements net of accumulated depreciation. 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 and Improvements	5 – 50 years
Vehicles	5 – 15 years
Equipment	5 – 20 years

Deferred Outflows/Inflows of Resources – In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement classification represents a consumption of net position that applies to a future period(s) and therefore will not be recognized as an outflow of resources (expense/expenditures) until then. The District has an item related to debt refunding costs that is reported as deferred outflows of resources at December 31, 2022.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement classification represents an acquisition of net position that applies to a future period(s) and therefore will not be recognized as an inflow of resources (revenue) until then. The District has an item related to unavailable revenue – property taxes that is reported as deferred inflows of resources at December 31, 2022.

Unearned Revenue – Unearned revenue arises when resources are received by the District before it has legal claim to them. For example, prepaid membership fees and program registration fees received in the current year, are for memberships that extend into following year and programs that will occur in the following year.

ESTES VALLEY RECREATION AND PARK DISTRICT

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities and Net Position (Continued)

Compensated Absences – Full-time employees of the District are allowed to accumulate unused vacation and sick time. Vacation accumulates up to 35 days based on years of service. Employees will be paid for all accrued vacation time upon separation of employment. Employees are allowed to accumulate up to 60 days of sick leave. Upon termination of employment, employees are not paid for accumulated sick leave, unless they have completed 20 years of continuous service, for which they will be paid 50% of their accumulated sick leave (maximum of 240 hours) at their current pay rate.

Long-Term Debt - Long-term debt and other long-term obligations are reported at face value, net of unamortized debt premiums and discounts, as liabilities in the financial statements. Debt premiums and discounts are deferred and amortized over the life of the debt using the straight-line method.

Net Position – Net position results from the accumulation of net earnings from operating and non-operating income and expenses and are classified in the financial statements as follows:

- Net Investment in Capital Assets – This classification is intended to report the portion of net position which is associated with non-liquid capital assets, reduced by the long-term debt issued to acquire, construct, or improve those related capital assets.
- 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.
- Unrestricted – This classification includes the residual net position that does not meet the classification of “net investment in capital assets” or “restricted.”

Property Taxes

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

ESTES VALLEY RECREATION AND PARK DISTRICT

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 May 1, 2023, the date of these financial statements were issued, and has incorporated any required recognition into these 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:

- The budget is legally adopted by the District. The budget is adopted on a non-GAAP budgetary basis. Capital outlay and long-term debt principal payments are budgeted as expenditures, and depreciation, and amortization of debt premium/discounts, and costs of debt refunding are not budgeted.
- Prior to October 15, management submits to the Board of Directors a proposed operating budget for the fiscal year commencing the following January 1. The Board of Directors reviews the budget at a special October meeting to obtain taxpayer comments.
- The operating budget includes proposed expenditures and the means of financing them.
- Prior to December 15, the budget is legally enacted through passage of a resolution.
- Management is authorized to transfer budgeted amounts between departments within the fund. However, any revisions that alter the total expenditures of the fund must be approved by the Board of Directors.
- All appropriations lapse at year end. Colorado governments may not exceed budgeted appropriations at the fund level.

ESTES VALLEY RECREATION AND PARK DISTRICT

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

NOTE 3: CASH AND INVESTMENTS

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

Petty Cash	\$ 1,200
Cash Deposits	1,147,687
Investments	<u>5,901,988</u>
Total	<u>\$ 7,050,875</u>

Cash and Investments are reported in the financial statements as follows:

Cash and Investments	\$ 4,687,497
Restricted Cash and Investments	<u>2,363,378</u>
Total	<u>\$ 7,050,875</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 determined by the PDPA. The FDIC insures depositors up to \$250,000 for each financial institution. The PDPA allows the financial institution to create a single collateral pool for all public funds held. The pool is to be maintained by another institution, or held in trust for all uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits. At December 31, 2022, the District had bank deposits totaling \$1,176,794, \$654,349 of which were insured by FDIC and \$522,445 were collateralized with securities held by the financial institution's agents, but not in their name.

Investments

The District has not adopted a formal investment policy; however, the District follows Colorado Revised Statutes regarding investments. The District generally limits its concentration of investments to Local Government Investment Pools, 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.

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.

