

FOOTHILLS PARK & RECREATION DISTRICT
Jefferson County, Colorado

FINANCIAL STATEMENTS

For the years ended
December 31, 2025 and 2024

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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, 2025 and 2024, and the related notes to the financial statements, which collectively comprise the Foothills Park and Recreation District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of Foothills Park and Recreation District as of December 31, 2025 and 2024, and the respective 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 audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are required to be independent of the Foothills Park and Recreation District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. 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 the 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 GAAS, 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), Reconciliation 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 do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

Forvis Mazars, LLP

Denver, Colorado

April 13, 2026

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, 2025 and 2024. Comparative total data for the prior year has been presented in the accompanying management discussion and analysis and financial statements in order to provide an understanding of changes in the District’s financial position and operations. Please read management’s discussion and analysis in conjunction with the financial statements and notes to the financial statements.

FINANCIAL HIGHLIGHTS

- ◆ In 2025 District golf course revenue continued to be significantly higher than historic levels. In addition, the District experienced operating revenue growth in most other revenue generating activities. In total, the District’s operating revenue was \$25.2 million, which was higher than budget by \$5.0 million.
- ◆ The District completed the construction of the Dutch Creek Trail extension and the new trail was placed in service in 2025.
- ◆ 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, 2025 by \$116.6 million (net position), an increase from 2024 of \$7.2 million. Of this amount, \$22.1 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 increased \$1.7 million to \$24.2 million primarily due to favorable operating performance and the timing of spending on capital projects that were budgeted for 2025, but carried forward to the 2026 budget year. As of December 31, 2024, all 2021 Certificate of Participation funds were fully spent for project purposes.
- ◆ The District’s total long-term debt decreased \$2.5 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, 2025 and 2024 is presented below:

	Net Position			
	2025	2024	\$ Change	% Change
Current and Other Assets	\$ 48,295,713	\$ 46,167,670	\$ 2,128,043	4.61%
Capital, Lease and Subscription Assets	133,214,395	130,279,428	2,934,967	2.25%
Total Assets	181,510,108	176,447,098	5,063,010	2.87%
Deferred Outflows of Resources	103,679	142,986	(39,307)	-27.49%
Current Liabilities	6,544,089	6,089,863	454,226	7.46%
Noncurrent Liabilities	37,454,980	40,045,045	(2,590,065)	-6.47%
Total Liabilities	43,999,069	46,134,908	(2,135,839)	-4.63%
Deferred Inflows of Resources	20,986,349	20,992,370	(6,021)	-0.03%
Net Investment in Capital Assets	93,179,225	87,931,169	5,248,056	5.97%
Restricted	1,321,000	1,261,000	60,000	4.76%
Unrestricted	22,128,144	20,270,637	1,857,507	9.16%
Total Net Position	\$ 116,628,369	\$ 109,462,806	\$ 7,165,563	6.55%

As can be seen from the chart above, Total Net Position increased \$7,165,563, or 6.55% in 2025. Restricted Net Position, which had a balance of \$1,321,000 as of December 31, 2025, 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, 2025, the District had a general reserve fund of \$2,643,000, which is included in Unrestricted Net Position.

A summary of the District’s Statements of Net Position as of December 31, 2024 and 2023 is presented below:

	Net Position			
	2024	2023	\$ Change	% Change
Current and Other Assets	\$ 46,167,670	\$ 52,935,046	\$ (6,767,376)	-12.78%
Capital, Lease and Subscription Assets	130,279,428	121,337,381	8,942,047	7.37%
Total Assets	<u>176,447,098</u>	<u>174,272,427</u>	<u>2,174,671</u>	<u>1.25%</u>
Deferred Outflows of Resources	<u>142,986</u>	<u>182,292</u>	<u>(39,306)</u>	<u>-21.56%</u>
Current Liabilities	6,089,863	9,631,604	(3,541,741)	-36.77%
Noncurrent Liabilities	40,045,045	42,414,847	(2,369,802)	-5.59%
Total Liabilities	<u>46,134,908</u>	<u>52,046,451</u>	<u>(5,911,543)</u>	<u>-11.36%</u>
Deferred Inflows of Resources	<u>20,992,370</u>	<u>21,730,367</u>	<u>(737,997)</u>	<u>-3.40%</u>
Net Investment in Capital Assets	87,931,169	72,868,570	15,062,599	20.67%
Restricted	1,261,000	1,131,000	130,000	11.49%
Unrestricted	20,270,637	26,678,331	(6,407,694)	-24.02%
Total Net Position	<u>\$ 109,462,806</u>	<u>\$ 100,677,901</u>	<u>\$ 8,784,905</u>	<u>8.73%</u>

In 2024, Total Net Position increased \$8,784,905, or 8.73%. Restricted Net Position, which had a balance of \$1,261,000 as of December 31, 2024, 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, 2024, the District had a general reserve fund of \$2,521,000, 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 2024 to 2025 as presented below:

Statements of Revenues, Expenses and Changes in Net Position, 2025 and 2024

	<u>2025</u>	<u>2024</u>	<u>\$ Change</u>	<u>% Change</u>
Operating Revenues Fees and Charges	\$ 25,160,255	\$ 22,617,763	\$ 2,542,492	11.24%
Operating Expenses	(36,448,370)	(34,085,693)	(2,362,677)	-6.93%
Net Loss From Operations	<u>(11,288,115)</u>	<u>(11,467,930)</u>	<u>179,815</u>	<u>1.57%</u>
Nonoperating Revenues (Expenses)				
Property and Specific Ownership Taxes	17,293,859	17,722,628	(428,769)	-2.42%
Conservation Trust Fund	545,198	556,600	(11,402)	-2.05%
Grants and Contributions	226,141	383,531	(157,390)	-41.04%
Grants Expense	(143,556)	(118,915)	(24,641)	-20.72%
Interest Expense	(1,149,015)	(1,227,641)	78,626	6.40%
Gain (Loss) on Sale of Assets	42,035	618,375	(576,340)	-93.20%
Insurance Proceeds	-	18,734	(18,734)	-100.00%
Investment Income	1,046,553	1,121,727	(75,174)	-6.70%
Other Expenses	(249,875)	(257,104)	7,229	2.81%
Total Net Nonoperating Revenues (Expenses)	<u>17,611,340</u>	<u>18,817,935</u>	<u>(1,206,595)</u>	<u>-6.41%</u>
Other Revenues (Expenses), Gains or (Losses)	842,338	1,434,900	(592,562)	-41.30%
Change in Net Position	7,165,563	8,784,905	(1,619,342)	-18.43%
Net Position, Beginning of Year	109,462,806	100,677,901	8,784,905	8.73%
Net Position, End of Year	<u>\$ 116,628,369</u>	<u>\$ 109,462,806</u>	<u>\$ 7,165,563</u>	<u>6.55%</u>

Comparison of Revenue and Expenses – 2025 to 2024

Operating Revenues derived from Fees and Charges for Services were \$25,160,255 in 2025 compared to \$22,617,763 in 2024, an increase of \$2,542,492, or 11.24%. Golf, Children's Programs, and Recreation Programs had the most significant increases of \$1,940,918, \$440,877 and \$85,401 respectively, driven by increased participation and price increases in program offerings in these areas.

