

FOOTHILLS PARK & RECREATION DISTRICT
Jefferson County, Colorado

FINANCIAL STATEMENTS
December 31, 2023 and 2022

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Independent Auditor's Report

Board of Directors
Foothills Park and Recreation District
Littleton, Colorado

Opinion

We have audited the financial statements of Foothills Park and Recreation District, as of and for the years ended December 31, 2023 and 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of Foothills Park and Recreation District, as of December 31, 2023 and 2022 and the changes in financial position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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 Foothills Park and Recreation 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 opinion.

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 Foothills Park and Recreation District's ability to continue as a going concern for 12 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 opinion. 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 Foothills Park and Recreation 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 Foothills Park and Recreation 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 – Actual and Budget (Non GAAP Budgetary Basis), Reconciliations of Non GAAP Budgetary Basis (Actual) to Statement of Revenues, Expenses and Changes in Net Position, History of District Assessed Valuation, Mill Levies and Property Tax Collections, History of Revenues, Expenses and Changes in Net Position and Historical Net Position but does not include the basic financial statements and our auditor's report thereon. Our opinion on the basic financial statements does 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.

FORVIS, LLP

Denver, Colorado
April 18, 2024

MANAGEMENT’S DISCUSSION AND ANALYSIS (UNAUDITED)

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, 2023 and 2022. 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. As discussed in Note 14 to the financial statements, the District adopted Governmental Accounting Standards Board Statement No. 96, *Subscription-Based Information Technology Arrangements* (GASB 96) in 2023. The 2022 information has been restated; however, the 2021 comparative information has not been restated for the adoption of GASB 96. Please read management’s discussion and analysis in conjunction with the financial statements and notes to the financial statements.

FINANCIAL HIGHLIGHTS

- ◆ During 2020 and 2021 the majority of District’s operations were heavily influenced by the Coronavirus Disease 2019 (“COVID-19”, “pandemic”). In 2023, the majority of the District’s programs returned to and in some cases exceeded pre-pandemic levels of participation. District golf course revenue continued to be significantly higher than pre-pandemic levels. In total, operating revenue was higher than budget by \$2,698,010 in 2023.
- ◆ The District ended the year in good financial position with assets and deferred outflow of resources exceeding liabilities and deferred inflow of resources at December 31, 2023 by \$101.1 million (net position), an increase from 2022 of \$8.2 million. Of this amount, \$27.1 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 decreased \$14.6 million to \$29.7 million primarily due to expenditures for several capital improvement projects, including the Foothills Golf Course Clubhouse replacement, the Columbine West and 6th Avenue West Pool facility renovations, the Dutch Creek Trail extension and the Phase II Energy Performance Contract, the majority of which are being funded with proceeds on-hand from the 2021 Certificates of Participation.
- ◆ The District’s total long-term debt decreased \$2.3 million primarily due to principal payments on 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 expenses 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, 2023 and 2022 is presented below:

	Net Position			
	2023	2022 As Restated	\$ Change	% Change
Current and Other Assets	\$ 52,935,046	\$ 65,552,538	\$ (12,617,492)	-19.25%
Capital, Lease and Subscription Assets	121,337,381	99,666,166	21,671,215	21.74%
Total Assets	174,272,427	165,218,704	9,053,723	5.48%
Deferred Outflows of Resources	182,292	221,599	(39,307)	-17.74%
Current Liabilities	9,491,269	7,756,337	1,734,932	22.37%
Noncurrent Liabilities	42,151,237	44,557,356	(2,406,119)	-5.40%
Total Liabilities	51,642,506	52,313,693	(671,187)	-1.28%
Deferred Inflows of Resources	21,730,367	20,265,067	1,465,300	7.23%
Net Investment in Capital Assets	72,868,570	72,412,235	456,335	0.63%
Restricted	1,131,000	1,011,000	120,000	11.87%
Unrestricted	27,082,276	19,438,308	7,643,968	39.32%
Total Net Position	\$ 101,081,846	\$ 92,861,543	\$ 8,220,303	8.85%

As can be seen from the chart above, Total Net Position increased \$8,220,303, or 8.85% in 2023. Restricted Net Position, which had a balance of \$1,131,000 as of December 31, 2023, reflects amounts restricted for TABOR reserves. In addition to the required TABOR reserves, the Board of Directors of the District (“the Board”) established a general reserve fund in an amount equal to 6.0% of the District’s annual operating budget. 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, 2023, the District had a general reserve fund of \$2,262,000, which is included in Unrestricted Net Position.

A summary of the District’s Statements of Net Position as of December 31, 2022 and 2021 is presented below:

	Net Position			
	2022	2021	\$ Change	% Change
	As Restated			
Current and Other Assets	\$ 65,552,538	\$ 74,874,165	\$ (9,321,627)	-12.45%
Capital, Lease and Subscription Assets	99,666,166	84,372,393	15,293,773	18.13%
Total Assets	165,218,704	159,246,558	5,972,146	3.75%
Deferred Outflows of Resources	221,599	263,976	(42,377)	-16.05%
Current Liabilities	7,756,337	5,221,203	2,535,134	48.55%
Noncurrent Liabilities	44,557,356	46,882,130	(2,324,774)	-4.96%
Total Liabilities	52,313,693	52,103,333	210,360	0.40%
Deferred Inflows of Resources	20,265,067	21,322,359	(1,057,292)	-4.96%
Net Investment in Capital Assets	72,412,235	69,409,656	3,002,579	4.33%
Restricted	1,011,000	911,000	100,000	10.98%
Unrestricted	19,438,308	15,764,186	3,674,122	23.31%
Total Net Position	<u>\$ 92,861,543</u>	<u>\$ 86,084,842</u>	<u>\$ 6,776,701</u>	<u>7.87%</u>

In 2022, Total Net Position increased \$6,776,701, or 7.87%. Restricted Net Position, which had a balance of \$1,011,000 as of December 31, 2022, reflects amounts restricted for TABOR reserves. In addition to the required TABOR reserves, the Board of Directors of the District (“the Board”) established a general reserve fund in an amount equal to 6.0% of the District’s annual operating budget. 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, 2022, the District had a general reserve fund of \$2,022,000, which is included in Unrestricted Net Position.

The Statement of Revenues, Expenses, and Changes in Net Position provides information about the nature and source of changes in net position.

As part of our analysis, we provide a summary of the District's Statements of Revenues, Expenses and Changes in Net Position from 2022 to 2023 as presented below:

Statements of Revenues, Expenses and Changes in Net Position, 2023 and 2022

	<u>2023</u>	<u>2022</u>	<u>\$ Change</u>	<u>% Change</u>
		As Restated		
Operating Revenues Fees and Charges	\$ 20,276,180	\$ 17,195,431	\$ 3,080,749	17.92%
Operating Expenses	(28,802,451)	(26,839,404)	(1,963,047)	-7.31%
Net Loss From Operations	(8,526,271)	(9,643,973)	1,117,702	11.59%
Nonoperating Revenues (Expenses)				
Property and Specific Ownership Taxes	15,096,409	15,253,212	(156,803)	-1.03%
Conservation Trust	637,014	586,730	50,284	8.57%
Grants and Contributions	686,411	1,593,101	(906,690)	-56.91%
Grants Expense	(235,209)	(110,815)	(124,394)	-112.25%
Interest Expense	(1,297,070)	(1,378,591)	81,521	5.91%
Gain (Loss) on Sale of Assets	28,617	22,477	6,140	27.32%
Insurance Proceeds	353,222	17,630	335,592	1903.53%
Investment Income	1,695,507	652,277	1,043,230	159.94%
Other Income	-	7,877	(7,877)	-100.00%
Other Expenses	(218,327)	(223,224)	4,897	2.19%
Total Net Nonoperating Revenues (Expenses)	16,746,574	16,420,674	325,900	1.98%
Change in Net Position	8,220,303	6,776,701	1,443,602	21.30%
Net Position, Beginning of Year	92,861,543	86,084,842	6,776,701	7.87%
Net Position, End of Year	<u>\$ 101,081,846</u>	<u>\$ 92,861,543</u>	<u>\$ 8,220,303</u>	<u>8.85%</u>

Comparison of Revenue and Expenses – 2023 to 2022

Operating Revenues derived from Fees and Charges for Services were \$20,276,180 in 2023 compared to \$17,195,431 in 2022, an increase of \$3,080,749, or 17.92%. The District realized operating revenue increases during 2023 in several areas of operations. Children's Programs, Golf, Recreation Programs and Recreation Centers had the most significant increases of \$1,082,679, \$1,026,995, \$549,152 and \$490,347 respectively, driven by increased participation in program offerings in these areas.

Operating Expenses in 2023 were \$28,802,451 compared to \$26,839,404 in 2022, an increase of \$1,963,047, or 7.31%. Operating Expenses increased due to higher wages, operating supplies and purchased services expenses, all driven by increased levels of activity in operating revenue producing areas. The most significant increases occurred in Children's Programs, in Parks and Regional Parks, Recreation Centers and at the Edge Ice Arena, which increased \$364,059, \$280,923, \$211,803 and \$134,067, respectively. In addition, Facilities and Equipment Repairs and Replacements were higher than 2022 by \$451,199 driven by increased levels of improvements and equipment purchases that did not meet the criteria for capitalization as capital assets.

