

**FOOTHILLS PARK & RECREATION DISTRICT**  
**Jefferson County, Colorado**

**FINANCIAL STATEMENTS**  
**December 31, 2021 and 2020**

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## Independent Auditor's Report

Board of Directors  
Foothills Park and Recreation District  
6612 S. Ward Street  
Littleton, CO 80127

### Report on the Audit of the Financial Statements

#### *Opinions*

We have audited the accompanying financial statements of the business-type activity of Foothills Park & Recreation District ("the District") as of and for the years ended December 31, 2021 and 2020, 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 business-type activity of the District, as of December 31, 2021 and 2020, and the respective changes in financial position, and 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 District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### *Responsibilities of Management for the Financial Statements*

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about 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 judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of 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 judgment, 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.

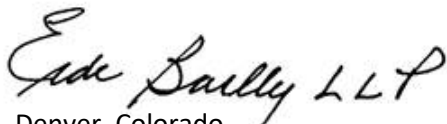
## Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis 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, 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.

## Other Information

Management is responsible for the other information included in the annual report. The other information comprises the Schedules of Revenues, Expenditures and Changes in Funds Available (Non GAAP Budgetary Basis), Reconciliation of Non GAAP Budgetary Basis (Actual) to Statement of Revenues, Expenses and Changes in Net Position, History of District Assessed Valuation Schedule, Mill Levies and Property Tax Collections, History of Revenues, Expenses and Changes in Net Position Schedule, and the Historical Net Position Schedule but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.



Denver, Colorado

April 27, 2022

## MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the Foothills Park & Recreation District's ("the District") annual financial report provides an overview of the District's financial activities for the fiscal years ended December 31, 2021 and 2020. Comparative total data for the prior year has been presented in the accompanying management discussion and analysis and financial statements in order to provide an understanding of changes in the District's financial position and operations. Please read management's discussion and analysis in conjunction with the financial statements and notes to the financial statements.

### FINANCIAL HIGHLIGHTS

- ◆ During 2021 the District's operations continued to be heavily influenced by the Coronavirus Disease 2019 ("COVID-19", "pandemic"). The District experienced reduced operating revenues compared to budget in nearly all areas of operation during 2021 and 2020 due to facility closures, program cancellations and operating restrictions resulting from COVID-19. This was partially offset by District golf course revenue, which increased significantly, driven by an increase in rounds and cart rentals due to the pandemic. In total, operating revenue was lower than budget by \$359,159 in 2021. In addition, the District conservatively managed expenses throughout the year and as a result, net operating loss was better than budget by \$962,009.
- ◆ In September, 2021 the District completed the sale of the \$29,470,000 Certificates of Participation, Series 2021. The certificates were issued with a premium of \$5,791,068 and resulted in proceeds net of issuance costs of \$35,000,000. The certificates were issued to finance the replacement of Foothills Golf Course Clubhouse, the repair and renovation of Columbine West and Sixth Avenue West Pool facilities, an extension of Dutch Creek Trail and energy conservation projects at various facilities under a Phase II Energy Performance Contract.
- ◆ The District ended the year in good financial position with assets exceeding liabilities at December 31, 2021 by \$86.03 million (net position), an increase from 2020 of \$5.37 million. Of this amount, \$15.19 million is unrestricted and may be used to meet the District's ongoing obligations to citizens and creditors.
- ◆ The District's cash and cash equivalents and total investments increased \$37.66 million to \$52.46 million primarily due to net proceeds received from the sale of the 2021 Certificates of participation and the timing of expenditures for several capital improvement projects, which have been carried-forward to the 2022 budget year.
- ◆ The District's total debt increased \$33.85 million primarily due to the issuance of the 2021 Certificates of Participation, offset by principal payments on other outstanding debt.

### OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Foothills Park & Recreation District's basic financial statements. The District's basic financial statements are comprised of two components: 1) the District-wide financial statements, 2) notes to the financial

statements. This annual report also contains other information in addition to the basic financial statements themselves.

## **REQUIRED FINANCIAL STATEMENTS**

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

### **Statement of Net Position**

The Statement of Net Position provides information about the District's investments in resources and obligations. It also provides the basis for evaluating the capital structure of the District and assessing the short and long-term debt of the District.

### **Statement of Revenues, Expenses, and Changes in Net Position**

This statement measures the results of the District's operation over the past year and can be used to determine the percentage of the District's costs that are recovered through its user fees as well as other expenditures and revenues.

### **Statement of Cash Flows**

The primary purpose of this statement is to provide information about the District's cash receipts and payments during the reporting period. This statement reports cash receipts, cash payments, and net changes in cash resulting from operating, investing, and financing activities. It also provides answers to such questions regarding the source of cash, usage of cash, and the change in cash balance during the reporting period.

## **FINANCIAL ANALYSIS OF THE DISTRICT**

The Statement of Net Position and the Statement of Revenues, Expenses, and Changes in Net Position report information about the District's activities in a way that can help understand the District's finances. The District's Net Position is another source to determine the financial health or financial position of the District. Over time, increases in the District's net position are an indicator that the District's financial health is improving. However, one should also consider other non-financial factors such as changes in economic conditions, population growth, or changes in governmental legislation.

A summary of the District’s Statements of Net Position as of December 31, 2021 and 2020 is presented below:

	<b>Net Position</b>		<b>2020 to 2021</b>	
	<b>2021</b>	<b>2020</b>	<b>\$ Change</b>	<b>% Change</b>
Current and Other Assets	\$ 67,839,290	\$ 28,915,996	\$ 38,923,294	134.61%
Capital Assets	84,299,652	81,771,178	2,528,474	3.09%
Total Assets	<u>152,138,942</u>	<u>110,687,174</u>	<u>41,451,768</u>	<u>37.45%</u>
Deferred Outflows of Resources	263,976	306,354	(42,378)	-13.83%
Current Liabilities	4,786,279	2,768,698	2,017,581	72.87%
Non-Current Liabilities	47,240,542	14,435,203	32,805,339	227.26%
Total Liabilities	<u>52,026,821</u>	<u>17,203,901</u>	<u>34,822,920</u>	<u>202.41%</u>
Deferred Inflows of Resources	14,347,376	13,126,245	1,221,131	9.30%
Net Invested in Capital Assets	69,930,651	67,004,564	2,926,087	4.37%
Restricted	911,000	736,000	175,000	23.78%
Unrestricted	15,187,070	12,922,818	2,264,252	17.52%
Total Net Position	<u><u>\$ 86,028,721</u></u>	<u><u>\$ 80,663,382</u></u>	<u><u>\$ 5,365,339</u></u>	<u><u>6.65%</u></u>

As can be seen from the chart above, Total Net Position increased \$5,365,339, or 6.65% in 2021. Restricted Net Position reflects amounts restricted for TABOR reserves. In addition, the Board of Directors of the District (“the Board”) established a general reserve fund in an amount equal to 9.0% of the District’s annual operating budget, which includes the TABOR reserves. The Board has not restricted or committed any of these unrestricted funds for any specific purpose except for cash flow, emergency and other purposes as determined by the Board. As of December 31, 2021, the District had a general reserve fund of \$2,733,000, which includes the TABOR reserves of \$911,000.



A summary of the District’s Statements of Net Position as of December 31, 2020 and 2019 is presented below:

	<b>Net Position</b>		<b>2019 to 2020</b>	
	<b>2020</b>	<b>2019</b>	<b>\$ Change</b>	<b>% Change</b>
Current and Other Assets	\$ 28,915,996	\$ 27,817,150	\$ 1,098,846	3.95%
Capital Assets	81,771,178	81,687,342	83,836	0.10%
Total Assets	<u>110,687,174</u>	<u>109,504,492</u>	<u>1,182,682</u>	<u>1.08%</u>
Deferred Outflows of Resources	306,354	442,679	(136,325)	-30.80%
Current Liabilities	2,768,698	5,741,885	(2,973,187)	-51.78%
Non-Current Liabilities	14,435,203	15,738,121	(1,302,918)	-8.28%
Total Liabilities	<u>17,203,901</u>	<u>21,480,006</u>	<u>(4,276,105)</u>	<u>-19.91%</u>
Deferred Inflows of Resources	13,126,245	13,071,945	54,300	0.42%
Net Invested in Capital Assets	67,004,564	63,666,623	3,337,941	5.24%
Restricted	736,000	804,000	(68,000)	-8.46%
Unrestricted	12,922,818	10,924,597	1,998,221	18.29%
Total Net Position	<u>\$ 80,663,382</u>	<u>\$ 75,395,220</u>	<u>\$ 5,268,162</u>	<u>6.99%</u>

In 2020, Total Net Position increased \$5,268,162, or 6.99%. Restricted Net Position reflects amounts restricted for TABOR reserves. In addition, the Board of Directors of the District (“the Board”) established a general reserve fund in an amount equal to 9.0% of the District’s annual operating budget, which includes the TABOR reserves. The Board has not restricted or committed any of these unrestricted funds for any specific purpose except for cash flow, emergency and other purposes as determined by the Board. As of December 31, 2020, the District had a general reserve fund of \$2,208,000, which includes the TABOR reserves of \$736,000.

While the Statement of Net Position shows the change in financial position, the Statement of Revenues, Expenses, and Changes in Net Position provides answers as to the nature and source of these changes.

As part of our analysis, we provide a summary of the District’s Statement of Revenues, Expenses and Changes in Net Position from 2020 to 2021 as presented below:

**Statement of Revenues, Expenses and Changes in Net Position, 2021 and 2020**

	<u>2020 to 2021</u>			
	<u>2021</u>	<u>2020</u>	<u>\$ Change</u>	<u>% Change</u>
Operating Revenues Fees and Charges	\$ 15,826,833	\$ 11,948,230	\$ 3,878,603	32.46%
Operating Expenditures	(23,920,081)	(21,401,440)	(2,518,641)	-11.77%
Net Loss From Operations	<u>(8,093,248)</u>	<u>(9,453,210)</u>	<u>1,359,962</u>	<u>14.39%</u>
Non-Operating Revenues (Expenditures)				
Property and Specific Ownership Taxes	14,015,179	14,002,521	12,658	0.09%
Conservation Trust	591,421	501,080	90,341	18.03%
Grants and Contributions	934,061	1,977,388	(1,043,327)	-52.76%
Grants Expenditures	(46,174)	(135,131)	88,957	65.83%
Facilities & Equipment Repair and Replacements	(820,216)	(899,312)	79,096	8.80%
Interest Expense	(834,301)	(689,503)	(144,798)	-21.00%
Gain (Loss) on Sale of Assets	62,426	28,673	33,753	117.72%
Insurance Proceeds	5,653	28,994	(23,341)	-80.50%
Other Income	36,438	97,085	(60,647)	-62.47%
Other Expenditures	(485,900)	(190,423)	(295,477)	-155.17%
Total Net Non-Operating Revenues	<u>13,458,587</u>	<u>14,721,372</u>	<u>(1,262,785)</u>	<u>-8.58%</u>
<b>Change in Net Position</b>	5,365,339	5,268,162	97,177	1.84%
<b>Net Position, Beginning of Year</b>	80,663,382	75,395,220	5,268,162	6.99%
<b>Net Position, End of Year</b>	<u>\$ 86,028,721</u>	<u>\$ 80,663,382</u>	<u>\$ 5,365,339</u>	<u>6.65%</u>

**Comparison of Revenue and Expenses – 2021 to 2020**

Operating Revenues derived from Fees and Charges for Services were \$15,826,833 in 2021 compared to \$11,948,230 in 2020, an increase of \$3,878,603, or 32.46%. The District realized operating revenue increases during 2021 resulting from the decreasing impact of COVID-19 on all areas of District operations. Recreation Programs, the Ice Arena and Golf had the most significant increases of \$927,646, \$799,672 and \$572,654 respectively, driven by increased participation in program offerings in these areas as the District’s patrons returned with the lifting of pandemic related restrictions.