Operating Expenses in 2025 were \$36,448,370 compared to \$34,085,693 in 2024, an increase of \$2,362,677, or 6.93%. Operating Expenses increased due to higher salary and personnel costs, operating supplies and purchased services expenses, all driven by increased levels of activity in operating revenue producing areas and inflationary increases in all areas of operation. The most significant increases occurred in Golf, Children's Programs, Recreation Centers, Aquatics and at the Edge Ice Arena, which increased \$643,829, \$267,423, \$223,411, \$213,176, and \$210,942, respectively. Facilities and Equipment Repairs and Replacements were lower than 2024 by \$287,470 driven by decreased levels of improvements and equipment purchases that did not meet the criteria

for capitalization as capital assets, and Depreciation and Amortization increased by \$677,152 compared to 2024 mainly resulting from a full year of depreciation expense on the new Foothills Golf Course Clubhouse, which was placed in service in early 2024, and depreciation expense on the Dutch Creek Trail extension and Easton Ball Park improvement assets, which were placed in service in 2025.

Property and Specific Ownership Taxes were \$17,293,859 in 2025 versus \$17,722,628 in 2024, a decrease of \$428,769, which was attributable to backfill property tax payments received in 2024 from the State of Colorado under State Senate Bill 22-234. Conservation Trust Fund revenues were \$545,198 and \$556,600 in 2025 and 2024, respectively, reflecting a decrease in State of Colorado lottery ticket sales allocable to the District for 2025.

Grants and Contributions decreased to \$226,141 in 2025 versus \$383,531 in 2024 primarily driven by grant proceeds received in 2024 from the Colorado Department of Early Childhood.

In 2025, 69.03% of the District’s total operations were covered by fees and charges from programs and facilities and the remaining 30.97% came from property and specific ownership taxes, grants and other sources. The District’s parks, greenbelts and trails are costly to maintain and account for \$5,328,331 of the \$11,288,115 operating loss the District incurred in 2025. The District’s pools and recreation centers are also costly to operate and were subsidized \$2,729,280 from other revenue sources besides the fees and charges paid by the users of these facilities in 2025. The \$17,293,859 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 construction projects that replaced the Foothills Golf Course Clubhouse and completed 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, 2025 and 2024:

Expense Recovery Through Fees and Charges

	<u>2025</u>	<u>2024</u>	<u>\$ Change</u>	<u>% Change</u>
Operating Revenues	\$ 25,160,255	\$ 22,617,763	\$ 2,542,492	11.24%
Operating Expenses	\$ 36,448,370	\$ 34,085,693	\$ 2,362,677	6.93%
% Expense Recovery Through Operating Fees and Charges	<u>69.03%</u>	<u>66.36%</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 2023 to 2024 as presented below:

Statements of Revenues, Expenses and Changes in Net Position, 2024 and 2023

	<u>2024</u>	<u>2023</u>	<u>\$ Change</u>	<u>% Change</u>
Operating Revenues Fees and Charges	\$ 22,617,763	\$ 20,276,180	\$ 2,341,583	11.55%
Operating Expenses	(34,085,693)	(28,781,733)	(5,303,960)	-18.43%
Net Loss From Operations	<u>(11,467,930)</u>	<u>(8,505,553)</u>	<u>(2,962,377)</u>	<u>-34.83%</u>
Nonoperating Revenues (Expenses)				
Property and Specific Ownership Taxes	17,722,628	15,096,409	2,626,219	17.40%
Conservation Trust Fund	556,600	637,014	(80,414)	-12.62%
Grants and Contributions	383,531	686,411	(302,880)	-44.13%
Grants Expense	(118,915)	(235,209)	116,294	49.44%
Interest Expense	(1,227,641)	(1,297,070)	69,429	5.35%
Gain (Loss) on Sale of Assets	618,375	28,617	589,758	2060.87%
Insurance Proceeds	18,734	353,222	(334,488)	-94.70%
Investment Income	1,121,727	1,695,507	(573,780)	-33.84%
Other Expenses	(257,104)	(218,327)	(38,777)	-17.76%
Total Net Nonoperating Revenues (Expenses)	<u>18,817,935</u>	<u>16,746,574</u>	<u>2,071,361</u>	<u>12.37%</u>
Other Revenues (Expenses), Gains or (Losses)	1,434,900	-	1,434,900	100.00%
Change in Net Position	8,784,905	8,241,021	543,884	6.60%
Net Position, Beginning of Year	100,677,901	92,436,880	8,241,021	8.92%
Net Position, End of Year	<u>\$ 109,462,806</u>	<u>\$ 100,677,901</u>	<u>\$ 8,784,905</u>	<u>8.73%</u>

Comparison of Revenue and Expenses – 2024 to 2023

Operating Revenues derived from Fees and Charges for Services were \$22,617,763 in 2024 compared to \$20,276,180 in 2023, an increase of \$2,341,583, or 11.55%. Golf, Recreation Programs, Children's Programs, and Aquatics had the most significant increases of \$1,310,648, \$293,181, \$288,185 and \$215,262 respectively, driven by increased participation in program offerings in these areas.

Operating Expenses in 2024 were \$34,085,693 compared to \$28,781,733 in 2023, an increase of \$5,303,960, or 18.43%. Operating Expenses increased due to higher salary and personnel costs, operating supplies and purchased services expenses, all driven by increased levels of activity in operating revenue producing areas and inflationary increases in all areas of operation. The most significant increases occurred in Golf, Parks and Regional Parks, Aquatics, General and Administrative and in Children's Programs, which increased \$673,386, \$635,383, \$446,449, \$374,654 and \$346,363, respectively. Facilities and Equipment Repairs and Replacements were higher than 2023 by \$1,089,430 driven by increased levels of improvements and equipment purchases that did not meet the criteria for capitalization as capital assets, and Depreciation and Amortization increased by \$1,251,201 compared to 2023 mainly resulting from depreciation expense on two new pool

facilities placed in service in late 2023 and the new Foothills Golf Course Clubhouse, which was placed in service in early 2024.

Property and Specific Ownership Taxes were \$17,722,628 in 2024 versus \$15,096,409 in 2023, an increase of \$2,626,219, which was attributable to a 14.94% increase in assessed values for the 2024 tax collection year. Conservation Trust Fund revenues were \$556,600 and \$637,014 in 2024 and 2023, respectively, reflecting a decrease in State of Colorado lottery ticket sales allocable to the District for 2024.

Grants and Contributions decreased \$302,880 primarily driven by grant proceeds received in 2023 under the Child Care Operations Stabilization and Workforce Sustainability Grants through the State of Colorado.