Property and Specific Ownership Taxes were \$15,096,409 in 2023 versus \$15,253,212 in 2022, a decrease of \$156,803 driven by assessed value decreases for certain properties located within the District. Conservation Trust revenues were \$637,014 and \$586,730 in 2023 and 2022, respectively, reflecting an increase in state lottery ticket sales allocable to the District for 2023.

Grants and Contributions decreased \$906,690 primarily driven by grant proceeds received in 2022 under the Child Care Operations Stabilization and Workforce Sustainability Grants through the State of Colorado and no Senate Bill 35 funds received in 2023 for use in completing neighborhood park improvement projects.

In 2023, 70.40% of the District's total operations were covered by fees and charges from programs and facilities and the remaining 29.60% 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 \$4,602,406 of the \$8,526,271 operating loss the District incurred in 2023. The District's pools and recreation centers are also costly to operate and were subsidized \$1,988,187 from other revenue sources besides the fees and charges paid by the users of these facilities in 2023. The \$15,096,409 of Property and Specific Ownership taxes collected were designated to offset operating losses and other debt principal and interest payments owed as a result of financing the current construction projects to replace the Foothills Golf Course Clubhouse and the renovation of the Columbine West and 6th Avenue West outdoor pools, and debt principal and interest payments owed as a result of financing the construction of the District's Peak Community and Wellness Center, the Edge Ice Arena, and the Foothills Sports Arena.

The following table shows the amount and percent that operating expenses were recovered through operating revenues including fees and charges for the years ended December 31, 2023 and 2022:

Expense Recovery Through Fees and Charges

	<u>2023</u>	<u>2022</u>	<u>\$ Change</u>	<u>% Change</u>
		As Restated		
Operating Revenues	\$ 20,276,180	\$ 17,195,431	\$ 3,080,749	17.92%
Operating Expenses	\$ 28,802,451	\$ 26,839,404	\$ 1,963,047	7.31%
% Expense Recovery Through Operating Fees and Charges	<u>70.40%</u>	<u>64.07%</u>		

As part of our analysis, we also provide a summary of the District's Statements of Revenues, Expenses and Changes in Net Position from 2021 to 2022 as presented below:

Statements of Revenues, Expenses and Changes in Net Position, 2022 and 2021

	2022	2021	\$ Change	% Change
	As Restated			
Operating Revenues Fees and Charges	\$ 17,195,431	\$ 15,886,724	\$ 1,308,707	8.24%
Operating Expenses	(26,839,404)	(24,744,067)	(2,095,337)	8.47%
Net Loss From Operations	(9,643,973)	(8,857,343)	(786,630)	8.88%
Nonoperating Revenues (Expenses)				
Property and Specific Ownership Taxes	15,253,212	14,015,179	1,238,033	8.83%
Conservation Trust	586,730	591,421	(4,691)	-0.79%
Grants and Contributions	1,593,101	934,061	659,040	70.56%
Grants Expense	(110,815)	(46,174)	(64,641)	139.99%
Interest Expense	(1,378,591)	(834,301)	(544,290)	65.24%
Gain (Loss) on Sale of Assets	22,477	62,426	(39,949)	-63.99%
Insurance Proceeds	17,630	5,653	11,977	211.87%
Investment Income	652,277	1,539	650,738	42283.17%
Other Income	7,877	18,215	(10,338)	-56.76%
Other Expenses	(223,224)	(469,216)	245,992	-52.43%
Total Net Nonoperating Revenues (Expenses)	16,420,674	14,278,803	2,141,871	15.00%
Change in Net Position	6,776,701	5,421,460	1,355,241	25.00%
Net Position, Beginning of Year	86,084,842	80,663,382	5,421,460	6.72%
Net Position, End of Year	<u>\$ 92,861,543</u>	<u>\$ 86,084,842</u>	<u>\$ 6,776,701</u>	<u>7.87%</u>

Comparison of Revenue and Expenses – 2022 to 2021

Operating Revenues derived from Fees and Charges for Services were \$17,195,431 in 2022 compared to \$15,886,724 in 2021, an increase of \$1,308,707, or 8.24%. The District realized operating revenue increases during 2022 resulting from the decreasing impact of COVID-19 on all areas of District operations. Recreation Centers, Children's Programs and Recreation Programs had the most significant increases of \$401,293, \$387,359 and \$347,740 respectively, driven by increased participation in program offerings in these areas as the District's patrons returned to programs after the end of the pandemic.

Operating Expenses in 2022 were \$26,839,404 compared to \$24,744,067 in 2021, an increase of \$2,095,337, or 8.47%. Operating Expenses increased due to higher wages, operating supplies and purchased services expenses, all driven by increased levels of activity in operating revenue producing areas as patrons continued to return to programs after the pandemic. The most significant

increases occurred in Children’s Programs, at the Edge Ice Arena and in Recreation Programs, which increased \$381,238, \$307,700 and \$301,342, respectively.

Property and Specific Ownership Taxes were \$15,253,212 in 2022 versus \$14,015,179 in 2021. The increase of \$1,238,033 was primarily attributable to a 9.06% increase in assessed values for the 2022 tax collection year. Conservation Trust revenues were \$586,730 and \$591,421 in 2022 and 2021, respectively, reflecting a decrease in state lottery ticket sales allocable to the District for 2022.

Grants and Contributions increased \$659,040 primarily driven by grant proceeds received in 2022 under the Child Care Operations Stabilization and Workforce Sustainability Grants through the State of Colorado partially offset by lower Senate Bill 35 funds received for use in completing neighborhood park improvement projects.

In 2022, 64.07% of the District’s total operations were covered by fees and charges from programs and facilities and the remaining 35.93% 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 \$4,026,691 of the \$9,643,973 operating loss the District incurred in 2022. The District’s pools and recreation centers are also costly to operate and were subsidized \$2,261,965 from other revenue sources besides the fees and charges paid by the users of these facilities in 2022. Of the \$15,253,212 of Property and Specific Ownership taxes collected, \$110,764 were designated to make principal and interest payments on General Obligation Debt and \$15,142,448 were designated to offset operating losses and other debt principal and interest payments owed as a result of financing the current construction projects to replace the Foothills Golf Course Clubhouse and the renovation of the Columbine West and 6th Avenue West outdoor pools, and debt principal and interest payments owed as a result of financing the construction of the District’s Peak Community and Wellness Center, the Edge Ice Arena, and the Foothills Sports Arena.

The following table shows the amount and percent that operating expenses were recovered through operating revenues including fees and charges for the years ended December 31, 2022 and 2021:

Expense Recovery Through Fees and Charges					
	2022	2021	\$ Change	% Change	
	As Restated				
Operating Revenues	\$ 17,195,431	\$ 15,886,724	\$ 1,308,707	8.24%	
Operating Expenses	\$ 26,839,404	\$ 24,744,067	\$ 2,095,337	8.47%	
% Expense Recovery Through Operating Fees and Charges	<u>64.07%</u>	<u>64.20%</u>			

Comparison of Revenue and Expenses – 2023 Actual to 2023 Budget

Budgetary basis Operating Revenues for the current year were \$20,229,630 compared to budget of \$17,531,620 or \$2,698,010 favorable to plan. Operating revenues were favorable to plan in Golf by \$2,743,165 or 51.36% resulting from a significant increase in rounds and rental revenue at both

District golf courses as golf continued in 2023 as a preferred outdoor recreation activity, driving increased public participation in the sport since 2020. Operating revenues were also better than planned for Recreation Centers and at the Edge Ice Arena by \$212,778 and \$107,821, respectively due to higher than anticipated patron facility usage. These favorable variances were partially offset by lower than budgeted revenue in Children's Programs and Aquatics which were lower by \$291,796 and \$81,857, respectively resulting from lower participation than planned in before and after school care and summer camps and lower than planned pool attendance.

Budgetary basis Operating Expenses were \$50,489,721 compared to budget of \$59,518,036, which was \$9,028,315 less than planned. This was driven by lower than planned capital expenditures, driven by the timing of spending on the 2021 COP projects, which include the Foothills Golf Course Clubhouse replacement, the Dutch Creek Trail extension and the Phase II Energy Performance Contract.

Budgetary basis Net Nonoperating Revenues were \$14,609,801 compared to budget of \$41,986,416 or \$27,376,615 unfavorable to plan. This was mostly due to carry forward funds for the 2021 COP projects and other capital projects which were included in the 2023 budget. Excluding the carry over of \$29,812,465, Net Nonoperating revenues were favorable to the budget by \$2,435,850 due to grant funds received from the State of Colorado under the Childcare Stabilization and Workforce Retention Grants, higher than planned insurance proceeds and higher than planned interest income due to higher than planned invested balances and higher yields on invested balances.

Additional budget information, including a reconciliation of non GAAP budgetary basis to the Statements of Revenues, Expenses and Changes in Fund Net Position can be found in the Other Information section of the financial statements.

Comparison of Revenue and Expenses – 2022 Actual to 2022 Budget

Budgetary basis Operating Revenues for 2022 were \$17,135,873 compared to budget of \$16,353,841 or \$782,032 favorable to plan. Operating revenues were favorable to plan in Golf by \$2,076,203 or 41.68% resulting from a significant increase in rounds and rental revenue at both District golf courses as golf continued in 2022 as a preferred outdoor recreation, driving increased public participation in the sport since 2020. Operating revenues were below plan in the majority of other District programs most significantly as follows: Children's Programs by \$1,146,459 or 34.98%; Recreation Centers by \$121,491 or 6.92%; Parks and Regional Parks by \$81,014 or 15.07%; Recreation Programs by \$14,099 or 0.61%; and Ice Arena by \$2,144 or 0.08% because of operating lower than anticipated program participation in these areas. These negative variances were partially offset by Aquatics, which was favorable to plan by \$55,380 or 6.18% resulting from higher than planned pool attendance.