Operating Expenses in 2021 were \$23,920,081 compared to \$21,401,440 in 2020, an increase of \$2,518,641, or 11.77%. Operating Expenses increased due to higher part-time wages and operating supplies driven by increased levels of activity in all operating revenue producing areas resulting from the easing of pandemic related operating restrictions. The most significant increases occurred in Aquatics, Recreation Centers and Recreation Programs, which increased \$573,409, \$468,859 and \$409,950, respectively.

Property and Specific Ownership Taxes were \$14,015,179 in 2021 versus \$14,002,521 in 2020. The increase of \$12,658 was primarily attributable to higher specific ownership taxes collected in 2021. Conservation Trust revenues were \$591,421 and \$501,080 in 2021 and 2020, respectively, reflecting an increase in the District’s allocation of state lottery ticket sales for 2021. Grants and Contributions

decreased \$1,043,327 primarily driven by lower Senate Bill 35 funds received for use in completing neighborhood park improvement projects and lower levels of funding received from the State of Colorado for the Coronavirus Relief Fund Program (“CVRF”).

In 2021, 66.17% of the District’s total operations were covered by fees and charges from programs and facilities and the remaining 33.83% came from property and specific ownership taxes, grants and other sources. The District’s parks, greenbelts and trails are costly to maintain and account for \$5,298,821 of the \$8,093,248 operating loss the District incurred in 2021. The District’s pools and recreation centers are also costly to operate and were subsidized \$3,499,972 from other revenue sources besides the fees and charges paid by the users of these facilities in 2021. Of the \$14,015,179 of taxes collected, \$112,104 were designated to make principal and interest payments on General Obligation Debt and \$13,903,075 were designated to offset operating losses and other debt principal and interest payments owed as a result of financing the construction of the District’s Peak Community Wellness Center, the Edge Ice Arena, and the Foothills Sports Arena.

The following table shows the amount and percent that operating costs were recovered through operating revenues including fees and charges for the years ended December 31, 2021 and 2020:

**Cost Recovery Through Fees and Charges**

	<u>2021</u>	<u>2020</u>	<u>2020 to 2021</u>	
			<u>\$ Change</u>	<u>% Change</u>
Operating Revenues	\$ 15,826,833	\$ 11,948,230	\$ 3,878,603	32.46%
Operating Expenses	\$ 23,920,081	\$ 21,401,440	\$ 2,518,641	11.77%
% Cost Recovery Through Operating Fees and Charges	<u>66.17%</u>	<u>55.83%</u>		

As part of our analysis, we also provide a summary of the District’s Statement of Revenues, Expenses and Changes in Net Position from 2019 to 2020 as presented below:

**Statement of Revenues, Expenses and Changes in Net Position, 2020 and 2019**

	2020	2019	2019 to 2020	
			\$ Change	% Change
Operating Revenues Fees and Charges	\$ 11,948,230	\$ 15,335,676	\$ (3,387,446)	-22.09%
Operating Expenditures	(21,401,440)	(22,821,861)	1,420,421	-6.22%
Net Loss From Operations	(9,453,210)	(7,486,185)	(1,967,025)	26.28%
<b>Non-Operating Revenues (Expenditures)</b>				
Property and Specific Ownership Taxes	14,002,521	12,673,093	1,329,428	10.49%
Conservation Trust	501,080	553,927	(52,847)	-9.54%
Grants and Contributions	1,977,388	931,793	1,045,595	112.21%
Grants Expenditures	(135,131)	(219,336)	84,205	-38.39%
Facilities & Equipment Repair and Replacements	(899,312)	(1,289,710)	390,398	-30.27%
Interest Expense	(689,503)	(805,294)	115,791	-14.38%
Gain (Loss) on Sale of Assets	28,673	(19,775)	48,448	-245.00%
Insurance Proceeds	28,994	8,855	20,139	227.43%
Other Income	97,085	221,721	(124,636)	-56.21%
Other Expenditures	(190,423)	(165,141)	(25,282)	15.31%
Total Net Non-Operating Revenues	14,721,372	11,890,133	2,831,239	23.81%
<b>Change in Net Position</b>	5,268,162	4,403,948	864,214	19.62%
<b>Net Position, Beginning of Year</b>	75,395,220	70,991,272	4,403,948	6.20%
<b>Net Position, End of Year</b>	<u>\$ 80,663,382</u>	<u>\$ 75,395,220</u>	<u>\$ 5,268,162</u>	<u>6.99%</u>

**Comparison of Revenue and Expenses – 2020 to 2019**

Operating Revenues derived from Fees and Charges for Services were \$11,948,230 in 2020 compared to \$15,335,676 in 2019, a decrease of \$3,387,446, or 22.09%. The District experienced reduced operating revenues in nearly all operating areas during 2020 due to facility closures, program cancellations and operating restrictions resulting from the COVID-19 pandemic. Children’s Programs, Recreation Programs and Recreation Centers had the most significant decreases of \$2,011,027, \$1,357,015 and \$611,766 respectively, driven by facility closures, and restrictions on District operations related to capacity restrictions and limitations on group sports. These decreases were partially offset by Golf, which had a \$1,869,768 increase in operating revenue resulting from a significant increase in rounds and rental revenue at both District golf courses as golf emerged in 2020 as an outdoor recreation activity in which social distancing is possible, driving increased public participation in the sport during the pandemic.

Operating Expenses in 2020 were \$21,401,440 compared to \$22,821,861 in 2019, a decrease of \$1,420,421, or 6.22%. Operating Expenses decreased due to lower part-time wages and operating supplies driven by facility closures, program cancellations and operating restrictions related to COVID-19. The most significant decreases occurred in Children’s Programs, Recreation Programs

and Aquatics, which decreased \$722,107, \$458,209 and \$440,945, respectively. Operations in each of these departments were impacted by closures and operating restrictions due to the pandemic and as a result each department had significant reductions in part-time wages and operating supplies.

Property and Specific Ownership Taxes were \$14,002,521 in 2020 versus \$12,673,093 in 2019. The increase of \$1,329,428 was primarily attributable to a 12.92% increase in assessed values for the 2020 tax collection year. Conservation Trust revenues were \$501,080 and \$553,927 in 2020 and 2019, respectively, reflecting a decrease in the District’s allocation of state lottery ticket sales for 2020. Grants and Contributions increased \$1,045,595 primarily driven Senate Bill 35 funds received for use in completing neighborhood park improvement projects and funding received of \$391,193 from the State of Colorado for the Coronavirus Relief Fund Program (“CVRF”).

In 2020, 55.83% of the District’s total operations were covered by fees and charges from programs and facilities and the remaining 44.17% came from property and specific ownership taxes, grants and other sources. The District’s parks, greenbelts and trails are costly to maintain and account for \$5,247,500 of the \$9,453,210 operating loss the District incurred in 2020. The District’s pools and recreation centers are also costly to operate and were subsidized \$3,246,132 from other revenue sources besides the fees and charges paid by the users of these facilities in 2020. Of the \$14,002,521 of taxes collected, \$2,059,329 were designated to make principal and interest payments on General Obligation Debt and \$11,943,192 were designated to offset operating losses and other debt principal and interest payments owed as a result of financing the construction of the District’s Peak Community Wellness Center, the Edge Ice Arena, and the Foothills Sports Arena.

The following table shows the amount and percent that operating costs were recovered through operating revenues including fees and charges for the years ended December 31, 2020 and 2019:

**Cost Recovery Through Fees and Charges**

	2020	2019	2019 to 2020	
			\$ Change	% Change
Operating Revenues	\$ 11,948,230	\$ 15,335,676	\$ (3,387,446)	-22.09%
Operating Expenses	\$ 21,401,440	\$ 22,821,861	\$ (1,420,421)	-6.22%
% Cost Recovery Through Operating Fees and Charges	<u>55.83%</u>	<u>67.20%</u>		

**Comparison of Revenue and Expenses – 2021 Actual to 2021 Budget**

Operating Revenues were \$15,826,833 compared to budget of \$16,185,992 or \$359,159 unfavorable to plan. Operating revenues were below plan most significantly as follows: Children’s Programs by \$1,568,814 or 47.37%; Recreation Centers by \$509,063 or 29.24%; Recreation Programs by \$363,035 or 15.74%; Aquatics by \$129,071 or 13.63%; and Ice Arena by \$106,413 or 4.39% because of operating restrictions and program cancellations resulting from the COVID-19 pandemic. These negative variances were partially offset by Golf, which was favorable to plan by \$2,312,850 or 47.15% resulting from a significant increase in rounds and rental revenue at both

District golf courses as golf continued in 2021 as a preferred outdoor recreation activity in which social distancing is possible, driving increased public participation in the sport during the pandemic.

Operating Expenses were \$20,798,108 compared to budget of \$22,119,276, which was \$1,321,168 less than planned. This was driven by lower than planned part-time wages and operating supplies in Children’s Programs, Recreation Centers and Recreation Programs resulting from operating restrictions and program cancellations in response to the COVID-19 pandemic.

Net Non-Operating Revenues were \$41,708,724 compared to budget of \$5,933,284 or \$35,775,440 favorable to plan. This was mostly due to net proceeds of \$35,000,000 received under the sale of our 2021 Certificates of Participation, higher levels of Grants and Contributions related to Senate Bill 35 funds received, which will be deployed in completing the 2021 neighborhood park improvement projects, and funding received from the State of Colorado for the Coronavirus Relief Fund Program (“CVRF”).

### **Comparison of Revenue and Expenses – 2020 Actual to 2020 Budget**

Operating Revenues were \$11,948,230 compared to budget of \$16,086,725 or \$4,138,495 unfavorable to plan. Operating revenues were below plan most significantly as follows: Children’s Programs by \$2,099,453 or 62.48%; Recreation Programs by \$1,322,960 or 56.57%; Recreation Centers by \$938,070 or 51.72%; Ice Arena by \$605,009 or 28.48%; Aquatics by \$573,054 or 59.75%; and Parks by \$303,502 or 56.21% because of facility closures, program cancellations and operating restrictions resulting from the COVID-19 pandemic. These negative variances were partially offset by Golf, which was favorable to plan by \$1,716,405 or 34.82% resulting from a significant increase in rounds and rental revenue at both District golf courses as golf emerged in 2020 as an outdoor recreation activity in which social distancing is possible, driving increased public participation in the sport during the pandemic.

Operating Expenses were \$18,333,118 compared to budget of \$22,010,675, which was \$3,677,557 less than planned. This was driven by lower than planned part-time wages and operating supplies in Aquatics, Children’s Programs, the Ice Arena, Recreation Centers and Recreation Programs resulting from facility closures, program cancellations and operating restrictions in response to the COVID-19 pandemic.

Net Non-Operating Revenues were \$8,319,604 compared to budget of \$5,943,704 or \$2,375,900 favorable to plan. This was mostly due to lower levels expenditures on Facilities and Equipment Repairs and Replacements, resulting from a shift in the timing of work from 2020 to 2021 for the 2020 neighborhood park improvement mill levy projects, higher levels of Grants and Contributions related to Senate Bill 35 funds received, which were deployed in completing the 2020 neighborhood park improvement projects, and cash reserves used to fund additional Facilities & Equipment Repair & Replacements in 2020.