In 2024, 66.36% of the District's total operations were covered by fees and charges from programs and facilities and the remaining 33.64% came from property and specific ownership taxes, grants and other sources. The District's parks, greenbelts and trails are costly to maintain and account for \$5,159,616 of the \$11,467,930 operating loss the District incurred in 2024. The District's pools and recreation centers are also costly to operate and were subsidized \$2,358,711 from other revenue sources besides the fees and charges paid by the users of these facilities in 2024. The \$17,722,628 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 construction projects that replaced the Foothills Golf Course Clubhouse and completed 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, 2024 and 2023:

Expense Recovery Through Fees and Charges				
	<u>2024</u>	<u>2023</u>	<u>\$ Change</u>	<u>% Change</u>
Operating Revenues	\$ 22,617,763	\$ 20,276,180	\$ 2,341,583	11.55%
Operating Expenses	\$ 34,085,693	\$ 28,781,733	\$ 5,303,960	18.43%
% Expense Recovery Through Operating Fees and Charges	<u>66.36%</u>	<u>70.45%</u>		

Comparison of Revenue and Expenses – 2025 Actual to 2025 Budget

Budgetary basis Operating Revenues for the current year were \$25,141,865 compared to budget of \$20,112,309 or \$5,029,556 favorable to plan. Operating revenues were favorable to plan in Golf by \$4,432,192 or 64.20% resulting from a significant increase in rounds and rental revenue at both District golf courses as golf continued in 2025 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, Recreation Programs and at the Edge Ice Arena by \$199,498, \$166,914 and \$150,754, respectively due to higher than anticipated patron facility usage.

Budgetary basis Operating Expenses were \$39,538,153 compared to budget of \$44,355,457, which was \$4,817,304 less than planned. This was mainly a result of lower than planned capital expenditures, driven by the timing of spending on budgeted energy conservation projects and a \$3,000,000 budget allocation that is designated for spending on a large future unidentified capital project and is being carried forward to the 2026 budget year.

Budgetary basis Net Nonoperating Revenues were \$15,253,719 compared to budget of \$24,243,148 or \$8,989,429 unfavorable to plan. This was mostly due to carry forward funds for the Dutch Creek Trail project and other capital projects which were included in the 2025 budget. Excluding the carry over of \$9,785,553, Net Nonoperating revenues were favorable to the budget by \$796,124 mainly due to higher than planned interest income due to higher invested balances and higher yields on those balances and slightly higher than planned Grants and Contributions for the year.

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 – 2024 Actual to 2024 Budget

Budgetary basis Operating Revenues for the current year were \$22,580,923 compared to budget of \$19,207,767 or \$3,373,156 favorable to plan. Operating revenues were favorable to plan in Golf by \$2,866,381 or 43.91% resulting from a significant increase in rounds and rental revenue at both District golf courses as golf continued in 2024 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 Recreation Programs by \$252,287 and \$188,811, respectively due to higher than anticipated patron facility usage. These favorable variances were partially offset by lower than budgeted revenue in Children's Programs which was lower by \$181,343 resulting from lower participation than planned in preschool and camp programs.

Budgetary basis Operating Expenses were \$42,468,116 compared to budget of \$50,602,228, which was \$8,134,112 less than planned. This was mainly a result of lower than planned capital expenditures, driven by the timing of spending on the Dutch Creek Trail extension, and the timing of spending on several regional and neighborhood park improvement projects.

Budgetary basis Net Nonoperating Revenues were \$16,474,289 compared to budget of \$29,533,849 or \$13,059,560 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 2024 budget. Excluding the carry over of \$15,234,529, Net Nonoperating revenues were favorable to the budget by \$2,174,969 mainly due to backfill property tax payments received from the State of Colorado under State Senate Bill 22-234, proceeds received

from the sale of fixed assets, and higher than planned interest income due to higher invested balances and higher yields on those 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, 2025, 2024 and 2023, the District had invested \$133,214,395, \$130,279,428 and \$121,337,381, 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 2025, The District's net capital, lease and subscription assets increased by \$2,934,967 from net capital, lease and subscription assets at the end of 2024 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 2025 were associated with the Dutch Creek Trail extension project and improvements at Easton Park to add a new ball diamond. In 2024, The District's net capital, lease and subscription assets increased by \$8,942,047 from net capital, lease and subscription assets at the end of 2023 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 2024 were associated with the Foothills Golf Course Clubhouse and the Dutch Creek Trail extension project. 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, 2025:

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

	<u>2025</u>	<u>2024</u>	<u>\$ Change</u>	<u>% Change</u>
Land	\$ 23,728,375	\$ 23,728,375	\$ -	0.00%
Water Rights	983,500	983,500	-	0.00%
Buildings	48,449,581	49,947,420	(1,497,839)	-3.00%
Improvements	49,271,753	44,020,188	5,251,565	11.93%
Furniture, Fixtures and Equipment	7,342,004	7,120,253	221,751	3.11%
Subscription IT Assets	41,716	114,548	(72,832)	-63.58%
Leased Equipment	115,937	144,519	(28,582)	-19.78%
Vehicles	583,933	640,532	(56,599)	-8.84%
Construction in Progress	2,697,596	3,580,093	(882,497)	-24.65%
Total Capital, Lease and Subscription Assets	<u>\$ 133,214,395</u>	<u>\$ 130,279,428</u>	<u>\$ 2,934,967</u>	<u>2.25%</u>

The table below summarizes changes in capital, lease and subscription assets for the year ended December 31, 2024:

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

	<u>2024</u>	<u>2023</u>	<u>\$ Change</u>	<u>% Change</u>
Land	\$ 23,728,375	\$ 23,728,375	\$ -	0.00%
Water Rights	983,500	983,500	-	0.00%
Buildings	49,947,420	34,820,282	15,127,138	43.44%
Improvements	44,020,188	39,842,861	4,177,327	10.48%
Furniture, Fixtures and Equipment	7,120,253	4,784,546	2,335,707	48.82%
Subscription IT Assets	114,548	174,494	(59,946)	100.00%
Leased Equipment	144,519	31,296	113,223	0.00%
Vehicles	640,532	500,079	140,453	28.09%
Construction in Progress	3,580,093	16,471,948	(12,891,855)	-78.27%
Total Capital, Lease and Subscription Assets	<u>\$ 130,279,428</u>	<u>\$ 121,337,381</u>	<u>\$ 8,942,047</u>	<u>7.37%</u>

Long-Term Debt

In 2025, the District paid \$2,095,000 in debt principal repayments and at December 31, 2025 had \$39,052,595 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, 2025:

Changes in Long-Term Debt

	<u>2025</u>	<u>2024</u>	<u>\$ Change</u>	<u>% Change</u>
Certificates of Participation	\$ 34,180,000	\$ 36,275,000	\$ (2,095,000)	-5.78%
Unamortized Deferred Charges	(103,679)	(142,986)	39,307	27.49%
Unamortized Bond Premium	4,976,274	5,339,327	(363,053)	-6.80%
Total Long-Term Debt	<u>\$ 39,052,595</u>	<u>\$ 41,471,341</u>	<u>\$ (2,418,746)</u>	<u>-5.83%</u>

In 2024, the District paid \$2,020,000 in debt principal repayments and at December 31, 2024 had \$41,471,341 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, 2024:

Changes in Long-Term Debt

	2024	2023	\$ Change	% Change
Certificates of Participation	\$ 36,275,000	\$ 38,295,000	\$ (2,020,000)	-5.27%
Unamortized Deferred Charges	(142,986)	(182,292)	39,306	21.56%
Unamortized Bond Premium	5,339,327	5,702,379	(363,052)	-6.37%
Total Long-Term Debt	\$ 41,471,341	\$ 43,815,087	\$ (2,343,746)	-5.35%

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. The average unemployment rate in Jefferson County was 3.4% in December, 2025 versus 4.3% in December, 2024. In 2024, for taxes collected in 2025, property assessed valuations within the District increased by 0.54%.

In recent years, the District has experienced an increase in the number of patron visits to our facilities and to our various programs, in addition, the District has implemented price increases for many programs and services. As a result, in 2025 and 2024, the District experienced significant increases in operating revenue versus prior years in most departments. The District’s golf rounds and related revenues continued at a higher than normal historic levels in 2025 and 2024 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 had a nine-year sunset provision. In November 2024, a majority of the District’s voters approved an extension of this mill levy into perpetuity.

Property tax revenue increases resulting from valuation changes beyond 2025 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, 2025 and 2024

	2025	2024
ASSETS		
Current Assets		
Cash and Cash Equivalents	\$ 22,287,200	\$ 20,556,415
Cash With Fiscal Agent	295,199	459,028
Short-Term Investments	732,399	268,777
Receivables	646,235	452,337
Pollution Remediation Recovery Receivable	291,340	-
Grant Receivables	842,338	930,306
Property Taxes Receivable	17,061,711	16,256,230
Current Portion of Lease Receivable	811,981	793,112
Inventories	158,891	124,091
Prepaid Expenses	983,899	984,204
Total Current Assets	44,111,193	40,824,500
Noncurrent Assets		
Long-Term Investments	850,634	1,197,302
Lease Receivable	3,333,886	4,145,868
Capital, Lease and Subscription Assets		
Land, Water Rights and Construction in Progress	27,409,471	28,291,968
Other Capital, Lease and Subscription Assets, Net of Accumulated Depreciation/Amortization	105,804,924	101,987,460
Total Capital, Lease and Subscription Assets, Net of Accumulated Depreciation/Amortization	133,214,395	130,279,428
Total Assets	181,510,108	176,447,098
DEFERRED OUTFLOWS OF RESOURCES		
Deferred Loss on Refunding	103,679	142,986
Total Assets and Deferred Outflows of Resources	\$ 181,613,787	\$ 176,590,084
LIABILITIES		
Current Liabilities		
Accounts Payables	\$ 1,764,988	\$ 1,734,087
Interest Payable	118,610	126,062
Accrued Payroll Payable	350,330	298,528
Pollution Remediation Payable	220,242	-
Current Portion of Accrued Compensated Absences	739,969	723,523
Current Portion of Long-Term Debt Payable	2,185,000	2,095,000
Current Portion of Lease Payable	26,398	24,357
Current Portion of Subscription Payable	-	13,626
Unearned Revenue	1,138,552	1,074,680
Total Current Liabilities	6,544,089	6,089,863
Non-Current Liabilities		
Accrued Compensated Absences Payable	388,734	404,347
Long-Term Debt Payable	36,971,274	39,519,327
Lease Payable	94,972	121,371
Total Non-Current Liabilities	37,454,980	40,045,045
Total Liabilities	43,999,069	46,134,908
DEFERRED INFLOWS OF RESOURCES		
Property Taxes	17,061,711	16,256,230
Lease Related	3,924,638	4,736,140
Total Deferred Inflows of Resources	20,986,349	20,992,370
NET POSITION		
Net Investment in Capital Assets	93,179,225	87,931,169
Restricted	1,321,000	1,261,000
Unrestricted	22,128,144	20,270,637
Total Net Position	116,628,369	109,462,806
Total Liabilities, Deferred Inflows of Resources and Net Position	\$ 181,613,787	\$ 176,590,084

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, 2025 and 2024

	2025	2024
OPERATING REVENUES		
Fees and Charges:		
Aquatics	\$ 1,281,140	\$ 1,233,624
Children's Programs	3,942,368	3,501,491
Golf	11,335,553	9,394,635
Ice Arena	2,917,976	2,873,548
Recreation Centers	2,242,897	2,224,395
Recreation Programs	3,228,605	3,143,204
Parks and Regional Parks	204,530	224,363
General and Administrative	7,186	22,503
Total Operating Revenues	25,160,255	22,617,763
OPERATING EXPENSES		
Aquatics	2,712,513	2,499,337
Children's Programs	3,507,336	3,239,913
Golf	5,824,582	5,180,753
Ice Arena	2,316,363	2,105,421
Recreation Centers	3,540,804	3,317,393
Recreation Programs	2,556,518	2,407,270
Parks and Regional Parks	5,532,861	5,383,979
General and Administrative	2,778,551	2,662,467
Facilities and Equipment Repairs and Replacements	1,764,099	2,051,569
Depreciation and Amortization	5,914,743	5,237,591
Total Operating Expenses	36,448,370	34,085,693
OPERATING LOSS	(11,288,115)	(11,467,930)
NONOPERATING REVENUES (EXPENSES)		
Property and Specific Ownership Taxes	17,293,859	17,722,628
Conservation Trust Fund	545,198	556,600
Grants and Contributions	226,141	383,531
Grants Expense	(143,556)	(118,915)
Investment Income	1,046,553	1,121,727
Interest Expense	(1,149,015)	(1,227,641)
Gain on the Sale of Assets	42,035	618,375
Proceeds from Insurance	-	18,734
Other Expenses	(249,875)	(257,104)
Total Net Nonoperating Revenues (Expenses)	17,611,340	18,817,935
OTHER REVENUES (EXPENSES), GAINS OR (LOSSES)		
Capital Grants and Contributions	842,338	1,434,900
Total Other Revenues (Expenses), Gains or (Losses)	842,338	1,434,900
CHANGE IN NET POSITION	7,165,563	8,784,905
NET POSITION, Beginning of Year	109,462,806	100,677,901
NET POSITION, End of Year	\$ 116,628,369	\$ 109,462,806