Budgetary basis Operating Expenses were \$42,172,902 compared to budget of \$69,232,447, which was \$27,059,545 less than planned. This was driven by lower than planned capital expenditures, driven by the timing of spending on the 2021 COP projects, which include the Foothills Golf Course Clubhouse replacement, the Columbine West and 6th Avenue West Pool facility renovations, the Dutch Creek Trail extension and the Phase II Energy Performance Contract.

Budgetary basis Net Nonoperating Revenues were \$13,890,444 compared to budget of \$52,878,606 or \$38,988,162 unfavorable to plan. This was mostly due to carry forward funds for the 2021 COP projects and other capital projects of \$41,198,709 which were included in the 2022 budget.

Excluding this amount, Net Nonoperating revenues were favorable to the budget by \$2,210,547 due to grant funds received from the State of Colorado under the Childcare Stabilization and Workforce Retention Grants and higher than planned interest income due to higher than planned invested balances and higher yields on invested balances.

Additional budget information, including a reconciliation of non GAAP budgetary basis to the Statements of Revenues, Expenses and Changes in Fund Net Position can be found in the Other Information section of the financial statements.

CAPITAL, LEASE AND SUBSCRIPTION ASSETS AND DEBT ADMINISTRATION

Capital, Lease and Subscription Assets

As of December 31, 2023, 2022 and 2021, the District had invested \$121,337,381, \$99,666,166 and \$84,372,393, respectively in net capital, lease and subscription assets, which represents a broad range of infrastructure including parks, recreation centers, golf courses, maintenance and administration facilities, vehicles, and equipment. In 2023, The District's net capital, lease and subscription assets increased by \$21,671,215 from net capital, lease and subscription assets at the end of 2022 due to the current year's additions, offset by current year depreciation and amortization of its capital and lease assets. The most significant additions for 2023 were associated with the Foothills Golf Course Clubhouse, the Columbine West and 6th Avenue West pool renovation projects and the Phase II Energy Performance contract. In 2022, The District's net capital, lease and subscription assets increased by \$15,293,773 from net capital, lease and subscription assets at the end of 2021 primarily due to asset additions, partially offset by depreciation and amortization of its capital and lease assets. More detailed information about the District's capital and lease assets is presented in Note 5 to the financial statements.

The table below summarizes changes in capital, lease and subscription assets for the year ended December 31, 2023:

Change in Capital, Lease and Subscription Assets (Net of Depreciation and Amortization)

	<u>2023</u>	<u>2022</u>	<u>\$ Change</u>	<u>% Change</u>
		<u>As Restated</u>		
Land	\$ 23,728,375	\$ 23,728,375	\$ -	0.00%
Water Rights	983,500	983,500	-	0.00%
Buildings	34,820,282	26,213,895	8,606,387	32.83%
Improvements	39,842,861	29,993,161	9,849,700	32.84%
Furniture, Fixtures and Equipment	4,784,546	2,405,721	2,378,825	98.88%
Subscription IT Assets	174,494	25,190	149,304	592.71%
Leased Equipment	31,296	55,232	(23,936)	-43.34%
Vehicles	500,079	626,369	(126,290)	-20.16%
Construction in Progress	16,471,948	15,634,723	837,225	5.35%
Total Capital, Lease and Subscription Assets	<u>\$ 121,337,381</u>	<u>\$ 99,666,166</u>	<u>\$ 21,671,215</u>	<u>21.74%</u>

The table below summarizes changes in capital, lease and subscription assets for the year ended December 31, 2022:

Change in Capital, Lease and Subscription Assets (Net of Depreciation and Amortization)

	<u>2022</u>	<u>2021</u>	<u>\$ Change</u>	<u>% Change</u>
	<u>As Restated</u>			
Land	\$ 23,728,375	\$ 23,728,375	\$ -	0.00%
Water Rights	983,500	785,337	198,163	25.23%
Buildings	26,213,895	27,232,114	(1,018,219)	-3.74%
Improvements	29,993,161	26,361,203	3,631,958	13.78%
Furniture, Fixtures and Equipment	2,405,721	2,179,251	226,470	10.39%
Subscription IT Assets	25,190	-	25,190	100.00%
Leased Equipment	55,232	72,741	(17,509)	0.00%
Vehicles	626,369	761,831	(135,462)	-17.78%
Construction in Progress	15,634,723	3,251,541	12,383,182	380.84%
Total Capital, Lease and Subscription Assets	<u>\$ 99,666,166</u>	<u>\$ 84,372,393</u>	<u>\$ 15,293,773</u>	<u>18.13%</u>

Long-Term Debt

The District paid \$1,945,000 in debt principal repayments and at December 31, 2023 had \$43,815,087 in short and long-term debt, deferred loss and premium on refunding.

Below is a summary of changes in long-term debt for the year ended December 31, 2023:

Changes in Long-Term Debt

	<u>2023</u>	<u>2022</u>	<u>\$ Change</u>	<u>% Change</u>
Certificates of Participation	\$ 38,295,000	\$ 40,240,000	\$ (1,945,000)	-4.83%
Unamortized Deferred Charges	(182,292)	(221,599)	39,307	17.74%
Unamortized Bond Premium	5,702,379	6,065,432	(363,053)	-5.99%
Total Long-Term Debt	<u>\$ 43,815,087</u>	<u>\$ 46,083,833</u>	<u>\$ (2,268,746)</u>	<u>-4.92%</u>

The District paid \$2,257,300 in debt principal repayments and at December 31, 2022 had \$46,083,833 in short and long-term debt, deferred loss and premium on refunding.

Below is a summary of changes in long-term debt for the year ended December 31, 2022:

Changes in Long-Term Debt

	<u>2022</u>	<u>2021</u>	<u>\$ Change</u>	<u>% Change</u>
General Obligation Bonds	\$ -	\$ 107,300	\$ (107,300)	-100.00%
Certificates of Participation	40,240,000	42,390,000	(2,150,000)	-5.07%
Unamortized Deferred Charges	(221,599)	(263,976)	42,377	16.05%
Unamortized Bond Premium	6,065,432	6,429,752	(364,320)	-5.67%
Total Long-Term Debt	<u>\$ 46,083,833</u>	<u>\$ 48,663,076</u>	<u>\$ (2,579,243)</u>	<u>-5.30%</u>

More detailed information about the District's long-term debt is presented in Note 6 to the financial statements.

ECONOMIC FACTORS

The District is located in Jefferson County which is in the southwestern 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 3.3% in December, 2023 versus 2.5% in December, 2022. In 2022, for taxes collected in 2023, property assessed valuations within the District decreased by 1.82%.

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 2022 and 2023, the District experienced significant increases versus 2020 and most programmatic revenue has returned to or now exceeds pre-pandemic levels. The District's golf rounds and related revenues continued at a higher than historic normal pace in 2023 and 2022 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 2022 and 2023 and will continue to do so throughout the duration of the nine-year increase.

Property tax revenue increases resulting from valuation changes beyond 2023 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.

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, 2023 and 2022

	<u>2023</u>	<u>2022</u> As Restated
ASSETS		
Current Assets		
Cash and Cash Equivalents	\$ 22,948,358	\$ 20,130,905
Restricted Cash and Cash Equivalents	4,186,087	-
Cash With Fiscal Agent	1,126,078	1,069,975
Short-Term Investments	493,763	244,028
Receivables	378,226	401,648
Property Taxes Receivables	16,182,725	14,091,268
Current Portion of Lease Receivable	774,662	770,445
Inventories	173,926	152,234
Prepaid Expenses	787,945	272,042
Total Current Assets	<u>47,051,770</u>	<u>37,132,545</u>
Noncurrent Assets		
Restricted Cash and Cash Equivalents	-	21,733,148
Long-Term Investments	944,296	1,164,041
Lease Receivable	4,938,980	5,522,804
Capital, Lease and Subscription Assets		
Land, Water Rights and Construction in Progress	41,183,823	40,346,598
Other Capital, Lease and Subscription Assets, Net of Accumulated Depreciation/Amortization	80,153,558	59,319,568
Total Capital, Lease and Subscription Assets, Net of Accumulated Depreciation/Amortization	<u>121,337,381</u>	<u>99,666,166</u>
Total Assets	<u>174,272,427</u>	<u>165,218,704</u>
DEFERRED OUTFLOWS OF RESOURCES		
Deferred Loss on Refunding	182,292	221,599
Total Assets and Deferred Outflows of Resources	<u>\$ 174,454,719</u>	<u>\$ 165,440,303</u>
LIABILITIES		
Current Liabilities		
Accounts Payables	\$ 5,478,462	\$ 3,932,890
Interest Payable	132,688	138,534
Accrued Payroll Payable	207,397	146,005
Current Portion of Accrued Compensated Absences	513,151	480,243
Current Portion of Long-Term Debt Payable	2,020,000	1,945,000
Current Portion of Lease Payable	27,427	24,664
Current Portion of Subscription Payable	65,217	1,496
Unearned Revenue	1,046,927	1,087,505
Total Current Liabilities	<u>9,491,269</u>	<u>7,756,337</u>
Noncurrent Liabilities		
Accrued Compensated Absences Payable	151,724	160,989
Long-Term Debt Payable	41,977,379	44,360,432
Lease Payable	8,508	35,935
Subscription Payable	13,626	-
Total Non-Current Liabilities	<u>42,151,237</u>	<u>44,557,356</u>
Total Liabilities	<u>51,642,506</u>	<u>52,313,693</u>
DEFERRED INFLOWS OF RESOURCES		
Property Taxes	16,182,725	14,091,268
Lease Related	5,547,642	6,173,799
Total Deferred Inflows of Resources	<u>21,730,367</u>	<u>20,265,067</u>
NET POSITION		
Net Investment in Capital Assets	72,868,570	72,412,235
Restricted	1,131,000	1,011,000
Unrestricted	27,082,276	19,438,308
Total Net Position	<u>101,081,846</u>	<u>92,861,543</u>
Total Liabilities, Deferred Inflows of Resources and Net Position	<u>\$ 174,454,719</u>	<u>\$ 165,440,303</u>