## **CAPITAL ASSETS AND DEBT ADMINISTRATION**

### **Capital Assets**

As of December 31, 2021, 2020 and 2019, the District had invested \$84,299,652, \$81,771,178 and \$81,687,342, respectively in net capital assets, which represents a broad range of infrastructure including parks, recreation centers, golf courses, maintenance and administration facilities, vehicles,

and equipment. In 2021, The District's net capital assets increased by \$2,528,474 from net capital assets at the end of 2020 due to the current year's additions, offset by current year depreciation of its capital assets. Similarly, in 2020, The District's net capital assets increased by \$83,836 from net capital assets at the end of 2019 primarily due to asset additions, partially offset by depreciation of its capital assets. More detailed information about the District's capital assets is presented in Note 4 to the financial statements.

The table below summarizes changes in capital assets for the year ended December 31, 2021:

**Change in Capital Assets (Net of Depreciation), 2021**

	2021	2020	2020 to 2021	
			\$ Change	% Change
Land	\$ 23,728,375	\$ 23,728,375	\$ -	0.00%
Water Rights	785,337	785,337	-	0.00%
Buildings	27,232,114	28,229,680	(997,566)	-3.53%
Improvements	26,361,203	25,050,405	1,310,798	5.23%
Furniture, Fixtures and Equipment	2,179,251	1,940,017	239,234	12.33%
Vehicles	761,831	673,051	88,780	13.19%
Construction in Progress	3,251,541	1,364,313	1,887,228	138.33%
Total Capital Assets	<u>\$ 84,299,652</u>	<u>\$ 81,771,178</u>	<u>\$ 2,528,474</u>	<u>3.09%</u>

The table below summarizes changes in capital assets for the year ended December 31, 2020:

**Change in Capital Assets (Net of Depreciation), 2020**

	2020	2019	2019 to 2020	
			\$ Change	% Change
Land	\$ 23,728,375	\$ 23,728,375	\$ -	0.00%
Water Rights	785,337	785,337	-	0.00%
Buildings	28,229,680	29,187,857	(958,177)	-3.28%
Improvements	25,050,405	23,944,704	1,105,701	4.62%
Furniture, Fixtures and Equipment	1,940,017	1,827,339	112,678	6.17%
Vehicles	673,051	710,104	(37,053)	-5.22%
Construction in Progress	1,364,313	1,503,626	(139,313)	-9.27%
Total Capital Assets	<u>\$ 81,771,178</u>	<u>\$ 81,687,342</u>	<u>\$ 83,836</u>	<u>0.10%</u>

**Long-Term Debt**

The District paid \$1,235,700 in debt principal repayments and issued new 2021 Certificates of Participation which resulted in proceeds of \$35,261,068 during 2021 and at December 31, 2021 had \$48,663,076 in short and long-term debt and deferred charges.

Below is a summary of changes in long-term debt for the year ended December 31, 2021:

**Changes in Long-Term Debt**

	<u>2021</u>	<u>2020</u>	<u>2020 to 2021</u>	
			<u>\$ Change</u>	<u>% Change</u>
General Obligation Bonds	\$ 107,300	\$ 213,000	\$ (105,700)	-49.62%
Certificates of Participation	42,390,000	14,050,000	28,340,000	201.71%
Unamortized Deferred Charges	(263,976)	(306,354)	42,378	13.83%
Unamortized Bond Premium	6,429,752	809,968	5,619,784	693.83%
Total Long Term Debt	<u>\$ 48,663,076</u>	<u>\$ 14,766,614</u>	<u>\$ 33,896,462</u>	<u>229.55%</u>

The District paid \$3,248,600 in debt principal repayments during 2020 and at December 31, 2020 had \$14,766,614 in short and long-term debt and deferred charges.

Below is a summary of changes in long-term debt for the year ended December 31, 2020:

**Changes in Long-Term Debt**

	<u>2020</u>	<u>2019</u>	<u>2019 to 2020</u>	
			<u>\$ Change</u>	<u>% Change</u>
General Obligation Bonds	\$ 213,000	\$ 2,141,600	\$ (1,928,600)	-90.05%
Certificates of Participation	14,050,000	15,160,000	(1,110,000)	-7.32%
Golf Course Revenue Bonds	-	210,000	(210,000)	-100.00%
Unamortized Deferred Charges	(306,354)	(442,679)	136,325	30.80%
Unamortized Bond Premium	809,968	951,798	(141,830)	-14.90%
Total Long Term Debt	<u>\$ 14,766,614</u>	<u>\$ 18,020,719</u>	<u>\$ (3,254,105)</u>	<u>-18.06%</u>

More detailed information about the District’s long-term debt is presented in Note 5 to the financial statements.



The District had Golf Course Revenue Bonds, which were paid in full in 2020. The District was able to maintain an adequate debt coverage ratio on the Golf Course Revenue Bonds outstanding for the year ended December 31, 2020 as shown below:

### Debt Coverage Ratio-Golf Revenue Bonds

	<u>2020</u>	<u>2019</u>	<u>2019 to 2020</u>	
			<u>\$ Change</u>	<u>% Change</u>
Golf Operating Revenue	\$ 6,645,712	\$ 4,775,944	\$ 1,869,768	39.15%
Golf Operating Expenses (Excluding Depreciation and Debt Payments)	<u>3,870,897</u>	<u>3,716,276</u>	<u>154,621</u>	<u>4.16%</u>
Golf Net Earning Before Depreciation, and Debt Payments	<u>\$ 2,774,815</u>	<u>\$ 1,059,668</u>	<u>\$ 1,715,147</u>	<u>161.86%</u>
Golf Revenue Bonds Annual Debt Service Requirements for the Respective Fiscal year	<u>\$ 216,432</u>	<u>\$ 217,392</u>	<u>\$ (960)</u>	<u>-0.44%</u>
Debt Coverage Ratio	<u>12.82</u>	<u>4.87</u>		

The required ratio was 1.50 of the debt service requirements on the golf course revenue bonds for the respective fiscal year.

### ECONOMIC FACTORS

The District is located in Jefferson County which is in the southern part of the Denver metropolitan area where the local economic environment has been relatively strong over the last several years, excluding 2020, which was impacted negatively by the COVID-19 pandemic. The average unemployment rate in Jefferson County was 3.8% in December, 2021 versus 7.9% in December, 2020. In 2020, for taxes collected in 2021, property assessed valuations within the District increased by 0.96%.

In recent years, the District has experienced an increase in the number of patron visits to our facilities and to our various programs. This trend did not continue for most areas of District operations in 2020 primarily driven by facility closures, program cancellations and operating restrictions related to the COVID-19 pandemic, which caused significant reductions in revenue from recreation programs and facilities. In 2021, the District experienced significant increases versus 2020 as pandemic operating restrictions were reduced and eliminated. The District's golf rounds and related revenues continued at a higher than normal pace in 2021 as individuals gravitated toward outdoor recreation opportunities and this trend is anticipated to continue in the near term. The need for fee increases for all District programs and facilities will continue to be evaluated on an annual basis and be based on competitive rates for the markets we serve.

In November, 2017 a majority of the District's voters authorized the District to increase its mill levy 2.75 mills for general operating and other purposes. The mill increase has a nine-year sunset provision and it resulted in a significant increase in property tax revenues for 2020 and 2021 and will continue to do so throughout the duration of the nine-year increase.

Property valuations within the District saw a moderate increase in 2021. As a result, property tax revenues are expected to increase moderately in 2022. Property tax revenue increases resulting from valuation changes beyond 2022 are not expected to be significant. Some modest new development is expected to take place within District boundaries, which would result in potential increases in assessed valuations due to growth related to new construction.

In time, the District expects that revenue streams will return to pre-pandemic levels, however, all major operating costs are expected to increase annually due to general inflationary trends in the foreseeable future. The District will continue to evaluate opportunities to increase its revenue streams and manage available funds as efficiently as possible.

## **REQUEST FOR INFORMATION**

This financial report provides a general overview of Foothills Park & Recreation District's finances. Questions concerning any of the information provided in this report or to request additional financial information should be addressed to the attention of Director of Finance and Administrative Services at Foothills Park & Recreation District, 6612 S Ward Street, Littleton, Colorado 80127.

**FOOTHILLS PARK & RECREATION DISTRICT**  
**STATEMENTS OF NET POSITION**  
**December 31, 2021 and 2020**

	<b>2021</b>	<b>2020</b>
<b>ASSETS</b>		
Current Assets		
Cash and Cash Equivalents	\$ 50,998,082	\$ 13,805,354
Nonrestricted Short-Term Investments	491,658	247,244
Receivables	396,066	484,016
Property Taxes Receivables	14,347,376	13,126,245
Inventories	147,377	186,964
Prepaid Expenses	484,353	309,573
Total Current Assets	66,864,912	28,159,396
Non-Current Assets		
Nonrestricted Long-Term Investments	974,378	752,478
Land, Water Rights and Construction in Progress	27,765,253	25,878,025
Other Capital Assets, Net of Accumulated Depreciation	56,534,399	55,893,153
Investment in Bergen Ditch and Reservoir Co. and Bergen Land Co.	-	4,122
Total Non-Current Assets	85,274,030	82,527,778
Total Assets	152,138,942	110,687,174
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred Charges	263,976	306,354
Total Assets and Deferred Outflows of Resources	\$ 152,402,918	\$ 110,993,528
<b>LIABILITIES</b>		
Current Liabilities		
Accounts Payables	\$ 1,709,305	\$ 1,092,309
Interest Payable	148,413	54,213
Accrued Payroll Payable	104,601	60,114
Long-Term Debt Payable (Current Portion)	2,257,300	1,235,700
Unearned Revenue	566,660	326,362
Total Current Liabilities	4,786,279	2,768,698
Non-Current Liabilities		
Compensated Absences Payable	570,790	597,935
Long-Term Debt Payable	46,669,752	13,837,268
Total Non-Current Liabilities	47,240,542	14,435,203
Total Liabilities	52,026,821	17,203,901
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Deferred Property Taxes	14,347,376	13,126,245
Total Liabilities and Deferred Inflows of Resources	66,374,197	30,330,146
<b>NET POSITION</b>		
Net Investment in Capital Assets	69,930,651	67,004,564
Restricted	911,000	736,000
Unrestricted	15,187,070	12,922,818
Total Net Position	86,028,721	80,663,382
Total Liabilities, Deferred Inflows of Resources and Net Position	\$ 152,402,918	\$ 110,993,528

These financial statements should be read only in conjunction with  
the accompanying notes to financial statements.