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, 2025 and 2024

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from Customers and Users	\$ 24,121,665	\$ 21,648,201
Payments to Suppliers	(11,966,092)	(11,589,792)
Payments to Employees	<u>(18,804,087)</u>	<u>(17,174,996)</u>
Net Cash Used in Operating Activities	<u>(6,648,514)</u>	<u>(7,116,587)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Property and Specific Ownership Taxes	17,293,859	17,722,628
Receipts from Conservation Trust Fund	545,198	556,600
Pollution Remediation Reimbursement Received	78,174	-
Grants and Contributions Received	226,141	383,531
Other Expenses	<u>(393,431)</u>	<u>(376,019)</u>
Net Cash Provided by Noncapital Financing Activities	<u>17,749,941</u>	<u>18,286,740</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Principal Payments on Long-Term Debt	(2,095,000)	(2,020,000)
Interest Expense Paid on Bonds	(1,480,213)	(1,558,013)
Principal Payments Paid on Lease Payable	(24,358)	(26,322)
Principal Payments Paid on Subscription Payable	(13,626)	(65,217)
Interest Expense Paid on Lease Payable	(6,946)	(1,027)
Interest Expense Paid on Subscription Payable	(374)	(1,523)
Principal Payments Received on Lease Receivable	793,112	774,662
Interest Payments Received on Lease Receivable	98,859	114,068
Acquisition of Capital Assets	(8,767,194)	(17,342,773)
Acquisition of Assets from Subscriptions	-	(15,820)
Proceeds from the Sale of Assets	103,160	618,475
Capital Grants and Contributions Received	930,306	-
Proceeds from Insurance	-	18,734
Net Cash Used in Capital and Related Financing Activities	<u>(10,462,274)</u>	<u>(19,504,756)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of Investments	(850,000)	(499,000)
Proceeds from Sales and Maturities of Investments	769,000	495,000
Interest on Investments	<u>1,008,803</u>	<u>1,093,523</u>
Net Cash Provided by Investing Activities	<u>927,803</u>	<u>1,089,523</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	1,566,956	(7,245,080)
CASH AND CASH EQUIVALENTS, Beginning of Year	<u>21,015,443</u>	<u>28,260,523</u>
CASH AND CASH EQUIVALENTS, End of Year	<u>\$ 22,582,399</u>	<u>\$ 21,015,443</u>

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

(Continued)

FOOTHILLS PARK & RECREATION DISTRICT
STATEMENTS OF CASH FLOWS
For the Years Ended December 31, 2025 and 2024
(Continued)

	2025	2024
RECONCILIATION OF OPERATING LOSS TO NET CASH USED IN OPERATING ACTIVITIES:		
Operating Loss	\$ (11,288,115)	\$ (11,467,930)
Adjustments to Reconcile Operating Loss to Net Cash Used in Operating Activities:		
Depreciation and Amortization	5,914,743	5,237,591
Pollution Remediation Reimbursement	(369,514)	-
Lease Revenue	(910,360)	(927,388)
Lease Expense	6,946	1,027
Subscription Expense	374	1,523
Effect of changes in operating assets and liabilities:		
Receivables	(192,102)	(69,927)
Inventories	(34,800)	49,835
Prepaid Expense	305	(196,259)
Accounts Payable	(112,740)	77,007
Accrued Payroll Payable	51,802	91,131
Pollution Remediation Payable	220,242	-
Accrued Compensated Absences Payable	833	59,050
Unearned Revenue	63,872	27,753
Total Adjustments	4,639,601	4,351,343
NET CASH USED IN OPERATING ACTIVITIES	\$ (6,648,514)	\$ (7,116,587)
 NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES		
Assets Acquired Under Leases	-	145,477
Capital Asset Acquisitions Included in Accounts Payable	861,205	717,564
Assets Acquired Under Capital Contribution	-	504,594
Unrealized (Gain) Loss on Investments	(35,954)	(24,020)
Amortization of Premiums/Deferred Loss on Refunding	323,746	323,746
Amortization of Deferred Inflow - Lease Related	811,502	811,502

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, 2025 and 2024

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 has had no financial activity since 2015.

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

FOOTHILLS PARK & RECREATION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2025 and 2024

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

liabilities associated with the operation of this fund are included on the Statements of Net Position.

Basis of Accounting

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

Proprietary Fund

Proprietary funds distinguish operating revenues and expenses from 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 or other 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.

FOOTHILLS PARK & RECREATION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2025 and 2024

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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.

FOOTHILLS PARK & RECREATION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2025 and 2024

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

FOOTHILLS PARK & RECREATION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2025 and 2024

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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 years ended December 31, 2025 and 2024.

Compensated Absences

District policies permit certain employees to accumulate vacation and sick leave benefits that may be realized as paid time off or, in limited circumstances, as a cash payment. A liability is accrued for compensated absences as the benefits are earned if the leave is more likely than not to be used for time off or settled in cash.

Compensated absence liabilities are computed using the regular pay in effect at statement of net position date plus an additional amount for salary-related payments such as Social Security and Medicare taxes computed using rates in effect at that date. The estimated compensated absences liability expected to be paid more than one year after the statement of net position date is included in non-current liabilities.

Unearned Revenue

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

**FOOTHILLS PARK & RECREATION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2025 and 2024**

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 Refunding

Deferred loss on refunding is 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 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 2025 or 2024.

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.

**FOOTHILLS PARK & RECREATION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2025 and 2024**

NOTE 3: CASH AND INVESTMENTS (CONTINUED)

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, 2025, the carrying amount of the District's deposits in financial institutions was \$5,725,015 and the bank balance was \$6,275,651. As of December 31, 2024, the carrying amount of the District's deposits in financial institutions was \$3,698,537 and the bank balance was \$4,856,124. All deposits exceeding FDIC coverage of \$250,000 were collateralized in accordance with PDPA.

Cash With Fiscal Agent

As of December 31, 2025 and 2024 the District had \$295,199 and \$459,028, respectively, being held by Jefferson County, Colorado as an escrow deposit for grading permits related to construction projects.

Investments

At December 31, 2025, the District had the following investments and remaining maturities:

<u>Investment Type</u>	2025			
	<u>Value</u>	<u>Measurement</u>	<u>Rating</u>	<u>Maturities</u>
Local Government Investment Pools	\$ 16,551,726	Net Asset Value	AAAm	Less than 12 Months
Federal Agency Bonds	247,301	Fair Value	AA+	Less than 12 Months
Federal Agency Bonds	850,634	Fair Value	AA+	1 - 5 Years
Certificates of Deposit	485,098	Fair Value	N/A	Less than 12 Months
Total	<u>\$ 18,134,759</u>			

At December 31, 2024, the District had the following investments and remaining maturities:

<u>Investment Type</u>	2024			
	<u>Value</u>	<u>Measurement</u>	<u>Rating</u>	<u>Maturities</u>
Local Government Investment Pools	\$ 16,847,564	Net Asset Value	AAAm	Less than 12 Months
Federal Agency Bonds	268,777	Fair Value	AA+	Less than 12 Months
Federal Agency Bonds	729,856	Fair Value	AA+	1 - 5 Years
Certificates of Deposit	467,446	Fair Value	N/A	1 - 5 Years
Total	<u>\$ 18,313,643</u>			

FOOTHILLS PARK & RECREATION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2025 and 2024

NOTE 3: CASH AND INVESTMENTS (CONTINUED)

As of December 31, 2025 and 2024, the District had invested \$16,551,726 and \$16,847,564, 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.