ESTES VALLEY RECREATION AND PARK DISTRICT

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

NOTE 3: CASH AND INVESTMENTS (Continued)

Investments (Continued)

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:

	<u>Maturity</u>	<u>2022</u>
Colorado Liquid Government Asset Trust (COLOTRUST)	Weighted Average under 60 days	\$ 5,629,731
Colorado Surplus Asset Fund Trust (CSAFE)	Weighted Average under 60 days	<u>272,257</u>
Total		<u>\$ 5,901,988</u>

COLOTRUST

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

ESTES VALLEY RECREATION AND PARK DISTRICT

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

NOTE 3: CASH AND INVESTMENTS (Continued)

Investments (Continued)

CSAFE

The District invested in the Colorado Surplus Asset Fund (CSAFE), an investment vehicle established by state statutes for local government entities to pool surplus assets. The State Securities Commissioner administers and enforces all State statutes governing CSAFE. CSAFE is similar to a money market fund, with each share valued at \$1.00. CSAFE may invest in U.S. Treasury securities, repurchase agreements collateralized by U.S. Treasury securities, certain money market funds, and highest rated commercial paper. A designated custodial bank serves as custodian for CSAFE's portfolios pursuant to a custodian agreement. The custodian acts as safekeeping agent for CSAFE'S investment portfolio and provides services as a depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by CSAFE. CSAFE is rated AAAM by Standard & Poor's. CSAFE records its investments at net asset value and the District records its investment in CSAFE using the net asset value method. There are no unfunded commitments, the redemption frequency is daily and there is no redemption notice period.

Restricted Cash and Investments

Restricted cash and investments consist of amounts restricted for several purposes, including:

- debt service reserves as required by the District's bonds,
- unspent conservation trust/lottery funds,
- unspent proceeds from the issuance of the loan for the golf course irrigation improvements project, and
- funds received from the Town of Estes Park in relation to the 2014 voter approved Ballot Issue 1A authorizing the Town's collection and distribution of a portion of the Town's sales tax for the construction and equipping of the Community Center. These funds are held in a separate COLOTRUST account until used for the allowed purposes, including use in repaying the Bank of Colorado loan issued to construct the Community Center.

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ESTES VALLEY RECREATION AND PARK DISTRICT

NOTES TO FINANCIAL STATEMENTS
December 31, 2022

NOTE 4: 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
Capital Assets, not being depreciated				
Land	\$ 2,115,572	\$ -	\$ -	\$ 2,115,572
Water Rights	118,435	-	-	118,435
Easements	4,794	-	-	4,794
Construction in Progress	113,842	2,618,468	22,650	2,709,660
	<u>2,352,643</u>	<u>2,618,468</u>	<u>22,650</u>	<u>4,948,461</u>
Capital Assets, being depreciated				
Buildings and Improvements	38,486,043	630,265	56,074	39,060,234
Vehicles	317,248	-	-	317,248
Equipment	2,893,914	376,098	106,539	3,163,473
Total Capital Assets, being depreciated	<u>41,697,205</u>	<u>1,006,363</u>	<u>162,613</u>	<u>42,540,955</u>
Less accumulated depreciation				
Buildings and Improvements	(6,682,940)	(1,127,673)	(46,056)	(7,764,557)
Vehicles	(240,948)	(27,669)	-	(268,617)
Equipment	(1,967,509)	(346,565)	(106,539)	(2,207,535)
Total accumulated depreciation	<u>(8,891,397)</u>	<u>(1,501,907)</u>	<u>(152,595)</u>	<u>(10,240,709)</u>
Total Capital Assets, being depreciated, net	<u>32,805,808</u>	<u>(495,544)</u>	<u>10,018</u>	<u>32,300,246</u>
Total Capital Assets, net	<u>\$ 35,158,451</u>	<u>\$ 2,122,924</u>	<u>\$ 32,668</u>	<u>\$ 37,248,707</u>