**FOOTHILLS PARK & RECREATION DISTRICT**  
**STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**  
**For the Years Ended December 31, 2021 and 2020**

	<u>2021</u>	<u>2020</u>	<u>Change</u>	<u>% Change</u>
<b>OPERATING REVENUES</b>				
Fees and Charges:				
Aquatics	\$ 817,973	\$ 386,017	\$ 431,956	111.90%
Children's Programs	1,743,268	1,260,708	482,560	38.28%
Golf	7,218,366	6,645,712	572,654	8.62%
Ice Arena	2,318,969	1,519,297	799,672	52.63%
Recreation Centers	1,232,208	875,736	356,472	40.71%
Recreation Programs	1,943,202	1,015,556	927,646	91.34%
Parks and Regional Parks	504,085	236,456	267,629	113.18%
General and Administrative	48,762	8,748	40,014	457.41%
Total Operating Revenues	<u>15,826,833</u>	<u>11,948,230</u>	<u>3,878,603</u>	<u>32.46%</u>
<b>OPERATING EXPENSES</b>				
Aquatics	1,994,875	1,421,466	573,409	40.34%
Children's Programs	2,161,241	1,949,635	211,606	10.85%
Golf	4,476,185	4,227,776	248,409	5.88%
Ice Arena	1,855,173	1,456,453	398,720	27.38%
Recreation Centers	3,555,278	3,086,419	468,859	15.19%
Recreation Programs	1,878,589	1,468,639	409,950	27.91%
Parks and Regional Parks	5,802,906	5,483,956	318,950	5.82%
General and Administrative	2,195,834	2,307,096	(111,262)	-4.82%
Total Operating Expenses	<u>23,920,081</u>	<u>21,401,440</u>	<u>2,518,641</u>	<u>11.77%</u>
<b>NET LOSS FROM OPERATIONS</b>	<u>(8,093,248)</u>	<u>(9,453,210)</u>		
<b>NON-OPERATING REVENUES (EXPENSES)</b>				
Property and Specific Ownership Taxes	14,015,179	14,002,521	12,658	0.09%
Conservation Trust	591,421	501,080	90,341	18.03%
Grants and Contributions	934,061	1,977,388	(1,043,327)	-52.76%
Grants Expenditures	(46,174)	(135,131)	88,957	65.83%
Facilities & Equipment Repairs and Replacements	(820,216)	(899,312)	79,096	8.80%
Investment Income	30,226	82,720	(52,494)	-63.46%
Interest Expense	(834,301)	(689,503)	(144,798)	21.00%
Interest Expense Subsidy	18,215	26,928	(8,713)	-32.36%
Bond Issuance Cost	(255,350)	-	(255,350)	-100.00%
Loss on Investment in Bergen Ditch and Reservoir Co. and Bergen Land Co.	(12,003)	(12,563)	560	4.46%
Gain on the Sale of Assets	62,426	28,673	33,753	117.72%
Proceeds from Insurance	5,653	28,994	(23,341)	-80.50%
Other Expense	(230,550)	(190,423)	(40,127)	21.07%
Total Net Non-Operating Revenues	<u>13,458,587</u>	<u>14,721,372</u>	<u>(1,262,785)</u>	<u>-8.58%</u>
<b>CHANGE IN NET POSITION</b>	5,365,339	5,268,162	97,177	1.84%
<b>NET POSITION, Beginning of Year</b>	80,663,382	75,395,220	5,268,162	6.99%
<b>NET POSITION, End of Year</b>	<u>\$ 86,028,721</u>	<u>\$ 80,663,382</u>	<u>\$ 5,365,339</u>	<u>6.65%</u>

These financial statements should be read only in conjunction with  
the accompanying notes to financial statements.

**FOOTHILLS PARK & RECREATION DISTRICT**  
**STATEMENTS OF CASH FLOWS**  
**For the Years Ended December 31, 2021 and 2020**

	<u>2021</u>	<u>2020</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from Customers and Users	\$ 16,155,081	\$ 11,975,110
Payments to Suppliers	(6,854,596)	(6,828,196)
Payments to Employees	<u>(13,444,367)</u>	<u>(12,210,864)</u>
Net Cash Used by Operating Activities	<u>(4,143,882)</u>	<u>(7,063,950)</u>
<b>CASH FLOW FROM NON-CAPITAL FINANCING ACTIVITIES</b>		
Property and Specific Ownership Taxes	14,015,179	14,002,521
Receipts from Conservation Trust Fund	591,421	501,080
Grants and Contributions Received, Net of Expenditures	887,887	1,842,257
Facilities & Equipment Repairs and Replacements	(820,216)	(899,312)
Other Expenditures	<u>(230,550)</u>	<u>(190,423)</u>
Net Cash Provided by Non-Capital Financing Activities	<u>14,443,721</u>	<u>15,256,123</u>
<b>CASH FLOW FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Interest Expense Paid on Bonds and Leases	(850,791)	(682,408)
Acquisition of Capital Assets	(5,659,105)	(3,152,158)
Proceeds from the Sale of Assets	71,083	28,673
Proceeds from Insurance	5,653	28,994
Principal Payments on Long-Term Debt	(1,235,700)	(3,248,600)
Proceeds from Issuance of Long-Term Debt	35,261,068	-
Bond Issuance Costs	<u>(255,350)</u>	<u>-</u>
Net Cash Provided by (Used by) Capital and Related Financing Activities	<u>27,336,858</u>	<u>(7,025,499)</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Maturity (Purchase) of Investments	(466,314)	484,957
Investment in Bergen Ditch and Reservoir Co. and Bergen Land Co.	(7,881)	(8,068)
Interest on Investments	<u>30,226</u>	<u>82,720</u>
Net Cash (Used by) Provided by Investing Activities	<u>(443,969)</u>	<u>559,609</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>37,192,728</b>	<b>1,726,283</b>
<b>CASH AND CASH EQUIVALENTS, Beginning of Year</b>	<u><b>13,805,354</b></u>	<u><b>12,079,071</b></u>
<b>CASH AND CASH EQUIVALENTS, End of Year</b>	<u><b>\$ 50,998,082</b></u>	<u><b>\$ 13,805,354</b></u>

These financial statements should be read only in conjunction with  
the accompanying notes to financial statements.

(Continued)

**FOOTHILLS PARK & RECREATION DISTRICT**  
**STATEMENTS OF CASH FLOWS**  
**For the Years Ended December 31, 2021 and 2020**  
(Continued)

	<b>2021</b>	<b>2020</b>
<b>RECONCILIATION OF OPERATING LOSS TO NET CASH</b>		
<b>USED BY OPERATING ACTIVITIES:</b>		
Operating Loss	\$ (8,093,248)	\$ (9,453,210)
Adjustments to Reconcile Operating Loss to Net Cash Used by		
Operating Activities:		
Depreciation	3,121,973	3,068,322
Effect of changes in operating assets and liabilities:		
Receivables	87,950	349,561
Inventories	39,587	4,466
Prepaid Expense	(174,780)	(165,336)
Deposits	-	3,594
Accounts Payable	616,996	(273,702)
Accrued Payroll Payable	44,487	(345,982)
Compensated Absences Payable	(27,145)	74,612
Unearned Revenue	240,298	(326,275)
Total Adjustments	3,949,366	2,389,260
<b>NET CASH USED BY OPERATING ACTIVITIES</b>	<b>\$ (4,143,882)</b>	<b>\$ (7,063,950)</b>

These financial statements should be read only in conjunction with  
the accompanying notes to financial statements.

**FOOTHILLS PARK & RECREATION DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2021 and 2020**

**NOTE 1: DEFINITION OF REPORTING ENTITY**

*Financial Reporting Entity*

Foothills Park & Recreation District (the “District”) is a governmental unit (special district) operating in accordance with Colorado Statute. The District is governed by a five-member elected Board of Directors. The District was established to provide park and recreation facilities and programs in southern Jefferson County.

In accordance with Governmental Accounting Standards, the District has considered the possibility of inclusion of additional entities in its financial statements. The definition of the reporting entity is based primarily on financial accountability. The District is financially accountable for the organizations that make up its legal entity. It is also financially responsible 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 benefits to or, to impose specific financial burdens on the District. The District may also be financially accountable for governmental organizations that are fiscally dependent upon it.

*Component Unit*

The Foothills Park & Recreation District Building Authority (the Building Authority) is governed by a board that consists of a voting majority appointed by the governing board of the District. In addition, the District is financially accountable for the Building Authority, and the Building Authority is financially dependent upon the District. The Building Authority is consolidated into the financial statements of the District. The Building Authority does not issue separate financial statements. In 2015, the District refunded the 2006 Certificates of Participation which were held by the Building Authority. Coincident with the refunding transaction, the Building Authority transferred the deed of all properties owned to the District. As a result, the Building Authority had no financial activity in 2021 and 2020.

*Joint Venture*

The Bergen Ditch and Reservoir Company (Bergen Ditch) and Bergen Ditch Land Company (Bergen Land) are corporations owned and controlled by various governmental entities and private individuals. The purpose of Bergen Ditch is to own and operate a water ditch system known as the Bergen Ditch. The District has a 23.8% ownership interest in Bergen Ditch and a 26.3% ownership interest in Bergen Land. In addition, the District leases another 60.5% of shares with voting interests in Bergen Ditch from Jefferson County. The District’s Executive Director and Director of Parks, Planning and Construction served on the Board of Directors of Bergen Ditch in 2021 and 2020. The District’s share in this joint venture is included as an investment on the financial statements. The financial statements for Bergen Ditch and Bergen Land are available at 9329 Lark Sparrow Trail, Highlands Ranch, CO 80126.

**FOOTHILLS PARK & RECREATION DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2021 and 2020**

**NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies of the Foothills Park & Recreation District conform to generally accepted accounting principles (GAAP) as applicable to governmental units accounted for as a proprietary enterprise fund. The Governmental Accounting Standards Board (GASB) is the standard-setting body for establishing governmental accounting and financial principles. The following is a summary of the significant policies.

*Measurement Focus*

The District is accounted for as a single enterprise fund. Enterprise funds are a type of proprietary fund and as such, are reported in accordance with generally accepted accounting principles for proprietary funds as defined by GASB. The proprietary fund type is accounted for on a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of this fund are included on the Statement of Net Position.

*Basis of Accounting*

The District uses the accrual basis of accounting, where revenues are recognized when they are earned and measurable, and expenses are recognized in the period incurred.

**Proprietary Fund**

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenue and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal ongoing operations of the District result in revenue from charges to patrons for admissions to recreation facilities, rental of recreation facilities, fees paid for participation in recreation programs, and green fees for usage of the District's golf courses. All activities not associated with the principal ongoing operations of the District are reported as non-operating revenues or expenses.

*Cash, Cash Equivalents and Investments*

The District's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Investments are recorded at fair value. Local government investment pools are recorded at net asset value. Money market funds are valued at amortized cost.

*Inventory and Prepaid Expenses*

Merchandise inventory held for resale is valued at the lower of cost or market. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.



**FOOTHILLS PARK & RECREATION DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2021 and 2020**

**NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

*Deferred Outflows/Inflows of Resources*

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

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

*Restricted Assets*

It is the District's policy to first use restricted, if any, and then unrestricted resources when an expense is incurred for purposes for which restricted and unrestricted amounts are available.

*Property Taxes*

Property taxes are levied by the District's Board of Directors. The levy is based on assessed valuations determined by the Jefferson County Assessor, generally as of November 30th of each year.

The levy is normally set by December 15<sup>th</sup> by certification to the Jefferson County Commissioners to put the tax lien on the individual properties as of January 1<sup>st</sup> of the following year.

The Jefferson County Treasurer (Treasurer) collects the determined taxes during the ensuing calendar year. The taxes are payable by April, or in equal installments in February and June at the taxpayer's election. Delinquent taxpayers are notified in August, and tax lien sales are in November.

The Treasurer remits the taxes collected monthly to the District. Property taxes receivable not collected within 30 days of year-end have been recorded as deferred revenue. Since property taxes are levied in December for the next calendar year's operations, the total levy is reported as property taxes receivable and a deferred inflow of resources for property taxes.

*Capital Assets*

Capital Assets include property, improvements to property, buildings, equipment, and water rights with an initial individual value of \$5,000 or greater. All capital assets are valued at historical cost or at an estimated historical cost if actual historical cost was not available. Donated assets are valued at their acquisition value.

**FOOTHILLS PARK & RECREATION DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2021 and 2020**

**NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Depreciation begins in the year of the completion for assets under construction. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the assets' lives are not capitalized.

Capital assets are depreciated using the straight-line method over estimated useful lives ranging from 5 to 50 years.

*Compensated Absences*

Accumulated unpaid vacation amounts are accrued. District employees with 1-4 years of full-time service can accumulate up to 120 vacation hours, 5-9 years of full time service can accumulate up to 180 vacation hours, and 10 or more years of full-time service can accumulate up to 240 vacation hours. Accrued vacation is paid to employees upon termination of employment.

*Amortization*

**Bond and Certificate of Participation Original Issue Premium and/or Discount**

Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method, which approximates the effective interest method. The amortization amount related to the bond premiums and/or discounts is a component of interest expense and the unamortized balances are reflected as an addition or reduction of bonds payable, respectively.