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, 2023 and 2022

	2023	2022
		As Restated
OPERATING REVENUES		
Fees and Charges:		
Aquatics	\$ 1,018,362	\$ 951,756
Children's Programs	3,213,306	2,130,627
Golf	8,083,987	7,056,992
Ice Arena	2,790,921	2,630,924
Recreation Centers	2,123,848	1,633,501
Recreation Programs	2,850,023	2,300,871
Parks and Regional Parks	161,812	456,604
General and Administrative	33,921	34,156
Total Operating Revenues	<u>20,276,180</u>	<u>17,195,431</u>
OPERATING EXPENSES		
Aquatics	2,053,301	1,981,929
Children's Programs	2,886,833	2,522,774
Golf	4,504,524	4,523,014
Ice Arena	2,047,115	1,913,048
Recreation Centers	3,077,096	2,865,293
Recreation Programs	2,219,266	2,154,659
Parks and Regional Parks	4,764,218	4,483,295
General and Administrative	2,301,569	2,316,790
Facilities and Equipment Repairs and Replacements	962,139	510,940
Depreciation and Amortization	3,986,390	3,567,662
Total Operating Expenses	<u>28,802,451</u>	<u>26,839,404</u>
OPERATING LOSS	<u>(8,526,271)</u>	<u>(9,643,973)</u>
NONOPERATING REVENUES (EXPENSES)		
Property and Specific Ownership Taxes	15,096,409	15,253,212
Conservation Trust	637,014	586,730
Grants and Contributions	686,411	1,593,101
Grants Expense	(235,209)	(110,815)
Investment Income	1,695,507	652,277
Interest Expense	(1,297,070)	(1,378,591)
Interest Expense Subsidy	-	7,877
Gain on the Sale of Assets	28,617	22,477
Proceeds from Insurance	353,222	17,630
Other Expenses	(218,327)	(223,224)
Total Net Nonoperating Revenues (Expenses)	<u>16,746,574</u>	<u>16,420,674</u>
CHANGE IN NET POSITION	8,220,303	6,776,701
NET POSITION, Beginning of Year	92,861,543	86,084,842
NET POSITION, End of Year	<u>\$ 101,081,846</u>	<u>\$ 92,861,543</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, 2023 and 2022

	<u>2023</u>	<u>2022</u>
		As Restated
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from Customers and Users	\$ 19,324,392	\$ 16,765,633
Payments to Suppliers	(10,031,587)	(8,593,317)
Payments to Employees	(15,388,316)	(14,497,638)
Net Cash Used in Operating Activities	<u>(6,095,511)</u>	<u>(6,325,322)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Property and Specific Ownership Taxes	15,096,409	15,253,212
Receipts from Conservation Trust Fund	637,014	586,730
Grants and Contributions Received	686,411	1,593,101
Other Expenses	(453,536)	(334,039)
Net Cash Provided by Noncapital Financing Activities	<u>15,966,298</u>	<u>17,099,004</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Principal Payments on Long-Term Debt	(1,945,000)	(2,257,300)
Interest Expense Paid on Bonds	(1,626,662)	(1,710,413)
Interest Subsidy Received on Bonds	-	7,877
Principal Payments Paid on Lease Payable	(24,664)	(22,437)
Principal Payments Paid on Subscription Payable	(13,645)	(5,929)
Interest Expense Paid on Lease Payable	(786)	(839)
Interest Expense Paid on Subscription Payable	(155)	(72)
Principal Payments Received on Lease Receivable	770,445	752,714
Interest Payments Received on Lease Receivable	117,877	132,608
Acquisition of Capital Assets	(23,909,063)	(16,517,425)
Acquisition of Assets from Subscriptions	(91,729)	(16,065)
Proceeds from the Sale of Assets	28,817	71,490
Proceeds from Insurance	484,996	17,630
Net Cash Used in Capital and Related Financing Activities	<u>(26,209,569)</u>	<u>(19,548,161)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of Investments	(245,000)	(520,000)
Proceeds from Sales and Maturities of Investments	245,000	490,000
Interest on Investments	1,665,277	740,425
Net Cash Provided by Investing Activities	<u>1,665,277</u>	<u>710,425</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(14,673,505)	(8,064,054)
CASH AND CASH EQUIVALENTS, Beginning of Year	<u>42,934,028</u>	<u>50,998,082</u>
CASH AND CASH EQUIVALENTS, End of Year	<u><u>\$ 28,260,523</u></u>	<u><u>\$ 42,934,028</u></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, 2023 and 2022
(Continued)

	<u>2023</u>	<u>2022</u>
RECONCILIATION OF OPERATING LOSS TO NET CASH		As Restated
USED IN OPERATING ACTIVITIES:		
Operating Loss	\$ (8,526,271)	\$ (9,643,973)
Adjustments to Reconcile Operating Loss to Net Cash Used in Operating Activities:		
Depreciation and Amortization	3,986,390	3,567,662
Lease Revenue	(934,872)	(944,880)
Lease Expense	786	839
Subscription Expense	155	72
Effect of changes in operating assets and liabilities:		
Receivables	23,662	(5,763)
Inventories	(21,692)	(4,857)
Prepaid Expense	(515,903)	173,229
Accounts Payable	(152,223)	(100,342)
Accrued Payroll Payable	61,392	41,404
Accrued Compensated Absences Payable	23,643	70,442
Unearned Revenue	(40,578)	520,845
	<u>2,430,760</u>	<u>3,318,651</u>
NET CASH USED IN OPERATING ACTIVITIES	<u><u>\$ (6,095,511)</u></u>	<u><u>\$ (6,325,322)</u></u>
 NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES		
Assets Acquired Under Leases	-	6,524
Assets Acquired Under Subscriptions	90,991	-
Assets Leased to Others	190,273	11,088
Capital Asset Acquisitions Included in Accounts Payable	4,538,946	2,841,151
Impairment of Capital Asset	131,774	-
Unrealized (Gain) Loss on Investments	(29,990)	87,967
Amortization of Premiums/Deferred Loss on Refunding	323,746	321,944
Amortization of Deferred Inflow - Lease Related	816,430	812,272

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, 2023 and 2022

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 2023 and 2022.

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.

FOOTHILLS PARK & RECREATION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2023 and 2022

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 nonoperating 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 nonoperating 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.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position 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 assets 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 of resources. This separate financial statement element, deferred inflow of resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

FOOTHILLS PARK & RECREATION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2023 and 2022

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 15th by certification to the Jefferson County Commissioners to put the tax lien on the individual properties as of January 1st 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. 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.

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 the following estimated useful lives:

Buildings	20 - 50 years
Improvements	10 - 50 years
Equipment	5 - 15 years
Vehicles	8 - 12 years

FOOTHILLS PARK & RECREATION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2023 and 2022

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leases

Lessee: The District is a lessee for noncancelable leases of equipment. The District recognizes a lease liability and a lease asset in the Statements of Net Position. The District recognizes lease liabilities with an initial, individual value of \$5,000 or more for equipment leases.

At the commencement of the lease, the District initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial indirect costs. Subsequently, the lease asset is amortized on a straight line basis over the shorter of the lease term or the useful life of the asset. The District uses the interest rate charged by the lessor as the discount rate to calculate the present value. When the interest rate charged by the lessor is not provided, the District uses its estimated incremental borrowing rate as the discount rate for leases. The lease term includes the noncancelable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and extension options that the District is reasonably certain to exercise.

Lessor: The District is a lessor for noncancelable leases on District owned property. The District recognizes a lease receivable and a deferred inflow of resources in the Statements of Net Position.

At the commencement of the lease, the District initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of the lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the lease term. If specified, the District uses the interest rate identified in the contract as the discount rate to calculate the present value. If no interest rate is specified, the District uses its estimated incremental borrowing rate as the discount rate for leases. The lease term includes the noncancelable period of the lease. Lease payments included in the measurement of the lease receivable are composed of fixed payments from the lessee.

Subscription Assets

Subscription assets are initially recorded at the initial measurement of the subscription liability, plus subscription payments made at or before the commencement of the subscription-based information technology arrangement (SBITA) term, less any SBITA vendor incentives received from the SBITA vendor at and certain payments made before the commencement of the SBITA term, plus capitalizable initial implementation costs. Subscription assets are amortized on a straight-line basis over the shorter of the SBITA term or the useful life of the underlying IT asset.