Restricted Cash

Certain cash and cash equivalents are legally required to be restricted for specific purposes. There was no restricted cash on hand as of December 31, 2025 and 2024.

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, 2025 and 2024, the District had \$1,583,033 and \$1,466,079, 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

**FOOTHILLS PARK & RECREATION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2025 and 2024**

NOTE 3: CASH AND INVESTMENTS (CONTINUED)

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

Interest Rate Risk

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

Concentration of Credit Risk

The District had \$998,633, or 5.45% of total investments invested in Federal Home Loan Bank bonds at December 31, 2024. The District had no other investment in any single 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, 2025 and 2024.

Summary of District Cash, Cash Equivalents and Investments

Cash deposits and investments as of December 31, 2025 and 2024, are summarized as follows:

	<u>2025</u>	<u>2024</u>
Petty Cash	\$ 10,459	\$ 10,314
Cash Deposits	5,725,015	3,698,537
Cash With Fiscal Agent	295,199	459,028
Investments	18,134,759	18,313,643
Total Cash Deposits and Investments	<u>\$ 24,165,432</u>	<u>\$ 22,481,522</u>

Cash deposits and investments as of December 31, 2025 and 2024 were reflected on the statements of net position as follows:

	<u>2025</u>	<u>2024</u>
Cash and Cash Equivalents	\$ 22,287,200	\$ 20,556,415
Cash With Fiscal Agent	295,199	459,028
Total Cash and Cash Equivalents	<u>22,582,399</u>	<u>21,015,443</u>
Investments	1,583,033	1,466,079
Total Cash Deposits and Investments	<u>\$ 24,165,432</u>	<u>\$ 22,481,522</u>

FOOTHILLS PARK & RECREATION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2025 and 2024

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. Revenue recognized under the agreements during the years ended December 31, 2025 and 2024 was \$845,845 and \$860,465, respectively, which includes both lease revenue and interest.

As of December 31, 2025 and 2024, the District's receivable for lease payments under the agreements was \$3,461,877 and \$4,227,305, 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, 2025 and 2024, the balance of the deferred inflow of resources was \$3,305,615 and \$4,075,908, 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, 2025 and 2024 was \$64,514 and \$65,106, respectively, which includes both lease revenue and interest. The District recognized lease revenue of \$24,181 and \$24,168 for the years ended December 31, 2025 and 2024, respectively, for variable payments not previously included in the measurement of the lease receivable.

As of December 31, 2025 and 2024, the District's receivable for lease payments under the agreements was \$683,990 and \$711,675, 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, 2025 and 2024, the balance of the deferred inflow of resources was \$619,023 and \$660,232, respectively.

FOOTHILLS PARK & RECREATION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2025 and 2024

NOTE 5: CAPITAL, LEASE AND SUBSCRIPTION ASSETS

A summary of changes in capital, lease and subscription assets for 2025 is as follows:

	JANUARY 1, 2025				DECEMBER 31, 2025
	BALANCE	ADDITIONS	TRANSFERS	DISPOSALS	BALANCE
Capital Assets, Not Being Depreciated					
Land	\$ 23,728,375	\$ -	\$ -	\$ -	\$ 23,728,375
Water Rights	983,500	-	-	-	983,500
Construction in Progress	3,580,093	2,697,596	(3,540,160)	(39,933)	2,697,596
Total Capital Assets, Not Being Depreciated	<u>28,291,968</u>	<u>2,697,596</u>	<u>(3,540,160)</u>	<u>(39,933)</u>	<u>27,409,471</u>
Capital, Lease and Subscription Assets, Being Depreciated/Amortized					
Buildings	72,488,667	45,411	-	(12,958)	72,521,120
Improvements	75,219,329	4,574,643	3,540,160	(152,717)	83,181,415
Furniture, Fixtures and Equipment	15,776,507	1,511,822	-	(269,765)	17,018,564
Vehicles	2,379,415	121,296	-	(152,470)	2,348,241
Subscription IT Assets	214,606	-	-	(41,261)	173,345
Leased Equipment	152,001	-	-	-	152,001
Total Capital, Lease and Subscription Assets, Being Depreciated/Amortized	<u>166,230,525</u>	<u>6,253,172</u>	<u>3,540,160</u>	<u>(629,171)</u>	<u>175,394,686</u>
Less Accumulated Depreciation/Amortization for:					
Buildings	(22,541,247)	(1,543,250)	-	12,958	(24,071,539)
Improvements	(31,199,141)	(2,861,679)	-	151,158	(33,909,662)
Furniture, Fixtures and Equipment	(8,656,254)	(1,271,641)	-	251,335	(9,676,560)
Vehicles	(1,738,883)	(136,759)	-	111,334	(1,764,308)
Subscription IT Assets	(100,058)	(72,832)	-	41,261	(131,629)
Leased Equipment	(7,482)	(28,582)	-	-	(36,064)
Total Accumulated Depreciation/Amortization	<u>(64,243,065)</u>	<u>(5,914,743)</u>	<u>-</u>	<u>568,046</u>	<u>(69,589,762)</u>
Capital, Lease and Subscription Assets, Being Depreciated/Amortized, Net	<u>101,987,460</u>	<u>338,429</u>	<u>-</u>	<u>(61,125)</u>	<u>105,804,924</u>
Net Capital, Lease and Subscription Assets	<u>\$ 130,279,428</u>	<u>\$ 3,036,025</u>	<u>\$ -</u>	<u>\$ (101,058)</u>	<u>\$ 133,214,395</u>

FOOTHILLS PARK & RECREATION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2025 and 2024

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

A summary of changes in capital, lease and subscription assets for 2024 is as follows:

	JANUARY 1, 2024				DECEMBER 31, 2024
	BALANCE	ADDITIONS	TRANSFERS	DISPOSALS	BALANCE
Capital Assets, Not Being Depreciated					
Land	\$ 23,728,375	\$ -	\$ -	\$ -	\$ 23,728,375
Water Rights	983,500	-	-	-	983,500
Construction in Progress	16,471,948	2,914,276	(15,806,131)	-	3,580,093
Total Capital Assets, Not Being Depreciated	<u>41,183,823</u>	<u>2,914,276</u>	<u>(15,806,131)</u>	<u>-</u>	<u>28,291,968</u>
Capital, Lease and Subscription Assets, Being Depreciated/Amortized					
Buildings	55,902,098	1,988,656	14,597,913	-	72,488,667
Improvements	68,671,428	5,536,974	1,208,218	(197,291)	75,219,329
Furniture, Fixtures and Equipment	12,667,294	3,313,799	-	(204,586)	15,776,507
Vehicles	2,143,849	272,280	-	(36,714)	2,379,415
Subscription IT Assets	215,795	15,820	-	(17,009)	214,606
Leased Equipment	100,820	145,477	-	(94,296)	152,001
Total Capital, Lease and Subscription Assets, Being Depreciated/Amortized	<u>139,701,284</u>	<u>11,273,006</u>	<u>15,806,131</u>	<u>(549,896)</u>	<u>166,230,525</u>
Less Accumulated Depreciation/Amortization for:					
Buildings	(21,081,816)	(1,459,431)	-	-	(22,541,247)
Improvements	(28,828,567)	(2,567,865)	-	197,291	(31,199,141)
Furniture, Fixtures and Equipment	(7,882,748)	(977,992)	-	204,486	(8,656,254)
Vehicles	(1,643,770)	(131,827)	-	36,714	(1,738,883)
Subscription IT Assets	(41,301)	(75,766)	-	17,009	(100,058)
Leased Equipment	(69,524)	(24,710)	-	86,752	(7,482)
Total Accumulated Depreciation/Amortization	<u>(59,547,726)</u>	<u>(5,237,591)</u>	<u>-</u>	<u>542,252</u>	<u>(64,243,065)</u>
Capital, Lease and Subscription Assets, Being Depreciated/Amortized, Net	<u>80,153,558</u>	<u>6,035,415</u>	<u>-</u>	<u>(7,644)</u>	<u>101,987,460</u>
Net Capital, Lease and Subscription Assets	<u>\$ 121,337,381</u>	<u>\$ 8,949,691</u>	<u>\$ -</u>	<u>\$ (7,644)</u>	<u>\$ 130,279,428</u>

FOOTHILLS PARK & RECREATION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2025 and 2024

NOTE 6: LONG-TERM OBLIGATIONS

The following is an analysis of the changes in long-term obligations for the year ended December 31, 2025:

	January 1, 2025 Balance	Additions	Deletions	December 31, 2025 Balance	Current Portion
2013 Certificates of Participation	\$ 3,505,000	\$ -	\$ (305,000)	\$ 3,200,000	\$ 320,000
2015 Certificates of Participation	6,385,000	-	(675,000)	5,710,000	705,000
2021 Certificates of Participation	26,385,000	-	(1,115,000)	25,270,000	1,160,000
Lease Payable	145,728	-	(24,358)	121,370	26,398
Subscription Payable	13,626	-	(13,626)	-	-
Compensated Absences ¹	1,127,870	833	-	1,128,703	739,969
	<u>37,562,224</u>	<u>833</u>	<u>(2,132,984)</u>	<u>35,430,073</u>	<u>2,951,367</u>
Plus net unamortized original issue premium	5,339,327	-	(363,053)	4,976,274	-
	<u>\$ 42,901,551</u>	<u>\$ 833</u>	<u>\$ (2,496,037)</u>	<u>\$ 40,406,347</u>	<u>\$ 2,951,367</u>

¹The change in the accrued compensated absences liability is presented as a net amount.

The following is an analysis of the changes in long-term obligations for the year ended December 31, 2024:

	January 1, 2024 Balance	Additions	Deletions	December 31, 2024 Balance	Current Portion
2013 Certificates of Participation	\$ 3,805,000	\$ -	\$ (300,000)	\$ 3,505,000	\$ 305,000
2015 Certificates of Participation	7,035,000	-	(650,000)	6,385,000	675,000
2021 Certificates of Participation	27,455,000	-	(1,070,000)	26,385,000	1,115,000
Lease Payable	35,935	145,477	(35,684)	145,728	24,357
Subscription Payable	78,843	15,820	(81,037)	13,626	13,626
Compensated Absences ¹	1,068,820	59,050	-	1,127,870	723,523
	<u>39,478,598</u>	<u>220,347</u>	<u>(2,136,721)</u>	<u>37,562,224</u>	<u>2,856,506</u>
Plus net unamortized original issue premium	5,702,379	-	(363,052)	5,339,327	-
	<u>\$ 45,180,977</u>	<u>\$ 220,347</u>	<u>\$ (2,499,773)</u>	<u>\$ 42,901,551</u>	<u>\$ 2,856,506</u>

¹The change in the accrued compensated absences liability is presented as a net amount.

FOOTHILLS PARK & RECREATION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2025 and 2024

NOTE 6: LONG-TERM OBLIGATIONS (CONTINUED)

Certificates of Participation (COPs)

The District issues certificates of participation to finance needed recreation facilities.

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

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

Foothills Park & Recreation COP Lease Purchase 2021- In 2021, the District issued \$29,470,000 of Certificates of Participation dated September 1, 2021. The certificates were issued with a premium of \$5,791,068 and were issued to finance the replacement of Foothills Golf Course Clubhouse, the repair and renovation of Columbine West and 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 Edge Ice Arena, and the Peak administrative building are collateral for the 2013 COPs, the Edge Ice Arena and the Peak Community and Wellness Center are collateral for the 2015 COPs, and the Ridge Recreation Center and the Peak Community and Wellness Center are collateral for the 2021 COPs.

**FOOTHILLS PARK & RECREATION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2025 and 2024**

NOTE 6: LONG-TERM OBLIGATIONS (CONTINUED)

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

Year Ending December 31,	Principal	Interest	Total
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	2,475,000	1,095,887	3,570,887
2030	2,570,000	1,005,700	3,575,700
2031 - 2035	10,250,000	3,410,950	13,660,950
2036 - 2040	9,280,000	1,559,600	10,839,600
2041	2,085,000	83,400	2,168,400
Total	<u>\$ 34,180,000</u>	<u>\$ 11,040,175</u>	<u>\$ 45,220,175</u>

NOTE 7: LEASE LIABILITIES

The District, as lessee, leases certain pieces of office equipment. The terms of the leases expire in various years through 2030. The following is a schedule by year of payments under the lease liabilities as of December 31, 2025:

Year Ending December 31,	Principal	Interest	Total
2026	26,398	5,652	32,050
2027	28,208	4,249	32,457
2028	29,398	2,768	32,166
2029	31,781	1,190	32,971
2030	5,585	36	5,621
	<u>\$ 121,370</u>	<u>\$ 13,895</u>	<u>\$ 135,265</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 had payment and subscription terms that expired in 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, 2025 and 2024, there were no variable payments not previously included in the measurement of the subscription liability. As of December 31, 2025, there were no remaining SBITAs that were not prepaid.

**FOOTHILLS PARK & RECREATION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2025 and 2024**

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.

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 2025 and 2024, 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, 2025 the District had unexpended construction related commitments of \$2,595,804.

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 an amount determined by the District at its discretion.