**Deferred Cost on Bond and Certificate of Participation Refunding**

The deferred costs on the bond and certificate of participation refundings are being amortized using the straight-line method, which approximates the interest method, over the shorter of the life of the new or life of the defeased bonds or certificates of participation. The amortization amount is a component of interest expense and the unamortized deferred cost is reflected as deferred charges in deferred outflows of resources on the statement of financial position.

*Budgets*

In accordance with State Budget Law, the District's Board of Directors holds public hearings in the fall of each year to approve the budget and appropriate funds for the ensuing year. The District's Board of Directors can modify the budget and appropriation resolutions upon completion of notification and publication requirements. The appropriation is at the total fund level and lapses at year-end. The Building Authority had no budget for 2021 or 2020.

**FOOTHILLS PARK & RECREATION DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2021 and 2020**

**NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

*Estimates*

The preparation of 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.

*Reclassifications*

Certain prior year amounts have been reclassified to conform to the current year presentation. The reclassifications had no effect on net position or changes in net position and were made to provide further detail of financial statement amounts.

**NOTE 3: CASH AND INVESTMENTS**

*Cash Deposits*

Colorado statutes require that the District use eligible public depositories, as defined by the Public Deposit Protection Act (PDPA) of 1975. Under the Act, the depository is required to pledge collateral having a market value at all times equal to at least 102% of the aggregate public deposits held by the depository not insured by federal deposit insurance. Eligible collateral, as defined by the Act, primarily includes obligations or guarantees by the U.S. Government, the State of Colorado, or any political subdivision thereof, and obligations evidenced by notes secured first by lien mortgages or deeds of trust on real property. PDPA allows the institution to create a single collateral pool for all public funds. The pool is to be maintained by another institution or held in trust for all the uninsured public deposits as a group.

At December 31, 2021 and 2020, the District's cash deposits had a carrying balance of \$5,889,879 and \$5,188,540, respectively. The District's cash deposits were not exposed to custodial credit risk, as all deposits were insured by the Federal Deposit Insurance Corporation (FDIC) or collateralized in accordance with PDPA. Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned.

**FOOTHILLS PARK & RECREATION DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
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**NOTE 3: CASH AND INVESTMENTS (CONTINUED)**

*Investments*

At December 31, 2021, the District had the following investments and remaining maturities:

<u>Investment Type</u>	<b>2021</b>		
	<u>Value</u>	<u>Measurement</u>	<u>Maturities</u>
Money Market Funds	\$ 1,271,308	Amortized Cost	Less than 12 Months
Local Government Investment Pools	43,826,818	Net Asset Value	Less than 12 Months
Federal Agency Bonds	250,243	Fair Value	More than 12 Months
Bank Certificate of Deposits	724,135	Fair Value	More than 12 Months
Bank Certificate of Deposits	491,658	Fair Value	Less than 12 Months
Total	<u>\$ 46,564,162</u>		

At December 31, 2020, the District had the following investments and remaining maturities:

<u>Investment Type</u>	<b>2020</b>		
	<u>Value</u>	<u>Measurement</u>	<u>Maturities</u>
Money Market Funds	\$ 1,776,801	Amortized Cost	Less than 12 Months
Local Government Investment Pools	6,820,323	Net Asset Value	Less than 12 Months
Bank Certificate of Deposits	752,478	Fair Value	More than 12 Months
Bank Certificate of Deposits	247,244	Fair Value	Less than 12 Months
Total	<u>\$ 9,596,846</u>		

At December 31, 2021 and 2020, the District had \$1,236,158 and \$1,280,353, respectively, invested with Firstbank Colorado and \$35,150 and \$496,448 respectively, in money market investment accounts other financial institutions.

In addition, as of December 31, 2021 and 2020, the District had invested \$43,826,818 and \$6,820,323, respectively, in the Colorado Liquid Asset Trust Fund (COLOTRUST), which has a credit rating of AAAM by Standard and Poor's. COLOTRUST is an investment vehicle established for local government entities in Colorado to pool surplus funds and is regulated by the State Securities Commissioner. It operates similarly to a money market fund and each share is equal in value to \$1.00. Investments consist of U.S. Treasury and U.S. Agency securities, and repurchase agreements collateralized by U.S. Treasury and U.S. Agency securities. A designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. Substantially all securities owned are held by the Federal Reserve Bank in the account maintained for the custodial bank. The custodians' internal records identify the investments owned by the entities.

**FOOTHILLS PARK & RECREATION DISTRICT**  
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**December 31, 2021 and 2020**

**NOTE 3: CASH AND INVESTMENTS (CONTINUED)**

*Fair Value*

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

As of December 31, 2021 and 2020, the District had \$1,466,036 and \$999,722, respectively, invested in U.S. Treasury Agency Securities and bank market indexed and market linked certificates of deposit. These investments are valued with Level 1 inputs.

*Investments and Credit Risk*

Colorado statutes specify in which instruments the District may invest. These instruments are:

- Certain money market funds
- Certain marketable repurchase agreements
- Certain marketable reverse repurchase agreements
- Certain guaranteed investment contracts
- Bankers' acceptances of certain banks
- Certain corporate bonds
- General obligation and revenue bonds of U.S. local government entities
- Obligations of the United States and certain U.S. government agency securities
- Local government investment pools

In order to minimize credit risk the District follows the State Statutes by investing only in the instruments noted above.

*Interest Rate Risk*

As a means of limiting its exposure to fair value losses arising from prevailing market interest rates, the District primarily invests in Local Government Investment Pools which have a weighted average maturity of not more than 90 days. The District's investment policy states that investments with maturities longer than three or five years depending on the investment require approval from the Board of Directors.

**FOOTHILLS PARK & RECREATION DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**NOTE 3: CASH AND INVESTMENTS (CONTINUED)**

*Concentration of Credit Risk*

The District had no investment in any one issuer (other than U.S. Treasury securities, mutual funds, and external investment pools) that represents 5% or more of total District investments at December 31, 2021.

*Summary of District Cash, Cash Equivalents and Investments*

Cash deposits and investments at December 31, 2021 and 2020, are summarized as follows:

	<u>2021</u>	<u>2020</u>
Petty Cash	\$ 10,077	\$ 8,690
Cash Deposits	5,889,879	5,199,540
Investments	<u>46,564,162</u>	<u>9,596,846</u>
Total Cash Deposits and Investments	<u>\$ 52,464,118</u>	<u>\$ 14,805,076</u>

Cash deposits and investments as of December 31, 2021 and 2020 were reflected on the statement of net position as follows:

	<u>2021</u>	<u>2020</u>
Cash and Cash Equivalents	\$ 50,998,082	\$ 13,805,354
Non-Restricted Investments	<u>1,466,036</u>	<u>999,722</u>
Total Cash Deposits and Investments	<u>\$ 52,464,118</u>	<u>\$ 14,805,076</u>

**FOOTHILLS PARK & RECREATION DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2021 and 2020**

**NOTE 4: CAPITAL ASSETS AND DEPRECIATION**

A summary of changes in capital assets for 2021 is as follows:

	<u>JANUARY 1, 2021 BALANCE</u>	<u>INCREASES</u>	<u>DECREASES</u>	<u>DECEMBER 31, 2021 BALANCE</u>
<b>Capital Assets, Not Being Depreciated</b>				
Land	\$ 23,728,375	\$ -	\$ -	\$ 23,728,375
Water Rights	785,337	-	-	785,337
Construction in Progress	1,364,313	3,251,541	(1,364,313)	3,251,541
<b>Total Capital Assets, Not Being Depreciated</b>	<u>25,878,025</u>	<u>3,251,541</u>	<u>(1,364,313)</u>	<u>27,765,253</u>
<b>Capital Assets, Being Depreciated</b>				
Buildings	46,772,032	25,393	-	46,797,425
Improvements	48,709,228	2,821,531	(137,412)	51,393,347
Furniture, Fixtures and Equipment	9,352,443	709,397	(334,964)	9,726,876
Vehicles	2,011,496	215,556	(35,337)	2,191,715
<b>Total Capital Assets, Being Depreciated</b>	<u>106,845,199</u>	<u>3,771,877</u>	<u>(507,713)</u>	<u>110,109,363</u>
<b>Less Accumulated Depreciation for:</b>				
Buildings	(18,542,352)	(1,022,959)	-	(19,565,311)
Improvements	(23,658,823)	(1,502,076)	128,755	(25,032,144)
Furniture, Fixtures and Equipment	(7,412,426)	(470,162)	334,963	(7,547,625)
Vehicles	(1,338,445)	(126,776)	35,337	(1,429,884)
<b>Total Accumulated Depreciation</b>	<u>(50,952,046)</u>	<u>(3,121,973)</u>	<u>499,055</u>	<u>(53,574,964)</u>
<b>Capital Assets, Being Depreciated, Net</b>	<u>55,893,153</u>	<u>649,904</u>	<u>(8,658)</u>	<u>56,534,399</u>
<b>Net Capital Assets</b>	<u>\$ 81,771,178</u>	<u>\$ 3,901,445</u>	<u>\$ (1,372,971)</u>	<u>\$ 84,299,652</u>

**FOOTHILLS PARK & RECREATION DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2021 and 2020**

**NOTE 4: CAPITAL ASSETS AND DEPRECIATION (CONTINUED)**

A summary of changes in capital assets for 2020 is as follows:

	<u>JANUARY 1, 2020 BALANCE</u>	<u>INCREASES</u>	<u>DECREASES</u>	<u>DECEMBER 31, 2020 BALANCE</u>
<b>Capital Assets, Not Being Depreciated</b>				
Land	\$ 23,728,375	\$ -	\$ -	\$ 23,728,375
Water Rights	785,337	-	-	785,337
Construction in Progress	1,503,626	1,364,313	(1,503,626)	1,364,313
<b>Total Capital Assets, Not Being Depreciated</b>	<u>26,017,338</u>	<u>1,364,313</u>	<u>(1,503,626)</u>	<u>25,878,025</u>
<b>Capital Assets, Being Depreciated</b>				
Buildings	46,706,900	65,132	-	46,772,032
Improvements	46,631,987	2,588,741	(511,500)	48,709,228
Furniture, Fixtures and Equipment	8,875,179	557,031	(79,767)	9,352,443
Vehicles	1,954,826	80,567	(23,897)	2,011,496
<b>Total Capital Assets, Being Depreciated</b>	<u>104,168,892</u>	<u>3,291,471</u>	<u>(615,164)</u>	<u>106,845,199</u>
<b>Less Accumulated Depreciation for:</b>				
Buildings	(17,519,043)	(1,023,309)	-	(18,542,352)
Improvements	(22,687,283)	(1,483,040)	511,500	(23,658,823)
Furniture, Fixtures and Equipment	(7,047,840)	(444,353)	79,767	(7,412,426)
Vehicles	(1,244,722)	(117,620)	23,897	(1,338,445)
<b>Total Accumulated Depreciation</b>	<u>(48,498,888)</u>	<u>(3,068,322)</u>	<u>615,164</u>	<u>(50,952,046)</u>
<b>Capital Assets, Being Depreciated, Net</b>	<u>55,670,004</u>	<u>223,149</u>	<u>-</u>	<u>55,893,153</u>
<b>Net Capital Assets</b>	<u>\$ 81,687,342</u>	<u>\$ 1,587,462</u>	<u>\$ (1,503,626)</u>	<u>\$ 81,771,178</u>

For the years ended December 31, 2021 and 2020, depreciation expense was charged to programs as follows:

	<u>2021</u>	<u>2020</u>
Aquatics	\$ 143,606	\$ 140,654
Children's Programs	19,705	19,704
Golf Courses	269,550	356,879
Ice Arena	249,824	238,040
Recreation Centers	880,301	883,098
Recreation Programs	25,272	16,762
Parks and Regional Parks	1,474,451	1,371,101
General and Administration	59,264	42,084
<b>Total</b>	<u>\$ 3,121,973</u>	<u>\$ 3,068,322</u>



**FOOTHILLS PARK & RECREATION DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2021 and 2020**

**NOTE 5: LONG TERM DEBT**

The following is an analysis of the changes in long-term debt for the year ended December 31, 2021:

	January 1, 2021			December 31, 2021	
	Balance	Additions	Deletions	Balance	Current Portion
2012 General Obligation Bonds	\$ 213,000	\$ -	\$ (105,700)	\$ 107,300	\$ 107,300
2010 Certificates of Participation, Taxable QECB Series 2010B	540,000	-	(265,000)	275,000	275,000
2013 Certificates of Participation	4,650,000	-	(275,000)	4,375,000	280,000
2015 Certificates of Participation	8,860,000	-	(590,000)	8,270,000	610,000
2021 Certificates of Participation	-	29,470,000	-	29,470,000	985,000
Compensated Absences	597,935	-	(27,145)	570,790	-
	<u>14,860,935</u>	<u>29,470,000</u>	<u>(1,262,845)</u>	<u>43,068,090</u>	<u>2,257,300</u>
Less deferred charges	(306,354)	-	42,378	(263,976)	-
Plus net unamortized original issue premium	809,968	5,791,068	(171,284)	6,429,752	-
	<u>\$ 15,364,549</u>	<u>\$ 35,261,068</u>	<u>\$ (1,391,751)</u>	<u>\$ 49,233,866</u>	<u>\$ 2,257,300</u>

The following is an analysis of the changes in long-term debt for the year ended December 31, 2020:

	January 1, 2020			December 31, 2020	
	Balance	Additions	Deletions	Balance	Current Portion
2010 General Obligation Bonds	\$ 1,830,000	\$ -	\$ (1,830,000)	\$ -	\$ -
2012 General Obligation Bonds	311,600	-	(98,600)	213,000	105,700
2011 Revenue Bonds	210,000	-	(210,000)	-	-
2010 Certificates of Participation, Taxable QECB Series 2010B	800,000	-	(260,000)	540,000	265,000
2013 Certificates of Participation	4,925,000	-	(275,000)	4,650,000	275,000
2015 Certificates of Participation	9,435,000	-	(575,000)	8,860,000	590,000
Compensated Absences	523,323	91,330	(16,718)	597,935	-
	<u>18,034,923</u>	<u>91,330</u>	<u>(3,265,318)</u>	<u>14,860,935</u>	<u>1,235,700</u>
Less deferred charges	(442,679)	-	136,325	(306,354)	-
Plus net unamortized original issue premium	951,798	-	(141,830)	809,968	-
	<u>\$ 18,544,042</u>	<u>\$ 91,330</u>	<u>\$ (3,270,823)</u>	<u>\$ 15,364,549</u>	<u>\$ 1,235,700</u>

*General Obligation Bonds*

The District issues general obligation bonds to provide funds for acquisition and construction of major capital facilities. General Obligation bonds require a vote by the District's residents and are direct obligations and pledge the full faith of the District.

**FOOTHILLS PARK & RECREATION DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2021 and 2020**

**NOTE 5: LONG TERM DEBT (CONTINUED)**

*GO Series 2010* - In 2010, the District issued a total of \$15,310,000 of General Obligation Refunding Bonds, Series 2010, dated February 23, 2010. Proceeds from the sale of the bonds were used to refund a portion of the District's General Obligation Bonds, Series 2001, and to pay the costs of issuance of the Bonds. The bonds carried interest rates from 2.0% to 5.0% due semi-annually and matured serially beginning in 2010 and continued through 2020. The bond refunding saved a majority of the District taxpayers approximately \$1,335,374 in gross tax dollars between 2010 and 2020 as a result of the lower interest on the refunded bonds. These bonds were paid in full in 2020.

*GO Series 2012* - In 2012, the District issued a total of \$974,700 of General Obligation Refunding Bond, Series 2012, dated March 20, 2012. Proceeds from the sale of the bond were used to refund a portion of the District's General Obligation Bonds, Series 2002, and to pay the costs of issuance of the Bonds. The Bond is subject to quarterly mandatory sinking fund redemption. The Bond matures on December 1, 2022 and bears interest at the rate of 2.73% per annum. The Bond refunding saved taxpayers in Subdistrict B (Kipling Villas) \$124,568 in gross tax dollars through December 1, 2022 as a result of the lower interest on the refunded bond.

The annual debt service requirements to maturity for general obligation bonds are as follows:

Year Ending December 31,	Principal	Interest	Total
2022	\$ 107,300	\$ 1,837	\$ 109,137

*Revenue Bonds*

The District issues revenue bonds where the District pledges income derived from golf course revenues to pay the debt service.

*Revenue Bond Series 2011* - In 2011, the District issued a total of \$1,815,000 of Revenue Refunding Bonds, Series 2011, dated June 28, 2011. Proceeds from the sale of the bonds along with \$219,034 of District funds were used to refund the District's Revenue Refunding Bonds, Series 2001, and to pay the costs of issuance of the bonds. The bonds carried an interest rate of 3.52% due semi-annually and matured serially beginning in 2011 and continued through 2020. The bond refunding saved the District \$369,898 from 2011 through 2020 as a result of the lower interest on the refunded bonds and the pay-down of the principal balance. The Revenue Refunding Bonds, Series 2011, did not have a reserve requirement. These bonds were paid in full in 2020.

**FOOTHILLS PARK & RECREATION DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2021 and 2020**

**NOTE 5: LONG TERM DEBT (CONTINUED)**

*Certificates of Participation (COPs)*

The District and the Building Authority issue certificates of participation to finance needed recreation facilities.

*Foothills Park & Recreation COP Lease Purchase 2010* - In 2010, the District issued \$1,895,000 of Certificates of Participation Series 2010A and \$1,000,000 of Certificates of Participation Taxable QECB Series 2010B both dated August 19, 2010. The District applied and was awarded by the State Governor's Energy Office \$1,000,000 of "qualified energy conservation bonds" which enabled a portion of the interest paid on the Taxable QECB 2010B certificates to be eligible for an annual cash subsidy payment from the United States Treasury.

The certificates were issued for the purpose of financing energy conservation projects as set forth in the Energy Performance Contracts the District entered into in 2010. The Series 2010A certificates mature between 2011 and 2019 and carry interest rates between 2.00% and 3.00% due semiannually. The Taxable QECB Series 2010B certificates due October 1, 2022 are subject to mandatory sinking fund redemptions between 2019 and 2022 and carry interest rate of 5.75% due semiannually. Net of the government interest subsidy payment the District receives from the Federal government, effective interest rate is reduced from 5.75% to 2.17%.

*Foothills Park & Recreation COP Lease Purchase 2013* - In 2013, the District issued \$9,300,000 of Certificates of Participation dated May 15, 2013. Proceeds from the sale of the bond were used to refund a portion of the District's Certificates of Participation Bonds, Series 2002 and 2004, and to pay the costs of issuance of the Bonds. These certificates mature between 2013 and 2028 and carry interest rates between 2.00% to 3.25% due semiannually.

*Foothills Park & Recreation COP Lease Purchase 2015*- In 2015, the District issued \$11,055,000 of Certificates of Participation dated November 12, 2015. The certificates were issued to refund the outstanding balance of the 2006 COPs, to pay the costs of issuance of the Certificates, and to finance capital improvements at Clement Park. These certificates mature between 2016 and 2032 and carry interest rates between 2.0% and 5.0% due semiannually.

*Foothills Park & Recreation COP Lease Purchase 2021*- In 2021, the District issued \$29,470,000 of Certificates of Participation dated September 1, 2021. The certificates were issued with a premium of \$5,791,068 and were issued to finance the replacement of Foothills Golf Course Clubhouse, the repair and renovation of Columbine West and 6<sup>th</sup> Avenue West Pool facilities, an extension of Dutch Creek Trail and energy conservation projects at various facilities under a Phase II Energy Performance Contract. These certificates mature between 2022 and 2041 and carry an interest rate of 4.0% due semiannually. Including the premium, and net of issuance costs, the effective interest rate on the certificates is reduced from 4.0% to approximately 2.17%.

The Ice Arena, and the Peak administrative building are collateral for the 2013 COPs, the Ice Arena and the Peak Community and Wellness Center are collateral for the 2015 COPs, a portion of the

**FOOTHILLS PARK & RECREATION DISTRICT**  
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**NOTE 5: LONG TERM DEBT (CONTINUED)**

Lilley Gulch Recreation Center is collateral for the 2010 COPs, and the Ridge Recreation Center and the Peak Community and Wellness Center are collateral for the 2021 COPs.

The annual debt service requirements to maturity for the certificates of participation are as follows:

Year Ending December 31,	Principal	Interest	Total
2022	\$ 2,150,000	\$ 1,708,575	\$ 3,858,575
2023	1,945,000	1,626,662	3,571,662
2024	2,020,000	1,558,012	3,578,012
2025	2,095,000	1,480,213	3,575,213
2026	2,185,000	1,392,713	3,577,713
2027 - 2031	13,065,000	5,484,263	18,549,263
2032 - 2036	9,280,000	2,974,800	12,254,800
2037 - 2041	9,650,000	1,188,400	10,838,400
Total	<u>\$ 42,390,000</u>	<u>\$ 17,413,638</u>	<u>\$ 59,803,638</u>

**NOTE 6: COMMITMENTS AND CONTINGENCIES**

*Risk Management and Related Insurance Issues*

The District is subject to various risks of loss. These risks include theft of, damage to, or destruction of assets, errors or omissions by management or the Board of Directors, job-related illnesses or injuries to employees, torts, and injury to persons or damage to property resulting from a construction project, or acts of God.

The District is a member of the Colorado Special Districts Property and Liability Pool (Pool). The Pool is an organization created by intergovernmental agreement to provide property, liability, public official's liability, boiler and machinery and workers compensation coverage to its members.

The District pays annual premiums to the Pool for liability, property, public official's liability and workers compensation coverage. In the event aggregated losses incurred by the Pool exceeded amounts recoverable from reinsurance contracts and funds accumulated by the Pool, the Pool may require additional contributions from the Pool members. Any excess funds which the Pool determines are not needed for purposes of the Pool may be returned to the members pursuant to a distribution formula.

For 2021 and 2020, there were no significant reductions in insurance coverage from the prior year for any major category of risk. The amount of settlements did not exceed the insurance coverage for each of the past three fiscal years. The amount of risk retained by the District through deductibles on the insurance policies was not material to the District.

**FOOTHILLS PARK & RECREATION DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2021 and 2020**

**NOTE 6: COMMITMENTS AND CONTINGENCIES (CONTINUED)**

*Legal Matters*

In the opinion of the District's management and counsel, there is no pending litigation or other legal claims which would materially affect the financial statements of the District.

**NOTE 7: SALARY DEFERRAL PLAN**

The District has a salary deferral plan (Plan) that was converted from a defined benefit plan to a defined contribution plan in 1982. Plan provisions and contribution requirements are established and may be amended by the District's Board of Directors. Full and part-time employees are eligible to participate in the plan on the first day of the month following completion of 30 days of employment if they are at least 21 years of age. Each eligible employee is allowed to defer compensation in 1% increments of their pay, but their deferral may not exceed the specific annual dollar amount determined by the Internal Revenue Service. The District may make non-elective contributions to full-time employees' account in the Plan in the amount determined by the District at its discretion. The District's contributions plus earnings become vested at a rate of 20% after the first year of employment, 40% after the second year of employment and are 100% vested after the third year of employment. District contributions for plan participants who leave employment before they are fully vested are forfeited. Participant forfeitures will be used to reduce the Employer Discretionary Contributions to the Plan for the Plan Year in which the forfeitures occur. There is no liability for benefits under the Plan beyond the District's discretionary contributions.