FOOTHILLS PARK & RECREATION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2023 and 2022

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital, Lease and Subscription Asset Impairment

The District evaluates capital, lease and subscription assets for impairment whenever events or circumstances indicate a significant, unexpected decline in the service utility of a capital, lease or subscription asset has occurred. If a capital, lease or subscription asset is tested for impairment and the magnitude of the decline in service utility is significant and unexpected, the asset historical cost and related accumulated depreciation or amortization are decreased proportionately such that the net decrease equals the impairment loss.

No asset impairments were recognized during the year ended December 31, 2022. An impairment loss of \$131,774 was recognized for roof damages at the Edge Ice Arena during the year ended December 31, 2023, resulting from a severe weather event that occurred in early 2023. The damages were covered by insurance and therefore the impairment has been included as an offset to proceeds from insurance in the accompanying statements of revenues, expenses and changes in net position. The loss was determined based on the deflated depreciated replacement cost approach.

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.

Unearned Revenue

Unearned revenue includes customer payments received in advance for participation in District programs that will occur in future periods.

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. 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 Loss on Bond and Certificate of Participation Refunding

The deferred loss on the bond and certificate of participation refundings are being amortized using the straight-line 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

FOOTHILLS PARK & RECREATION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2023 and 2022

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

unamortized deferred loss is reflected as deferred loss on refunding in deferred outflows of resources on the statements of net 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 2023 or 2022.

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.

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.

As of December 31, 2023, the carrying amount of the District's deposits in financial institutions was \$4,986,500 and the bank balance was \$5,613,888. As of December 31, 2022, the carrying amount of the District's deposits in financial institutions was \$5,973,795 and the bank balance was \$6,233,995. All deposits exceeding FDIC coverage of \$250,000 were collateralized in accordance with PDPA.

Cash With Fiscal Agent

As of December 31, 2023 and 2022 the District had \$1,126,078 and \$1,069,975, respectively, being held by Jefferson County, Colorado as an escrow deposit for grading permits related to construction projects.

FOOTHILLS PARK & RECREATION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2023 and 2022

NOTE 3: CASH AND INVESTMENTS (CONTINUED)

Investments

At December 31, 2023, the District had the following investments and remaining maturities:

Investment Type	2023			
	Value	Measurement	Rating	Maturities
Local Government Investment Pools	\$ 22,139,629	Net Asset Value	AAAm	Less than 12 Months
Federal Agency Bonds	249,372	Fair Value	AA+	Less than 12 Months
Federal Agency Bonds	495,319	Fair Value	AA+	1 - 5 Years
Certificates of Deposit	448,977	Fair Value	N/A	1 - 5 Years
Certificates of Deposit	244,391	Fair Value	N/A	Less than 12 Months
Total	<u>\$ 23,577,688</u>			

At December 31, 2022, the District had the following investments and remaining maturities:

Investment Type	2022			
	Value	Measurement	Rating	Maturities
Local Government Investment Pools	\$ 35,882,533	Net Asset Value	AAAm	Less than 12 Months
Federal Agency Bonds	732,471	Fair Value	AA+	1 - 5 Years
Certificates of Deposit	431,570	Fair Value	N/A	1 - 5 Years
Certificates of Deposit	244,028	Fair Value	N/A	Less than 12 Months
Total	<u>\$ 37,290,602</u>			

As of December 31, 2023 and 2022, the District had invested \$22,139,629 and \$35,882,533, 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. COLOTRUST does not have any limitations or restrictions on participant withdrawals.

FOOTHILLS PARK & RECREATION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2023 and 2022

NOTE 3: CASH AND INVESTMENTS (CONTINUED)

Restricted Cash

Certain cash and cash equivalents are legally required to be restricted for specific purposes. Proceeds from the 2021 Certificates of Participation are held as required for spending on the 2021 COP projects. Proceeds on hand as of December 31, 2023 of \$4,186,087 were reflected on the statements of net position as current restricted cash and cash equivalents as they will be used to pay the unpaid construction costs associated with the 2021 COP projects recorded in accounts payable. Proceeds on hand as of December 31, 2022 of \$21,733,148 were reflected on the statements of net position as restricted cash and cash equivalents in the noncurrent asset section. These amounts are included in the District's COLOTRUST investment balances.

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, 2023 and 2022, the District had \$1,438,059 and \$1,408,069, respectively, invested in federal agency bonds and bank market indexed and market linked certificates of deposit. These investments are valued with Level 2 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.

FOOTHILLS PARK & RECREATION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2023 and 2022

NOTE 3: CASH AND INVESTMENTS (CONTINUED)

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.

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, 2023.

Summary of District Cash, Cash Equivalents and Investments

Cash deposits and investments at December 31, 2023 and 2022, are summarized as follows:

	<u>2023</u>	<u>2022</u>
Petty Cash	\$ 8,316	\$ 7,725
Cash Deposits	4,986,500	5,973,795
Cash With Fiscal Agent	1,126,078	1,069,975
Investments	23,577,688	37,290,602
Total Cash Deposits and Investments	<u>\$ 29,698,582</u>	<u>\$ 44,342,097</u>

Cash deposits and investments as of December 31, 2023 and 2022 were reflected on the statements of net position as follows:

	<u>2023</u>	<u>2022</u>
Cash and Cash Equivalents	\$ 22,948,358	\$ 20,130,905
Restricted Cash and Cash Equivalents	4,186,087	21,733,148
Cash With Fiscal Agent	1,126,078	1,069,975
Total Cash and Cash Equivalents	<u>28,260,523</u>	<u>42,934,028</u>
Investments	1,438,059	1,408,069
Total Cash Deposits and Investments	<u>\$ 29,698,582</u>	<u>\$ 44,342,097</u>

FOOTHILLS PARK & RECREATION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2023 and 2022

NOTE 4: LEASES RECEIVABLE

The District entered into noncancelable ten year ice rental agreements with three youth hockey associations. Each agreement provides for a guaranteed minimum number of ice hours to be paid for each year whether used or not by the youth hockey association. Total payments under the agreements are expected to be \$7,817,880 from January 1, 2021 through July 1, 2030. Revenue recognized under the agreements during the years ended December 31, 2023 and 2022 was \$874,805 and \$888,871, respectively, which includes both lease revenue and interest. As of December 31, 2023 and 2022, the District's receivable for lease payments under the agreements was \$4,978,114 and \$5,714,582, respectively. The District also has a deferred inflow of resources associated with these agreements that will be recognized as revenue over the term of the agreements. As of December 31, 2023 and 2022, the balance of the deferred inflow of resources was \$4,846,201 and \$5,616,494, respectively.

The District also leased portions of its property to various third parties, the terms of these leases expire at various dates through 2051. The District leases certain land to a third party where lease payments are variable based on total revenues collected by the third party. The revenue based payments are not included in the measurement of the lease receivable because they are not fixed in substance. Revenue recognized under the leases during the years ended December 31, 2023 and 2022 was \$59,502 and \$56,009, respectively, which includes both lease revenue and interest. The District recognized lease revenue of \$25,109 and \$16,475 for the years ended December 31, 2023 and 2022, respectively, for variable payments not previously included in the measurement of the lease receivable. As of December 31, 2023 and 2022, the District's receivable for lease payments under the agreements was \$735,528 and \$578,667, respectively. The District also has a deferred inflow of resources associated with these agreements that will be recognized as revenue over the term of the agreements. As of December 31, 2023 and 2022, the balance of the deferred inflow of resources was \$701,441 and \$557,305, respectively.

FOOTHILLS PARK & RECREATION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2023 and 2022

NOTE 5: CAPITAL, LEASE AND SUBSCRIPTION ASSETS

A summary of changes in capital, lease and subscription assets for 2023 is as follows:

	JANUARY 1, 2023 BALANCE	ADDITIONS	TRANSFERS	DISPOSALS	DECEMBER 31, 2023 BALANCE
Capital Assets, Not Being Depreciated					
Land	\$ 23,728,375	\$ -	\$ -	\$ -	\$ 23,728,375
Water Rights	983,500	-	-	-	983,500
Construction in Progress	15,634,723	13,525,296	(12,688,071)	-	16,471,948
Total Capital Assets, Not Being Depreciated	<u>40,346,598</u>	<u>13,525,296</u>	<u>(12,688,071)</u>	<u>-</u>	<u>41,183,823</u>
Capital, Lease and Subscription Assets, Being Depreciated/Amortized					
Buildings	46,302,101	4,108,696	5,710,924	(219,623)	55,902,098
Improvements	56,732,232	4,988,139	6,977,147	(26,090)	68,671,428
Furniture, Fixtures and Equipment	10,196,396	2,984,727	-	(513,829)	12,667,294
Vehicles	2,173,349	-	-	(29,500)	2,143,849
Subscription IT Assets	62,572	182,721	-	(29,498)	215,795
Leased Equipment	103,331	-	-	(2,511)	100,820
Total Capital, Lease and Subscription Assets, Being Depreciated/Amortized	<u>115,569,981</u>	<u>12,264,283</u>	<u>12,688,071</u>	<u>(821,051)</u>	<u>139,701,284</u>
Less Accumulated Depreciation/Amortization for:					
Buildings	(20,088,206)	(1,081,459)	-	87,849	(21,081,816)
Improvements	(26,739,071)	(2,115,586)	-	26,090	(28,828,567)
Furniture, Fixtures and Equipment	(7,790,675)	(605,701)	-	513,628	(7,882,748)
Vehicles	(1,546,980)	(126,290)	-	29,500	(1,643,770)
Subscription IT Assets	(37,382)	(33,417)	-	29,498	(41,301)
Leased Equipment	(48,099)	(23,936)	-	2,511	(69,524)
Total Accumulated Depreciation/Amortization	<u>(56,250,413)</u>	<u>(3,986,389)</u>	<u>-</u>	<u>689,076</u>	<u>(59,547,726)</u>
Capital, Lease and Subscription Assets, Being Depreciated/Amortized, Net	<u>59,319,568</u>	<u>8,277,894</u>	<u>-</u>	<u>(131,975)</u>	<u>80,153,558</u>
Net Capital, Lease and Subscription Assets	<u>\$ 99,666,166</u>	<u>\$ 21,803,190</u>	<u>\$ -</u>	<u>\$ (131,975)</u>	<u>\$ 121,337,381</u>