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ESTES VALLEY RECREATION AND PARK DISTRICT

NOTES TO FINANCIAL STATEMENTS
December 31, 2022

NOTE 5: LONG-TERM DEBT

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

	Balance 12/31/2021	Additions	Deletions	Balance 12/31/2022	Due Within One Year
2016 General Obligation Bonds	\$ 2,585,000	\$ -	\$ 830,000	\$ 1,755,000	\$ 860,000
2021 General Obligation Refunding Bonds	14,260,000	-	210,000	14,050,000	185,000
Community Center Loan	1,058,838	-	521,169	537,669	537,668
Golf Course Irrigation Loan	-	2,425,000	44,970	2,380,030	91,933
Equipment Loan	222,127	-	72,411	149,716	66,014
	<u>\$ 18,125,965</u>	<u>\$ 2,425,000</u>	<u>\$ 1,678,550</u>	<u>\$ 18,872,415</u>	<u>\$ 1,740,615</u>
Bond Premium - 2016 GO Bonds	211,465	-	70,628	140,837	-
Total	<u>\$ 18,337,430</u>	<u>\$ 2,425,000</u>	<u>\$ 1,749,178</u>	<u>\$ 19,013,252</u>	<u>\$ 1,740,615</u>

Series 2016 General Obligation Bonds

On February 9, 2016, the District issued Series 2016 General Obligation Bonds (the "2016 Bonds") in the amount of \$10,830,000 for the purpose of financing the construction and operation of the Community Center. In addition, on December 15, 2015, the District issued Series 2015 General Obligation Bonds (the "2015 Bonds") in the amount of \$9,000,000 for the purpose of financing the construction and operation of the Community Center. These two bond issues were approved by the District voters through the November 3, 2015 Ballot Issues 4C and 4D in the total amount of \$19,830,000 for the construction and operation of the Community Center. The 2016 Bonds were sold at a premium of \$1,770,003, with principal payments due annually on December 1, and interest payments due semi-annually on June 1 and December 1 through December 1, 2028. Interest accrues at rates ranging from 3% to 5%. On December 30, 2021, the remaining balance of the 2015 Bonds and a portion of the remaining balance of the 2016 Bonds (principal maturing 2025 through 2028) were refunded through the issuance of the Series 2021 General Obligation Refunding Bonds (see below).

Series 2021 General Obligation Refunding Bonds

On December 30, 2021, the District issued Federally Taxable Series 2021 General Obligation Refunding Bonds in the amount of \$14,260,000 to refund the District's Series 2015 and a portion of Series 2016 General Obligation Bonds. Principal payments are due annually on December 1 and interest payments were due semi-annually on June 1 and December 1 through December 1, 2035. Interest accrues at rates ranging from 0.60% to 2.62% per annum.

ESTES VALLEY RECREATION AND PARK DISTRICT

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

NOTE 5: LONG-TERM DEBT (Continued)

Annual debt service requirements for the District's outstanding bonds at December 31, 2022 are as follows:

<u>Year Ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	1,045,000	365,944	1,410,944
2024	1,080,000	330,064	1,410,064
2025	1,125,000	283,187	1,408,187
2026	1,140,000	267,999	1,407,999
2027	1,160,000	250,329	1,410,329
2028-2032	6,190,000	913,282	7,103,282
2033-2035	4,065,000	209,226	4,274,226
	<u>\$ 15,805,000</u>	<u>\$ 2,620,031</u>	<u>\$ 18,425,031</u>

Defeased Debt

Proceeds from the General Obligation Refunding Bonds, Series 2021 in the amount of \$14,036,566 were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments of the General Obligation Bonds, Series 2015 and a portion of the future debt service payment of the General Obligation Bonds, Series 2016. The defeased bonds are scheduled to be called on December 1, 2024. Although the advance refunding resulted in the recognition of an accounting loss of \$84,461, the District obtained an economic gain(difference between the present values of the old and new debt services payments) of \$837,793, and a decrease in the aggregate debt service by \$951,519. As of December 31, 2022, the balance of the defeased debt totaled \$14,050,000. As a result, the refunded bonds were considered to be defeased and the liability was removed from the District's financial statements.

Community Center Loan

On January 17, 2017, the District entered into an agreement with the Bank of Colorado in the amount of \$3,000,000 for the purpose of financing the acquisition of land and the construction of the Community Center. Principal and interest payments of \$136,837 are due quarterly commencing on March 1, 2018 through December 1, 2023, with interest accruing at a rate of 2.99% per annum.

Golf Course Irrigation Loan

On February 1, 2022, the District entered into an agreement with the Bank of the San Juans to borrow \$2,425,000 for the purpose of financing the installation of an irrigation system at the Estes Park Golf Course. Principal and interest payments of \$80,618 are due semi-annually February 1 and August 1, through February 1, 2042. Interest accrues at a rate of 2.94% per annum.