The District has the authority to determine the amount, if any, of discretionary contributions to the Plan. The District's discretionary contributions made in 2021 and 2020 were \$296,209 and \$268,454, respectively.

**NOTE 8: TAX, SPENDING AND DEBT LIMITATIONS**

In November, 1992, Colorado voters amended Article X of the Colorado Constitution by adding Section 20, commonly known as the Taxpayer's Bill of Rights ("TABOR"). TABOR contains tax, spending, revenue and debt limitations which apply to the State of Colorado and all local governments.

Under TABOR, spending and revenue limits are determined based on the prior year's Fiscal Year Spending adjusted for allowable increases based upon inflation and local growth. Fiscal Year Spending is generally defined as expenditures plus reserve increases with certain exceptions. Revenue in excess of the Fiscal Year Spending limit must be refunded unless the voters approve retention of such revenue.

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of Fiscal Year Spending (excluding bonded debt service). Local governments are not

**FOOTHILLS PARK & RECREATION DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2021 and 2020**

**NOTE 8: TAX, SPENDING AND DEBT LIMITATIONS (CONTINUED)**

allowed to use the emergency reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases.

In May 2002, the District voters approved a ballot question to remove the revenue and spending limitations of the TABOR amendment from the entire District. The Amendment is complex and subject to judicial interpretation. The District believes it is in compliance with the requirements of the Amendment based on the interpretations of the amendment's language.

In November, 2017 a majority of the District's voters authorized the District to increase its mill levy 2.75 mills for general operating and other purposes for a nine-year period only, ending in collection year 2026. The additional tax revenue is being used through the nine-year period to: provide better park maintenance, improve conditions of parks and sports fields, improve neighborhood and community parks, improve outdated and failing equipment, repair and enhance trails for better connectivity, repair facilities and offset increasing operational and maintenance costs. Such revenue shall be collected, retained and spent notwithstanding any other revenue limits provided by law.

In November, 2020 District voters approved a ballot question authorizing the continuation of a mill levy of 1.534 mills for Sub-District A for all future years. The mill levy was previously associated with the District's General Obligation Refunding Bonds, Series 2010, dated February 23, 2010, which were paid in full in 2020. Revenue generated from the tax was approved to be used for general fund purposes including capital improvements and operational priorities and is not subject to any limitation under TABOR.

**NOTE 9: NET POSITION**

The District has net position consisting of three components – net investment in capital assets, restricted and unrestricted net position.

*Net Investment in Capital Assets*

Net invested in capital assets consists of amount invested in capital assets, net of accumulated depreciation, and further reduced by outstanding balances of bonds, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

**FOOTHILLS PARK & RECREATION DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2021 and 2020**

**NOTE 9: NET POSITION (CONTINUED)**

The District’s Net Investment in Capital Assets as of December 31, 2021 and 2020, was calculated as follows:

	2021	2020
Capital Assets	\$ 84,299,652	\$ 81,771,178
Outstanding Debt	(42,497,300)	(14,263,000)
Unamortized Bond Debt Premium	(6,429,752)	(809,968)
Unamortized Deferred Charges	263,976	306,354
Unspent Debt Proceeds	34,294,075	-
Net Investment in Capital Assets	\$ 69,930,651	\$ 67,004,564

*Restricted Net Position*

Restricted Net Position represents assets that have third party limitations on their use. As of December 31, 2021 and 2020, the District had a Restricted Net Position of \$911,000 and \$736,000, respectively, consisting of emergency reserves required under TABOR.

*Unrestricted Net Position*

Unrestricted Net Position represents assets that do not have any third party limitations on their use. While District management may have categorized and segmented portions for various purposes, the District Board of Directors has the unrestricted authority to revisit or alter these managerial decisions. At December 31, 2021 and 2020, the District had an Unrestricted Net Position of \$15,187,070 and \$12,922,818, respectively.

**NOTE 10: FOOTHILLS ARTS & EVENTS AGENCY**

The Foothills Park & Recreation District Cultural Arts Agency was created in 1993 to better serve the public in the arts. In April of 2014, the Cultural Arts Agency was rebranded as the Foothills Arts & Events Agency (“The Agency”). The Agency creates, establishes, puts on and provides classes and opportunities for district-wide cultural arts services for the benefit of the taxpayers of the District, said services to include fine and leisure arts, performing arts and culturally related special events. The Agency is subsidized by grants and contributions from a variety of sources. In 2021 and 2020, the Agency received funding from the Scientific and Cultural Facilities District in the amount of \$21,733 and \$28,000, respectively, to support its mission. The Agency is tracked as a separate department but is reported within the financial statements of the District. In 2021 and 2020, the Agency had total revenue of \$262,361 and \$133,053, respectively, and total expenses of \$294,549 and \$225,243, respectively.

**FOOTHILLS PARK & RECREATION DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2021 and 2020**

**NOTE 11: RELATED PARTY TRANSACTIONS**

The District's Executive Director and Director of Parks, Planning & Construction served on the Board of Directors of Bergen Ditch in 2021 and 2020. The District owns a 23.8% interest in Bergen Ditch and a 26.3% interest in Bergen Land. The carrying value as of December 31, 2021 has been reduced to zero and the value as of December 31, 2020 was \$4,122.

**NOTE 12: RECONCILIATION OF REVENUES AND EXPENSES GAAP TO BUDGETARY BASIS**

For financial statement presentation purposes the District is shown as an enterprise fund. Enterprise funds recognize income when earned and expenses when incurred. Depreciation is recorded on capitalized equipment. For budgetary purposes, all receipts are shown as revenue when received regardless of whether they are earned revenue or liabilities, and expenditures are recorded for all disbursements, including capital expenditures and debt service payments, regardless of the period those disbursements benefit. See Other Information for Schedule of Revenues and Expenditures prepared using Non-GAAP budgetary basis.



## OTHER INFORMATION

**FOOTHILLS PARK & RECREATION DISTRICT**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUNDS AVAILABLE**  
**ACTUAL AND BUDGET (NON GAAP BUDGETARY BASIS) (UNAUDITED)**  
**ENTERPRISE FUND**  
**For the Year Ended December 31, 2021**

	Actual	Budget	Variance Favorable (Unfavorable)
<b>OPERATING REVENUES</b>			
Aquatics	\$ 817,973	\$ 947,044	\$ (129,071)
Children's Programs	1,743,268	3,312,082	(1,568,814)
Golf	7,218,366	4,905,516	2,312,850
Ice Arena	2,318,969	2,425,382	(106,413)
Recreation Centers	1,232,208	1,741,271	(509,063)
Recreation Programs	1,943,202	2,306,237	(363,035)
Parks and Regional Parks	504,085	534,360	(30,275)
General and Administrative	48,762	14,100	34,662
Total Operating Revenues	15,826,833	16,185,992	(359,159)
<b>OPERATING EXPENSES</b>			
Aquatics	1,851,269	1,925,030	73,761
Children's Programs	2,141,537	2,909,130	767,593
Golf	4,206,636	4,031,608	(175,028)
Ice Arena	1,605,348	1,576,574	(28,774)
Recreation Centers	2,674,976	2,916,447	241,471
Recreation Programs	1,853,317	2,027,883	174,566
Parks and Regional Parks	4,328,455	4,610,710	282,255
General and Administrative	2,136,570	2,121,894	(14,676)
Total Operating Expenses	20,798,108	22,119,276	1,321,168
<b>NET LOSS FROM OPERATIONS</b>	(4,971,275)	(5,933,284)	962,009
<b>NON-OPERATING REVENUES (EXPENSES)</b>			
Funds Available	-	4,694,346	(4,694,346)
Property and Specific Ownership Taxes	14,015,179	14,070,040	(54,861)
Conservation Trust	591,421	502,558	88,863
Grants	934,061	137,319	796,742
Grants Expenditures	(46,174)	(144,785)	98,611
Facilities & Equipment Repairs and Replacements	(6,479,319)	(11,380,566)	4,901,247
Investment in Bergen Ditch and Reservoir Co. and Bergen Land Co.	(7,881)	-	(7,881)
Investment Income	30,226	48,026	(17,800)
Debt Service:			
Long-term Debt Principal and Interest	(2,198,908)	(1,810,026)	(388,882)
Interest Expense Subsidy	18,215	19,316	(1,101)
Long-term Debt Proceeds	35,261,068	-	35,261,068
Bond Issuance Cost	(255,350)	-	(255,350)
Proceeds from the Sale of Capital Assets	23,801	-	23,801
Proceeds from the Sale of Assets, Net of Expense	47,282	-	47,282
Proceeds from Insurance	5,653	-	5,653
Other Expense	(230,550)	(202,944)	(27,606)
Total Net Non-Operating Revenues (Expenses)	41,708,724	5,933,284	35,775,440
<b>NET CHANGE IN FUNDS AVAILABLE</b>	36,737,449	\$ -	\$ 36,737,449
<b>FUNDS AVAILABLE - Beginning of year</b>	13,654,696		
<b>FUNDS AVAILABLE - End of year</b>	\$ 50,392,145		
<b>Funds available is computed as follows:</b>			
Current Assets	\$ 66,864,912		
Non-restricted Long-term investments	974,378		
Current Liabilities	(4,786,279)		
Compensated Absences Payable	(570,790)		
Current Portion of Long-term Debt	2,257,300		
Deferred Property Taxes	(14,347,376)		
	\$ 50,392,145		

**FOOTHILLS PARK & RECREATION DISTRICT  
RECONCILIATION OF NON GAAP BUDGETARY BASIS (ACTUAL) TO  
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION (UNAUDITED)  
ENTERPRISE FUND  
For the Year Ended December 31, 2021**

<b>Operating Revenues (Both Budgetary Basis and GAAP)</b>	\$	15,826,833
<b>Operating Expenditures (Budgetary Basis)</b>		20,798,108
Depreciation		<u>3,121,973</u>
<b>Operating Expenditures (GAAP)</b>		<u>23,920,081</u>
<b>Non-operating Revenues (Expenditures) (Budgetary Basis)</b>		41,708,724
Long-Term Debt Principal Payments		1,235,700
Amortization of Bond Premiums on Long-term Debt Refundings		171,284
Amortization of Losses on Long-term Debt Refundings		(42,378)
Long-term Debt Proceeds		(35,261,068)
Loss on Investment in Bergen Ditch LLC and Bergen Land LLC		(4,123)
Loss on Sale of Capital Assets		(8,657)
Capital Outlay		<u>5,659,105</u>
<b>Non-operating Revenues (Expenditures) (GAAP)</b>		<u>13,458,587</u>
<b>Change in Net Position per Statement of Revenue, Expenses and Changes in Fund Net Position</b>	<b>\$</b>	<b><u>5,365,339</u></b>

**FOOTHILLS PARK & RECREATION DISTRICT**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUNDS AVAILABLE**  
**ACTUAL AND BUDGET (NON GAAP BUDGETARY BASIS) (UNAUDITED)**  
**ENTERPRISE FUND**  
**For the Year Ended December 31, 2020**