FOOTHILLS PARK & RECREATION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2023 and 2022

NOTE 5: CAPITAL, LEASE AND SUBSCRIPTION ASSETS (CONTINUED)

A summary of changes in capital, lease and subscription assets for 2022 is as follows:

	JANUARY 1, 2022				DECEMBER 31, 2022
	<u>BALANCE</u>	<u>ADDITIONS</u>	<u>TRANSFERS</u>	<u>DISPOSALS</u>	<u>BALANCE</u>
	As Restated				As Restated
Capital Assets, Not Being Depreciated					
Land	\$ 23,728,375	\$ -	\$ -	\$ -	\$ 23,728,375
Water Rights	785,337	198,163	-	-	983,500
Construction in Progress	3,251,541	13,923,079	(1,539,897)	-	15,634,723
Total Capital Assets, Not Being Depreciated	<u>27,765,253</u>	<u>14,121,242</u>	<u>(1,539,897)</u>	<u>-</u>	<u>40,346,598</u>
Capital, Lease and Subscription Assets, Being Depreciated/Amortized					
Buildings	46,797,425	20,269	-	(515,593)	46,302,101
Improvements	51,393,347	3,934,088	1,539,897	(135,100)	56,732,232
Furniture, Fixtures and Equipment	9,726,876	765,753	-	(296,233)	10,196,396
Vehicles	2,191,715	-	-	(18,366)	2,173,349
Subscription IT Assets	46,507	16,065	-	-	62,572
Leased Equipment	96,807	6,524	-	-	103,331
Total Capital, Lease and Subscription Assets, Being Depreciated/Amortized	<u>110,252,677</u>	<u>4,742,699</u>	<u>1,539,897</u>	<u>(965,292)</u>	<u>115,569,981</u>
Less Accumulated Depreciation/Amortization for:					
Buildings	(19,565,311)	(1,020,770)	-	497,875	(20,088,206)
Improvements	(25,032,144)	(1,842,027)	-	135,100	(26,739,071)
Furniture, Fixtures and Equipment	(7,547,625)	(508,087)	-	265,037	(7,790,675)
Vehicles	(1,429,884)	(135,362)	-	18,266	(1,546,980)
Subscription IT Assets	-	(37,382)	-	-	(37,382)
Leased Equipment	(24,066)	(24,033)	-	-	(48,099)
Total Accumulated Depreciation/Amortization	<u>(53,599,030)</u>	<u>(3,567,661)</u>	<u>-</u>	<u>916,278</u>	<u>(56,250,413)</u>
Capital, Lease and Subscription Assets, Being Depreciated/Amortized, Net	<u>56,653,647</u>	<u>1,175,038</u>	<u>-</u>	<u>(49,014)</u>	<u>59,319,568</u>
Net Capital, Lease and Subscription Assets	<u>\$ 84,418,900</u>	<u>\$ 15,296,280</u>	<u>\$ -</u>	<u>\$ (49,014)</u>	<u>\$ 99,666,166</u>

FOOTHILLS PARK & RECREATION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2023 and 2022

NOTE 6: LONG-TERM OBLIGATIONS

The following is an analysis of the changes in long-term obligations for the year ended December 31, 2023:

	January 1, 2023 Balance	Additions	Deletions	December 31, 2023 Balance	Current Portion
2013 Certificates of Participation	\$ 4,095,000	\$ -	\$ (290,000)	\$ 3,805,000	\$ 300,000
2015 Certificates of Participation	7,660,000	-	(625,000)	7,035,000	650,000
2021 Certificates of Participation	28,485,000	-	(1,030,000)	27,455,000	1,070,000
Lease Payable	60,599	-	(24,664)	35,935	27,427
Subscription Payable	1,496	90,991	(13,645)	78,842	65,217
Compensated Absences	641,232	23,643	-	664,875	513,151
	<u>40,943,327</u>	<u>114,634</u>	<u>(1,983,309)</u>	<u>39,074,652</u>	<u>2,625,795</u>
Plus net unamortized original issue premium	6,065,432	-	(363,053)	5,702,379	-
	<u>\$ 47,008,759</u>	<u>\$ 114,634</u>	<u>\$ (2,346,362)</u>	<u>\$ 44,777,031</u>	<u>\$ 2,625,795</u>

The following is an analysis of the changes in long-term obligations for the year ended December 31, 2022:

	January 1, 2022 Balance	Additions	Deletions	December 31, 2022 Balance	Current Portion
	As Restated			As Restated	As Restated
2012 General Obligation Bonds	\$ 107,300	\$ -	\$ (107,300)	\$ -	\$ -
2010 Certificates of Participation, Taxable QECB Series 2010B	275,000	-	(275,000)	-	-
2013 Certificates of Participation	4,375,000	-	(280,000)	4,095,000	290,000
2015 Certificates of Participation	8,270,000	-	(610,000)	7,660,000	625,000
2021 Certificates of Participation	29,470,000	-	(985,000)	28,485,000	1,030,000
Lease Payable	76,512	6,524	(22,437)	60,599	24,664
Subscription Payable	7,425	-	(5,929)	1,496	1,496
Compensated Absences	570,790	70,442	-	641,232	480,243
	<u>43,152,027</u>	<u>76,966</u>	<u>(2,285,666)</u>	<u>40,943,327</u>	<u>2,451,403</u>
Plus net unamortized original issue premium	6,429,752	-	(364,320)	6,065,432	-
	<u>\$ 49,581,779</u>	<u>\$ 76,966</u>	<u>\$ (2,649,986)</u>	<u>\$ 47,008,759</u>	<u>\$ 2,451,403</u>

FOOTHILLS PARK & RECREATION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2023 and 2022

NOTE 6: LONG-TERM OBLIGATIONS (CONTINUED)

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.

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. These bonds were paid in full in 2022 and as a result, there are no future debt service requirements.

Certificates of Participation (COPs)

The District issues 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 matured between 2011 and 2019 and carried interest rates between 2.00% and 3.00% due semiannually. The Taxable QECB Series 2010B certificates due October 1, 2022 were subject to mandatory sinking fund redemptions between 2019 and 2022 and carried interest rate of 5.75% due semiannually. Net of the government interest subsidy payment the District receives from the Federal government, effective interest rate was reduced from 5.75% to 2.17%. These certificates were paid in full in 2022.

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

FOOTHILLS PARK & RECREATION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2023 and 2022

NOTE 6: LONG-TERM OBLIGATIONS (CONTINUED)

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 6th 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 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
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	2,615,000	1,298,263	3,913,263
2028	2,720,000	1,193,662	3,913,662
2029 - 2033	12,060,000	4,407,937	16,467,937
2034 - 2038	8,585,000	2,260,000	10,845,000
2039 - 2041	6,015,000	487,600	6,502,600
Total	<u>\$ 38,295,000</u>	<u>\$ 14,078,400</u>	<u>\$ 52,373,400</u>

FOOTHILLS PARK & RECREATION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2023 and 2022

NOTE 7: LEASE LIABILITIES

The District, as lessee, leases certain pieces of office equipment. The terms of the leases expire in various years through 2027. The following is a schedule by year of payments under the lease liabilities as of December 31, 2023:

Year Ending December 31,	Principal	Interest	Total
2024	\$ 27,427	\$ 424	\$ 27,851
2025	6,098	138	6,237
2026	1,356	77	1,433
2027	1,054	21	1,075
	<u>\$ 35,935</u>	<u>\$ 661</u>	<u>\$ 36,596</u>

NOTE 8: SUBSCRIPTION LIABILITIES

The District has various subscription-based information technology arrangements (SBITAs), some of which have been prepaid with subscription terms that expire in various years through 2027 and some of which have payment and subscription terms that expire in various years through 2025. Variable payments based upon the use of the underlying asset are not included in the subscription liability because they are not fixed in substance. During the years ended December 31, 2023 and 2022, there were no variable payments not previously included in the measurement of the subscription liability.

The following is a schedule by year of payments under the subscription liabilities as of December 31, 2023:

Year Ending December 31,	Principal	Interest	Total
2024	\$ 65,217	\$ 1,523	\$ 66,740
2025	13,626	374	14,000
	<u>\$ 78,843</u>	<u>\$ 1,897</u>	<u>\$ 80,740</u>

NOTE 9: 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.

FOOTHILLS PARK & RECREATION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2023 and 2022

NOTE 9: COMMITMENTS AND CONTINGENCIES (CONTINUED)

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 2023 and 2022, 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.