ESTES VALLEY RECREATION AND PARK DISTRICT

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

NOTE 5: LONG-TERM DEBT (Continued)

Equipment Loan

On March 19, 2021, the District entered into a loan agreement in the amount of \$263,245, for the purchase of golf course and campground equipment. Principal and interest payments of \$16,900 are due quarterly on March 19, June 19, September 19, and December 19, through March 19, 2025. Interest accrues at a rate of 1.27% per annum.

Annual debt service requirements for the District's outstanding loans at December 31, 2022 are as follows:

<u>Year Ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	695,615	81,089	776,704
2024	161,512	67,325	228,837
2025	114,306	63,829	178,135
2026	100,345	60,890	161,235
2027	103,317	57,918	161,235
2028-2032	564,337	241,838	806,175
2033-2037	653,002	153,173	806,175
2038-2042	674,981	50,576	725,557
	<u>\$ 3,067,415</u>	<u>\$ 776,638</u>	<u>\$ 3,844,053</u>

NOTE 6: DEFERRED COMPENSATION PLAN

The District provides a 457 deferred compensation plan for employees administered by Mission Square Retirement. Full-time employees are eligible to participate in a deferred compensation program. The District matches eligible employee's contributions up to 4% of the employee's eligible salary. For the year ended December 31, 2022, the District contributed \$41,823 in matching contributions and participating employees contributed \$73,832.

NOTE 7: OPERATING AGREEMENTS

Bureau of Reclamation

The District has a Management Agreement with the Bureau of Reclamation (the "Bureau") which allows the District to administer Bureau owned property on which the Mary's Lake and East Portal Campgrounds, and Day Use areas, Wapiti Meadows (day-use area), the Lake Estes Marina, a portion of Stanley Park bordering Lake Estes, and the Lake Estes Golf Course are located. In March, 2007, the District

ESTES VALLEY RECREATION AND PARK DISTRICT

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

NOTE 7: OPERATING AGREEMENTS (Continued)

Bureau of Reclamation (Continued)

and the Bureau renewed the Management Agreement for an additional period of 25 years, with an option for an additional term of 25 years if both parties agree. There are no payments required by the District to the Bureau for this agreement.

Community Center Facility Use and Development Agreement

On November 30, 2016, the District entered into three (3) agreements with Estes Park School District No. R-3 (the "School District"). The School District agreed to convey 6.49 acres of land to the District for the purpose of building the Community Center, including an aquatics center. Included in the conveyance are the Restrictive Covenant and Facility Use and Development Agreement. The property is subject to the Covenant that it will be used as a public recreation and community center containing a competitive swimming and diving pool and that the School District has priority use of the facilities. The Facility Use and Development Agreement provides for School use of the competitive swimming and diving pool (Priority Use Facilities) and other portions of the Community Center gym, weight and locker rooms, meeting and performance space, and golf simulator (Scheduled Use Facilities) at no cost for a period of 40 years. In accordance with the agreement, the District collects all revenue from the operation of the Aquatic Center and is responsible for cost and expense related with operations.

Intergovernmental Agreement ("IGA") with Town of Estes Park ("the Town") Regarding the Estes Valley Community Center

On April 1, 2014 the electors of the Town passed ballot Issue 1A which provided for the collection and distribution by the Town of a portion of the Town's sales tax for the construction of a community center including facilities for the Senior Center. Following the District's successful November 2015 election for funding and operation of the Estes Valley Community Center, and required progress toward center construction, the District and Town negotiated an IGA for transfer of the 1A funds to the project. The IGA transfers responsibility for delivery of senior programming, excluding meals programs, from the Town to the District. The agreement also specifies minimum requirements for facility design as it relates to senior programming, and for the method and timing of transferring monthly 1A sales tax collections from the Town to the District.