	<u>Actual</u>	<u>Budget</u>	<b>Variance Favorable (Unfavorable)</b>
<b>OPERATING REVENUES</b>			
Aquatics	\$ 386,017	\$ 959,071	\$ (573,054)
Children's Programs	1,260,708	3,360,161	(2,099,453)
Golf	6,645,712	4,929,307	1,716,405
Ice Arena	1,519,297	2,124,306	(605,009)
Recreation Centers	875,736	1,813,806	(938,070)
Recreation Programs	1,015,556	2,338,516	(1,322,960)
Parks and Regional Parks	236,456	539,958	(303,502)
General and Administrative	8,748	21,600	(12,852)
Total Operating Revenues	<u>11,948,230</u>	<u>16,086,725</u>	<u>(4,138,495)</u>
<b>OPERATING EXPENSES</b>			
Aquatics	1,280,813	1,980,464	699,651
Children's Programs	1,929,931	2,970,339	1,040,408
Golf	3,870,896	3,905,907	35,011
Ice Arena	1,218,413	1,541,548	323,135
Recreation Centers	2,203,321	2,905,443	702,122
Recreation Programs	1,451,877	2,075,421	623,544
Parks and Regional Parks	4,112,855	4,318,640	205,785
General and Administrative	2,265,012	2,312,913	47,901
Total Operating Expenses	<u>18,333,118</u>	<u>22,010,675</u>	<u>3,677,557</u>
<b>NET LOSS FROM OPERATIONS</b>	<u>(6,384,888)</u>	<u>(5,923,950)</u>	<u>(460,938)</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>			
Funds Available	-	2,936,122	(2,936,122)
Property and Specific Ownership Taxes	14,002,521	13,885,584	116,937
Conservation Trust	501,080	492,764	8,316
Grants	1,977,388	164,737	1,812,651
Grants Expenditures	(129,847)	(245,777)	115,930
Facilities & Equipment Repairs and Replacements	(4,056,755)	(7,328,192)	3,271,437
Investment in Bergen Ditch and Reservoir Co. and Bergen Land Co.	(8,067)	-	(8,067)
Investment Income	82,720	142,977	(60,257)
Debt Service:			
Long-term Debt Principal and Interest	(3,943,608)	(3,957,907)	14,299
Interest Expense Subsidy	26,928	35,770	(8,842)
Proceeds from the Sale of Capital Assets	12,600	-	12,600
Proceeds from the Sale of Assets, Net of Expense	16,073	-	16,073
Proceeds from Insurance	28,994	-	28,994
Other Expense	(190,423)	(182,374)	(8,049)
Total Net Non-Operating Revenues (Expenses)	<u>8,319,604</u>	<u>5,943,704</u>	<u>2,375,900</u>
<b>NET CHANGE IN FUNDS AVAILABLE</b>	<u>1,934,716</u>	<u>\$ 19,754</u>	<u>\$ 1,914,962</u>
<b>FUNDS AVAILABLE - Beginning of year</b>	<u>11,719,980</u>		
<b>FUNDS AVAILABLE - End of year</b>	<u>\$ 13,654,696</u>		
<b>Funds available is computed as follows:</b>			
Current Assets	\$ 28,159,396		
Non-restricted Long-term investments	752,478		
Current Liabilities	(2,768,698)		
Compensated Absences Payable	(597,935)		
Current Portion of Long-term Debt	1,235,700		
Deferred Property Taxes	(13,126,245)		
	<u>\$ 13,654,696</u>		

**FOOTHILLS PARK & RECREATION DISTRICT  
RECONCILIATION OF NON GAAP BUDGETARY BASIS (ACTUAL) TO  
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION (UNAUDITED)  
ENTERPRISE FUND  
For the Year Ended December 31, 2020**

<b>Operating Revenues (Both Budgetary Basis and GAAP)</b>	\$	11,948,230
<b>Operating Expenditures (Budgetary Basis)</b>		18,333,118
Depreciation		3,068,322
<b>Operating Expenditures (GAAP)</b>		<u>21,401,440</u>
<b>Non-operating Revenues (Expenditures) (Budgetary Basis)</b>		8,319,604
Long-Term Debt Principal Payments		3,248,600
Amortization of Bond Premiums on Long-term Debt Refundings		141,830
Amortization of Losses on Long-term Debt Refundings		(136,325)
Loss on Investment in Bergen Ditch LLC and Bergen Land LLC		(12,563)
Capital Outlay		3,160,226
<b>Non-operating Revenues (Expenditures) (GAAP)</b>		<u>14,721,372</u>
<b>Change in Net Position per Statement of Revenue, Expenses and Changes in Fund Net Position</b>	<b>\$</b>	<b><u>5,268,162</u></b>

**FOOTHILLS PARK & RECREATION DISTRICT**  
**HISTORY OF DISTRICT ASSESSED VALUATION, MILL LEVIES AND PROPERTY TAX COLLECTIONS**  
**(UNAUDITED)**

The following tables set forth assessed valuation, mill levy and property tax information for the District, including information regarding Subdistrict A and Subdistrict B.

History of District Assessed Valuation

Levy/Collection Year	Regular District Property (1)	Subdistrict A	Subdistrict B	Entire District Total (2)	Percent Change
2016/2017	103,974,440	977,906,463	17,665,319	1,081,880,903	0.61%
2017/2018	91,922,131	1,124,392,053	20,904,712	1,216,314,184	12.43%
2018/2019	88,556,560	1,129,978,658	20,937,296	1,218,535,218	0.18%
2019/2020	96,737,259	1,279,056,793	23,836,379	1,375,794,052	12.91%
2020/2021	95,833,076	1,293,342,422	23,882,105	1,389,175,498	0.97%

(1) Represents property within the District that is not within Subdistrict A or Subdistrict B.

(2) As Subdistrict B is located entirely with Subdistrict A, the assessed valuation attributable to Subdistrict B has been included in the District total as a component of Subdistrict A.

History of Mill Levies

Levy/Collection Year	District		Subdistrict A		Subdistrict B	
	General	Bond	General (1) (2)	Bond	General (1) (2)	Bond
2016/2017	4.080	0.000	1.110	2.001	4.300	6.094
2017/2018	6.829	0.000	1.103	1.739	4.300	5.177
2018/2019	6.834	0.000	1.137	1.725	4.301	5.160
2019/2020	6.831	0.000	1.176	1.534	4.300	4.519
2020/2021	6.829	0.000	2.648	0.000	4.300	4.694

(1) In addition to mills levied for the payment of tax credits, refunds, and abatements pursuant to state law which are included in these numbers, Subdistrict A and Subdistrict B also impose a general mill levy as shown in the above table, for payment of property taxes for expenses in connection with improvements that benefit the respective subdistrict.

(2) In addition to their respective total mills presented above, taxpayers within Subdistrict A are also responsible for the payment of property taxes attributable to the District's mill levy and taxpayers in Subdistrict B are also responsible for the payment of property taxes attributable to both the District's and Subdistrict's A mill levies.

History of Property Tax Collections

Levy/Collection Year	Total Taxes Levied	Current Tax Collections (1)	Percent of Levy Collected
2016/2017	7,639,949	7,646,056	100.1%
2017/2018	11,699,843	11,608,085	99.2%
2018/2019	11,753,902	11,666,542	99.3%
2019/2020	13,071,945	13,025,388	99.6%
2020/2021	13,126,245	13,010,910	99.1%

(1) Figures include current and delinquent tax collections, as well as interest and/or penalties thereon. The Jefferson County Treasurer's collection fee has not been deducted.

**FOOTHILLS PARK AND RECREATION DISTRICT**  
**History of Revenues, Expenses and Changes in Net Position (Unaudited)**

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
<b>Operating Revenues</b>					
Fees and Charges:					
Aquatics	\$ 964,871	\$ 976,617	\$ 865,612	\$ 386,017	\$ 817,973
Children's Programs	2,868,591	3,053,550	3,271,735	1,260,708	1,743,268
Golf	4,854,299	4,826,919	4,775,944	6,645,712	7,218,366
Ice Arena	2,010,011	2,106,628	2,063,992	1,519,297	2,318,969
Recreation Centers	1,551,410	1,552,120	1,487,502	875,736	1,232,208
Recreation Programs	2,246,143	2,399,642	2,372,571	1,015,556	1,943,202
Parks and Regional Parks	528,425	545,914	480,606	236,456	504,085
General and Administrative	23,483	45,376	17,714	8,748	48,762
Total	<u>15,047,233</u>	<u>15,506,766</u>	<u>15,335,676</u>	<u>11,948,230</u>	<u>15,826,833</u>
<b>Operating Expenses</b>					
Aquatics	1,752,865	1,776,473	1,862,411	1,421,466	1,994,875
Children's Programs	2,172,576	2,409,005	2,671,742	1,949,635	2,161,241
Golf	3,816,254	4,101,694	4,064,711	4,227,776	4,476,185
Ice Arena	1,658,113	1,776,388	1,792,884	1,456,453	1,855,173
Recreation Centers	3,097,392	3,418,033	3,524,885	3,086,419	3,555,278
Recreation Programs	1,729,309	1,828,212	1,926,848	1,468,639	1,878,589
Parks and Regional Parks	4,241,148	4,836,857	5,002,323	5,483,956	5,802,906
General and Administrative	1,853,157	1,877,530	1,976,057	2,307,096	2,195,834
Total	<u>20,320,814</u>	<u>22,024,192</u>	<u>22,821,861</u>	<u>21,401,440</u>	<u>23,920,081</u>
Net Loss from Operations	(5,273,581)	(6,517,426)	(7,486,185)	(9,453,210)	(8,093,248)
<b>Non-Operating Revenues (Expenses)</b>					
Property and Specific Ownership Taxes	8,392,385	12,693,703	12,673,093	14,002,521	14,015,179
Conservation Trust	469,489	484,258	553,927	501,080	591,421
Grants and Contributions	2,755,744	7,615,185	931,793	1,977,388	934,061
Grants Expenditures	(157,698)	(161,429)	(219,336)	(135,131)	(46,174)
Facilities & Equipment Repairs and Replacements	(806,239)	(660,605)	(1,289,710)	(899,312)	(820,216)
Investment Income	103,788	177,709	213,569	82,720	30,226
Interest Expense	(976,784)	(892,571)	(805,294)	(689,503)	(834,301)
Interest Expense Subsidy	33,302	33,441	33,575	26,928	18,215
Bond Issuance Cost	-	-	-	-	(255,350)
Gain (Loss) on Investment	(59,238)	(39,273)	(25,423)	(12,563)	(12,003)
Gain on Sale of Assets	30,492	(19,654)	(19,775)	28,673	62,426
Proceeds from Insurance	-	6,173	8,855	28,994	5,653
Other Income	75,585	7,083	-	-	-
Other Expense	(124,768)	(186,445)	(165,141)	(190,423)	(230,550)
Total	<u>9,736,058</u>	<u>19,057,575</u>	<u>11,890,133</u>	<u>14,721,372</u>	<u>13,458,587</u>
Change in Net Position	4,462,477	12,540,149	4,403,948	5,268,162	5,365,339
Beginning Net Position	53,988,646	58,451,123	70,991,272	75,395,220	80,663,382
Ending Net Position	<u>\$ 58,451,123</u>	<u>\$ 70,991,272</u>	<u>\$ 75,395,220</u>	<u>\$ 80,663,382</u>	<u>\$ 86,028,721</u>

**FOOTHILLS PARK AND RECREATION DISTRICT**  
**Historical Net Position (Unaudited)**

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Net Investment in Capital Assets	\$ 47,926,572	\$ 57,257,305	\$ 63,666,623	\$ 67,004,564	\$ 69,930,651
Restricted	779,000	800,000	804,000	736,000	911,000
Unrestricted	<u>9,745,551</u>	<u>12,933,967</u>	<u>10,924,597</u>	<u>12,922,818</u>	<u>15,187,070</u>
Total Net Position	<u>\$ 58,451,123</u>	<u>\$ 70,991,272</u>	<u>\$ 75,395,220</u>	<u>\$ 80,663,382</u>	<u>\$ 86,028,721</u>