Committed Construction

As of December 31, 2023 the District had unexpended construction related commitments of \$4,659,393.

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 10: 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

FOOTHILLS PARK & RECREATION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2023 and 2022

NOTE 10: SALARY DEFERRAL PLAN (CONTINUED)

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 2023 and 2022 were \$304,671 and \$288,011, respectively.

NOTE 11: 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 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

FOOTHILLS PARK & RECREATION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2023 and 2022

NOTE 11: TAX, SPENDING AND DEBT LIMITATIONS (CONTINUED)

general fund purposes including capital improvements and operational priorities and is not subject to any limitation under TABOR.

NOTE 12: 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 investment in capital assets consists of amounts invested in capital, lease and subscription assets, net of accumulated depreciation/amortization, and further reduced by outstanding balances of bonds, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

The District's Net Investment in Capital Assets as of December 31, 2023 and 2022, was calculated as follows:

	<u>2023</u>	<u>2022</u>
		As Restated
Capital, Lease and Subscription Assets	\$ 121,337,381	\$ 99,666,166
Outstanding Debt	(38,295,000)	(40,240,000)
Unamortized Bond Debt Premium	(5,702,379)	(6,065,432)
Unamortized Deferred Loss on Refunding	182,292	221,599
Lease Liability	(35,935)	(60,599)
Subscription Liability	(78,843)	(1,496)
Outstanding Capital Related Accounts Payable	(4,538,946)	(2,841,151)
Unspent Debt Proceeds	-	21,733,148
Net Investment in Capital Assets	<u>\$ 72,868,570</u>	<u>\$ 72,412,235</u>

Restricted Net Position

Restricted Net Position represents assets that have third party limitations on their use. As of December 31, 2022 and 2021, the District had a Restricted Net Position of \$1,131,000 and \$1,011,000, 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

**FOOTHILLS PARK & RECREATION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2023 and 2022**

NOTE 12: NET POSITION (CONTINUED)

decisions. At December 31, 2023 and 2022, the District had an Unrestricted Net Position of \$27,082,276 and \$19,438,308, respectively.

NOTE 13: 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 2023 and 2022, the Agency received funding from the Scientific and Cultural Facilities District in the amount of \$49,339 and \$31,681, respectively, to support its mission. The Agency is tracked as a separate department but is reported within the financial statements of the District. In 2023 and 2022, the Agency had total revenue of \$432,841 and \$332,164, respectively, and total expenses of \$469,632 and \$340,210, respectively.

NOTE 14: IMPLEMENTATION OF NEW ACCOUNTING STANDARD

As of January 1, 2022, the District adopted GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. The adoption resulted in recognition of subscription assets of \$46,507 and subscription liabilities of \$7,425, which were reported at present value using the District’s estimated incremental borrowing rate unless otherwise noted in the contract as of January 1, 2022. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users. This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases*, as amended. The effect of the implementation of this standard had no impact on beginning net position as of January 1, 2022, and the change in net position for the year ended December 31, 2022 decreased by \$11.

OTHER INFORMATION

FOOTHILLS PARK & RECREATION DISTRICT
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUNDS AVAILABLE
ACTUAL AND BUDGET (NON GAAP BUDGETARY BASIS) (UNAUDITED)
ENTERPRISE FUND
For the Year Ended December 31, 2023

	Actual	Budget	Variance Favorable (Unfavorable)
OPERATING REVENUES			
Aquatics	\$ 1,018,362	\$ 1,100,219	\$ (81,857)
Children's Programs	3,213,306	3,505,102	(291,796)
Golf	8,084,076	5,340,911	2,743,165
Ice Arena	2,757,096	2,649,275	107,821
Recreation Centers	2,123,848	1,911,070	212,778
Recreation Programs	2,838,857	2,866,788	(27,931)
Parks and Regional Parks	160,164	139,205	20,959
General and Administrative	33,921	19,050	14,871
Total Operating Revenues	<u>20,229,630</u>	<u>17,531,620</u>	<u>2,698,010</u>
OPERATING EXPENSES			
Aquatics	2,053,301	2,247,822	194,521
Children's Programs	2,886,833	3,116,441	229,608
Golf	4,534,625	4,410,181	(124,444)
Ice Arena	2,048,610	1,933,199	(115,411)
Recreation Centers	3,077,096	3,093,687	16,591
Recreation Programs	2,219,266	2,325,470	106,204
Parks and Regional Parks	4,764,218	5,093,102	328,884
General and Administrative	2,336,774	2,471,314	134,540
Facilities & Equipment Repairs and Replacements	26,568,998	34,826,820	8,257,822
Total Operating Expenses	<u>50,489,721</u>	<u>59,518,036</u>	<u>9,028,315</u>
OPERATING LOSS	<u>(30,260,091)</u>	<u>(41,986,416)</u>	<u>11,726,325</u>
NONOPERATING REVENUES (EXPENSES)			
Funds Available	-	29,812,465	(29,812,465)
Property and Specific Ownership Taxes	15,096,409	15,085,618	10,791
Conservation Trust	637,014	548,809	88,205
Grants	686,411	373,937	312,474
Grants Expense	(235,209)	(250,539)	15,330
Investment Income	1,695,507	205,208	1,490,299
Debt Service:			
Debt Principal and Interest	(3,565,816)	(3,571,663)	5,847
Interest Expense Subsidy	-	-	-
Proceeds from the Sale of Capital Assets	25,348	-	25,348
Proceeds from the Sale of Assets, Net of Expense	3,468	-	3,468
Proceeds from Insurance	484,996	-	484,996
Other Expenses	(218,327)	(217,419)	(908)
Total Net Nonoperating Revenues (Expenses)	<u>14,609,801</u>	<u>41,986,416</u>	<u>(27,376,615)</u>
NET CHANGE IN FUNDS AVAILABLE	<u>(15,650,290)</u>	<u>\$ -</u>	<u>\$ (15,650,290)</u>
FUNDS AVAILABLE - Beginning of year	<u>39,245,560</u>		
FUNDS AVAILABLE - End of year	<u>\$ 23,595,270</u>		
Funds available is computed as follows:			
Current Assets	\$ 47,051,770		
Current Portion of Lease Receivable	(774,662)		
Long-term investments	944,296		
Prepaid SBITA Assets	86,940		
Current Liabilities	(9,491,269)		
Accrued Compensated Absences Payable Non-Current Portion	(151,724)		
Current Portion of Long-term Debt	2,020,000		
Current Portion of Lease Payable	27,427		
Current Portion of SBITA Payable	65,217		
Deferred Property Taxes	(16,182,725)		
	<u>\$ 23,595,270</u>		

FOOTHILLS PARK & RECREATION DISTRICT
RECONCILIATION OF NON GAAP BUDGETARY BASIS (ACTUAL) TO
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION (UNAUDITED)
ENTERPRISE FUND
For the Year Ended December 31, 2023

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 and amortization is recorded on assets associated with leased equipment and subscription assets. 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, debt service and lease payments, regardless of the period those disbursements benefit. The following table shows the reconciliation of the Non-GAAP budgetary basis to the Statements of Revenues, Expenses, and Changes in Net Position for the year ended December 31, 2023:

Operating Revenues (Budgetary Basis)	\$ 20,229,630
Amortization of Lease Related Deferred Inflow of Resources	816,995
Principal Payments Received on Leases Receivable	<u>(770,445)</u>
Operating Revenues (GAAP)	<u>20,276,180</u>
 Operating Expenses (Budgetary Basis)	 50,489,721
Depreciation and Amortization	3,986,390
Amortization of Prepaid Subscription Assets	(28,493)
Principal Payments Paid on Leases Payable	(24,664)
Principal Payments Paid on Subscriptions Payable	(13,645)
Capital Outlay	<u>(25,606,858)</u>
Operating Expenses (GAAP)	<u>28,802,451</u>
 Nonoperating Revenues (Expenses) (Budgetary Basis)	 14,609,801
Debt Principal Payments	1,945,000
Amortization of Bond Premiums	363,053
Amortization of Deferred Loss on Refunding	(39,307)
Loss on Disposal of Capital Assets	<u>(131,973)</u>
Nonoperating Revenues (Expenses) (GAAP)	<u>16,746,574</u>
 Change in Net Position per Statements of Revenues, Expenses and Changes in Net Position	 <u><u>\$ 8,220,303</u></u>

FOOTHILLS PARK & RECREATION DISTRICT
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUNDS AVAILABLE
ACTUAL AND BUDGET (NON GAAP BUDGETARY BASIS) (UNAUDITED)
ENTERPRISE FUND
For the Year Ended December 31, 2022