Golf Course Lease

In January 1990, the District entered into an operating agreement with the Town wherein the Town made capital improvements to the existing eighteen-hole golf course and the District leased the course from the Town. The lease was renewed for two years in 2011 and automatically renews every other January for two year periods. Under the terms of the agreement, the District is entitled to all revenues

ESTES VALLEY RECREATION AND PARK DISTRICT

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

NOTE 7: OPERATING AGREEMENTS (Continued)

Golf Course Lease (Continued)

generated from the golf course operations. In return, the District is responsible for operational expenses of the facility. There are no payments required by the District to the Town for this agreement. The Town entered into a lease-purchase agreement with First Security Finance, Inc., using the Estes Park Golf Course property as collateral. The purpose of the lease is to fund construction of a parking structure. As the parking structure is constructed on federal property of the Bureau, the Town could not use the structure itself as security for the lease agreement. First Security Finance has been named as additional insured for the District's property and liability coverage for this property.

NOTE 8: RISK MANAGEMENT

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

NOTE 9: 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 is complex and subject to judicial interpretation.

In November 1999, voters within the District approved the lift restrictions related to fee collection for the District effective, January 1, 2000.

ESTES VALLEY RECREATION AND PARK DISTRICT

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

NOTE 9: COMMITMENTS AND CONTINGENCIES (Continued)

Tabor Amendment (Continued)

Enterprises, defined as government-owned businesses authorized to issue revenue bonds and receiving less than 10% of annual revenue in grants from all state and local governments combined, are excluded from the provisions of TABOR. The District has made certain interpretations of the Amendment's language in order to determine compliance.

The District's management believes a significant portion of its operations qualifies for the "enterprise" exclusion allowed by the Amendment and the November 1999 ballot question. The District believes it is in compliance with the requirements of the Amendment.

The District separates TABOR enterprise revenues from other revenues. 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 \$80,475 was reported as a restriction of net position in the financial statements.

SUPPLEMENTARY INFORMATION

ESTES VALLEY RECREATION AND PARK DISTRICT

BUDGETARY COMPARISON SCHEDULE - (Non-GAAP BASIS) WITH RECONCILIATION TO GAAP BASIS For the Year Ended December 31, 2022

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)
REVENUES				
Taxes	\$ 2,950,161	\$ 2,950,161	\$ 2,937,011	\$ (13,150)
Intergovernmental Revenues	860,475	1,121,266	1,182,431	61,165
Fees and Charges for Services				
Community Center	968,355	1,021,536	1,027,800	6,264
Golf Courses and Pro Shops	1,937,820	2,087,613	2,080,841	(6,772)
Marina	809,400	809,400	638,462	(170,938)
Parks	19,300	22,450	23,297	847
Campgrounds	1,222,260	1,192,482	1,060,895	(131,587)
Conservation Trust/Lottery	60,000	69,550	73,067	3,517
Investment Income	10,325	118,065	131,268	13,203
Loan Issuance Proceeds	-	2,425,000	2,425,000	-
Transfer (to)/from Reserves	604,199	(6,873)	-	6,873
Miscellaneous	3,000	59,645	10,219	(49,426)
TOTAL REVENUES	9,445,295	11,870,295	11,590,291	(280,004)
EXPENDITURES				
General and Administrative	792,074	780,547	786,932	(6,385)
Community Center	1,598,662	1,660,140	1,639,534	20,606
Golf Courses and Pro Shop	1,426,483	1,479,419	1,445,154	34,265
Marina	619,404	550,004	528,974	21,030
Parks	200,279	189,433	198,375	(8,942)
Campgrounds	684,060	633,499	605,309	28,190
Capital Outlay	1,683,000	4,048,276	3,602,181	446,095
Principal Payments	1,618,075	1,678,550	1,678,550	-
Interest and Fiscal Charges	450,805	485,398	442,106	43,292
Reserves and Contingencies	118,379	110,955	-	110,955
TOTAL EXPENDITURES	9,191,221	11,616,221	10,927,115	689,106
NET INCOME, Budget Basis	\$ 254,074	\$ 254,074	663,176	\$ 409,102
ADJUSTMENTS TO GAAP BASIS				
Capital Outlay			3,602,181	
Depreciation			(1,501,907)	
Gain (Loss) on Disposal of Capital Assets			(10,268)	
Loan Issuance Proceeds			(2,425,000)	
Principal Payments on Long-term Debt			1,678,550	
Amortization of Bond Premium and Deferred Amount on Refunding			64,593	
Accrued Interest Adjustment			(38,113)	
NET INCOME, GAAP Basis			2,033,212	
NET POSITION, Beginning			23,307,704	
NET POSITION, Ending			\$ 25,340,916	

See the accompanying Independent Auditor's Report.