	Actual	Budget	Variance Favorable (Unfavorable)
OPERATING REVENUES			
Aquatics	\$ 951,756	\$ 896,376	\$ 55,380
Children's Programs	2,130,627	3,277,086	(1,146,459)
Golf	7,056,903	4,980,700	2,076,203
Ice Arena	2,583,033	2,585,177	(2,144)
Recreation Centers	1,633,501	1,754,992	(121,491)
Recreation Programs	2,289,202	2,303,301	(14,099)
Parks and Regional Parks	456,695	537,709	(81,014)
General and Administrative	34,156	18,500	15,656
Total Operating Revenues	<u>17,135,873</u>	<u>16,353,841</u>	<u>782,032</u>
OPERATING EXPENSES			
Aquatics	1,981,929	2,015,205	33,276
Children's Programs	2,522,774	3,009,425	486,651
Golf	4,550,244	4,149,887	(400,357)
Ice Arena	1,918,977	1,729,826	(189,151)
Recreation Centers	2,865,293	3,041,687	176,394
Recreation Programs	2,154,659	2,084,184	(70,475)
Parks and Regional Parks	4,483,295	4,734,988	251,693
General and Administrative	2,343,439	2,384,192	40,753
Facilities & Equipment Repairs and Replacements	19,352,292	46,083,053	26,730,761
Total Operating Expenses	<u>42,172,902</u>	<u>69,232,447</u>	<u>27,059,545</u>
OPERATING LOSS	<u>(25,037,029)</u>	<u>(52,878,606)</u>	<u>27,841,577</u>
NONOPERATING REVENUES (EXPENSES)			
Funds Available	-	41,198,709	(41,198,709)
Property and Specific Ownership Taxes	15,253,212	15,368,041	(114,829)
Conservation Trust	586,730	513,088	73,642
Grants	1,593,101	90,966	1,502,135
Grants Expense	(110,815)	(151,654)	40,839
Investment Income	652,277	37,361	614,916
Debt Service:			
Debt Principal and Interest	(3,957,833)	(3,967,712)	9,879
Interest Expense Subsidy	7,877	11,068	(3,191)
Proceeds from the Sale of Capital Assets	67,906	-	67,906
Proceeds from the Sale of Assets, Net of Expense	3,583	-	3,583
Proceeds from Insurance	17,630	-	17,630
Other Expenses	(223,224)	(221,261)	(1,963)
Total Net Nonoperating Revenues (Expenses)	<u>13,890,444</u>	<u>52,878,606</u>	<u>(38,988,162)</u>
NET CHANGE IN FUNDS AVAILABLE	<u>(11,146,585)</u>	<u>\$ -</u>	<u>\$ (11,146,585)</u>
FUNDS AVAILABLE - Beginning of year	<u>50,392,145</u>		
FUNDS AVAILABLE - End of year	<u>\$ 39,245,560</u>		
Funds available is computed as follows:			
Current Assets	\$ 37,132,545		
Current Portion of Lease Receivable	(770,445)		
Long-term investments	1,164,041		
Prepaid SBITA Assets	23,705		
Current Liabilities	(7,756,337)		
Accrued Compensated Absences Payable Non-Current Portion	(160,989)		
Current Portion of Long-term Debt	1,945,000		
Current Portion of Lease Payable	24,664		
Current Portion of SBITA Payable	1,496		
Deferred Property Taxes	(14,091,268)		
	<u>\$ 39,245,560</u>		

FOOTHILLS PARK & RECREATION DISTRICT
RECONCILIATION OF NON GAAP BUDGETARY BASIS (ACTUAL) TO
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION (UNAUDITED)
ENTERPRISE FUND
For the Year Ended December 31, 2022

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 and amortization is recorded on assets associated with leased equipment and subscription assets. 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, debt service and lease payments, regardless of the period those disbursements benefit. The following table shows the reconciliation of the Non-GAAP budgetary basis to the Statements of Revenues, Expenses, and Changes in Net Position for the year ended December 31, 2022:

Operating Revenues (Budgetary Basis)	\$ 17,135,873
Amortization of Lease Related Deferred Inflow of Resources	812,272
Principal Payments Received on Leases Receivable	<u>(752,714)</u>
Operating Revenues (GAAP)	<u>17,195,431</u>
Operating Expenses (Budgetary Basis)	42,172,902
Depreciation and Amortization	3,567,662
Amortization of Prepaid Subscription Assets	(31,443)
Principal Payments Paid on Leases Payable	(22,436)
Principal Payments Paid on Subscriptions Payable	(5,929)
Capital Outlay	<u>(18,841,352)</u>
Operating Expenses (GAAP)	<u>26,839,404</u>
Nonoperating Revenues (Expenses) (Budgetary Basis)	13,890,444
Debt Principal Payments	2,257,300
Amortization of Bond Premiums	364,320
Amortization of Deferred Loss on Refunding	(42,376)
Loss on Disposal of Capital Assets	<u>(49,014)</u>
Nonoperating Revenues (Expenses) (GAAP)	<u>16,420,674</u>
Change in Net Position per Statements of Revenues, Expenses and Changes in Net Position	<u>\$ 6,776,701</u>

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
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%
2021/2022	100,999,368	1,414,072,760	26,982,935	1,515,072,128	9.06%
2022/2023	98,568,674	1,389,155,623	26,339,352	1,487,724,297	-1.81%

(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
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
2021/2022	6.829	0.000	2.669	0.000	4.300	4.105
2022/2023	6.829	0.000	2.669	0.000	8.405	0.000

(1) In addition to mills levied for the payment of tax credits, refunds, and abateements 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
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%
2021/2022	14,347,376	14,268,307	99.4%
2022/2023	14,091,268	14,076,114	99.9%

(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>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Operating Revenues				As Restated	
Fees and Charges:					
Aquatics	\$ 865,612	\$ 386,017	\$ 817,973	\$ 951,756	\$ 1,018,362
Children's Programs	3,271,735	1,260,708	1,743,268	2,130,627	3,213,306
Golf	4,775,944	6,645,712	7,218,366	7,056,992	8,083,987
Ice Arena	2,063,992	1,519,297	2,369,165	2,630,924	2,790,921
Recreation Centers	1,487,502	875,736	1,232,208	1,633,501	2,123,848
Recreation Programs	2,372,571	1,015,556	1,953,131	2,300,871	2,850,023
Parks and Regional Parks	480,606	236,456	503,851	456,604	161,812
General and Administrative	17,714	8,748	48,762	34,156	33,921
Total	<u>15,335,676</u>	<u>11,948,230</u>	<u>15,886,724</u>	<u>17,195,431</u>	<u>20,276,180</u>
Operating Expenses					
Aquatics	1,720,910	1,280,812	1,851,269	1,981,929	2,053,301
Children's Programs	2,652,038	1,929,931	2,141,536	2,522,774	2,886,833
Golf	3,716,276	3,870,897	4,206,636	4,523,014	4,504,524
Ice Arena	1,529,018	1,218,413	1,605,348	1,913,048	2,047,115
Recreation Centers	2,625,720	2,203,321	2,674,976	2,865,293	3,077,096
Recreation Programs	1,923,091	1,451,877	1,853,317	2,154,659	2,219,266
Parks and Regional Parks	3,919,997	4,112,855	4,328,455	4,483,295	4,764,218
General and Administrative	1,906,268	2,265,012	2,116,275	2,316,790	2,301,569
Facilities & Equipment Repairs and Replacements	1,289,710	899,312	820,216	510,940	962,139
Depreciation	2,828,543	3,068,322	3,146,039	3,567,662	3,986,390
Total	<u>24,111,571</u>	<u>22,300,752</u>	<u>24,744,067</u>	<u>26,839,404</u>	<u>28,802,451</u>
Operating Loss	(8,775,895)	(10,352,522)	(8,857,343)	(9,643,973)	(8,526,271)
Nonoperating Revenues (Expenses)					
Property and Specific Ownership Taxes	12,673,093	14,002,521	14,015,179	15,253,212	15,096,409
Conservation Trust	553,927	501,080	591,421	586,730	637,014
Grants and Contributions	931,793	1,977,388	934,061	1,593,101	686,411
Grants Expense	(219,336)	(135,131)	(46,174)	(110,815)	(235,209)
Investment Income	213,569	82,720	1,539	652,277	1,695,507
Interest Expense	(805,294)	(689,503)	(834,301)	(1,378,591)	(1,297,070)
Interest Expense Subsidy	33,575	26,928	18,215	7,877	-
Bond Issuance Cost	-	-	(255,350)	-	-
Gain (Loss) on Sale of Assets	(19,775)	28,673	62,426	22,477	28,617
Proceeds from Insurance	8,855	28,994	5,653	17,630	353,222
Other Income	-	-	-	-	-
Other Expenses	(190,564)	(202,986)	(213,866)	(223,224)	(218,327)
Total	<u>13,179,843</u>	<u>15,620,684</u>	<u>14,278,803</u>	<u>16,420,674</u>	<u>16,746,574</u>
Change in Net Position	4,403,948	5,268,162	5,421,460	6,776,701	8,220,303
Beginning Net Position	70,991,272	75,395,220	80,663,382	86,084,842	92,861,543
Ending Net Position	<u>\$ 75,395,220</u>	<u>\$ 80,663,382</u>	<u>\$ 86,084,842</u>	<u>\$ 92,861,543</u>	<u>\$ 101,081,846</u>

FOOTHILLS PARK AND RECREATION DISTRICT
Historical Net Position (Unaudited)

	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
				As Restated	
Net Investment in Capital Assets	\$ 63,666,623	\$ 67,004,564	\$ 69,409,656	\$ 72,412,235	\$ 72,868,570
Restricted	804,000	736,000	911,000	1,011,000	1,131,000
Unrestricted	<u>10,924,597</u>	<u>12,922,818</u>	<u>15,764,186</u>	<u>19,438,308</u>	<u>27,082,276</u>
Total Net Position	<u>\$ 75,395,220</u>	<u>\$ 80,663,382</u>	<u>\$ 86,084,842</u>	<u>\$ 92,861,543</u>	<u>\$ 101,081,846</u>