FOOTHILLS PARK & RECREATION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2025 and 2024

NOTE 10: SALARY DEFERRAL PLAN (CONTINUED)

The District's contributions plus earnings become vested at a rate of 20% after the first year of employment, 40% after the second year of employment and are 100% vested after the third year of employment. District contributions for plan participants who leave employment before they are fully vested are forfeited. Participant forfeitures will be used to reduce the Employer Discretionary Contributions to the Plan for the Plan Year in which the forfeitures occur. There is no liability for benefits under the Plan beyond the District's discretionary contributions.

The District has the authority to determine the amount, if any, of discretionary contributions to the Plan. The District's discretionary contributions made in 2025 and 2024 were \$430,224 and \$330,015, 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.

**FOOTHILLS PARK & RECREATION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2025 and 2024**

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

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

In November, 2024 District voters approved a ballot question extending the 2.75 mills which were originally authorized by voters in 2017 for only a nine-year period into perpetuity. Beginning in 2027, revenue generated from the tax was approved to be used for operations, capital and other expenses 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, 2025 and 2024, was calculated as follows:

	2025	2024
Capital, Lease and Subscription Assets	\$ 133,214,395	\$ 130,279,428
Outstanding Debt	(34,180,000)	(36,275,000)
Unamortized Bond Debt Premium	(4,976,274)	(5,339,327)
Unamortized Deferred Loss on Refunding	103,679	142,986
Lease Liability	(121,370)	(145,728)
Subscription Liability	-	(13,626)
Outstanding Capital Related Accounts Payable	(861,205)	(717,564)
Net Investment in Capital Assets	\$ 93,179,225	\$ 87,931,169

Restricted Net Position

Restricted Net Position represents assets that have third party limitations on their use. As of December 31, 2025 and 2024, the District had a Restricted Net Position of \$1,321,000 and \$1,261,000, respectively, consisting of emergency reserves required under TABOR.

FOOTHILLS PARK & RECREATION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2025 and 2024

NOTE 12: NET POSITION (CONTINUED)

Unrestricted Net Position

Unrestricted Net Position represents assets that do not have any third party limitations on their use. While District management may have categorized and segmented portions for various purposes, the District Board of Directors has the unrestricted authority to revisit or alter these managerial decisions. As of December 31, 2025 and 2024, the District had an Unrestricted Net Position of \$22,128,144 and \$20,270,637, 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 2025 and 2024, the Agency received funding from the Scientific and Cultural Facilities District in the amount of \$36,913 and \$46,896, respectively, to support its mission. The Agency is tracked as a separate department but is reported within the financial statements of the District. In 2025 and 2024, the Agency had total revenue of \$485,814 and \$463,561, respectively, and total expenses of \$575,312 and \$547,428, respectively.

NOTE 14: POLLUTION REMEDIATION OBLIGATION

During the District’s 2025 annual inspection of its underground fuel storage tanks at Clement Park, the District found a failed, leaking diesel spill bucket and subsequent soil sampling identified hydrocarbon contamination requiring regulatory oversight and remediation. The contamination was reported to the Colorado Department of Labor and Employment Division of Oil and Public Safety (OPS), which directed the District to undertake a subsurface investigation, including the installation and sampling of multiple monitoring wells to determine the extent of the release.

The District participates in the State of Colorado’s Petroleum Storage Tank Fund (Fund), which reimburses eligible remediation costs after satisfaction of a \$10,000 deductible, up to \$2,000,000. As of December 31, 2025, the District incurred \$159,272 in eligible investigation and remediation costs, received reimbursement of \$78,174, and recorded a pollution remediation recovery receivable of \$71,098 for remaining reimbursable costs.

In March 2026, OPS approved a Corrective Action Plan estimating an additional \$220,242 in monitoring and remediation costs. Because these costs are fully reimbursable under the Fund, the District has recorded both a pollution remediation liability and an equal pollution recovery receivable in accordance with GASB Statement No. 49, resulting in no net expense impact. The District will update its estimates and disclosures as further information becomes available.

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, 2025

	Actual	Budget	Variance Favorable (Unfavorable)
OPERATING REVENUES			
Aquatics	\$ 1,281,140	\$ 1,225,538	\$ 55,602
Children's Programs	3,942,368	3,965,027	(22,659)
Golf	11,335,553	6,903,361	4,432,192
Ice Arena	2,913,111	2,762,357	150,754
Recreation Centers	2,242,897	2,043,399	199,498
Recreation Programs	3,221,493	3,054,579	166,914
Parks and Regional Parks	198,117	137,548	60,569
General and Administrative	7,186	20,500	(13,314)
Total Operating Revenues	25,141,865	20,112,309	5,029,556
OPERATING EXPENSES			
Aquatics	2,712,513	2,638,569	(73,944)
Children's Programs	3,507,336	3,489,180	(18,156)
Golf	5,865,093	5,445,424	(419,669)
Ice Arena	2,316,363	2,149,491	(166,872)
Recreation Centers	3,540,804	3,488,465	(52,339)
Recreation Programs	2,556,518	2,528,953	(27,565)
Parks and Regional Parks	5,532,861	5,748,380	215,519
General and Administrative	2,831,732	3,068,489	236,757
Facilities & Equipment Repairs and Replacements	10,674,933	15,798,506	5,123,573
Total Operating Expenses	39,538,153	44,355,457	4,817,304
OPERATING LOSS	(14,396,288)	(24,243,148)	9,846,860
NONOPERATING REVENUES (EXPENSES)			
Funds Available	-	9,785,553	(9,785,553)
Property and Specific Ownership Taxes	17,293,859	17,255,427	38,432
Conservation Trust Fund	545,198	605,055	(59,857)
Grants	226,141	104,603	121,538
Grants Expense	(143,556)	(133,234)	(10,322)
Investment Income	1,046,553	452,000	594,553
Debt Principal and Interest	(3,567,761)	(3,575,213)	7,452
Proceeds from the Sale of Capital Assets	93,295	-	93,295
Proceeds from the Sale of Assets, Net of Expense	9,865	-	9,865
Other Expenses	(249,875)	(251,043)	1,168
Total Net Nonoperating Revenues (Expenses)	15,253,719	24,243,148	(8,989,429)
OTHER REVENUES (EXPENSES), GAINS OR (LOSSES)			
Capital Grants and Contributions	842,338	-	842,338
Total Other Revenues (Expenses), Gains or (Losses)	842,338	-	842,338
NET CHANGE IN FUNDS AVAILABLE	1,699,769	\$ -	\$ 1,699,769
FUNDS AVAILABLE - Beginning of year	20,708,727		
FUNDS AVAILABLE - End of year	\$ 22,408,496		
Funds available is computed as follows:			
Current Assets	\$ 44,111,193		
Current Portion of Lease Receivable	(811,981)		
Long-term investments	850,634		
Prepaid SBITA Assets	41,786		
Current Liabilities	(6,544,089)		
Accrued Compensated Absences Payable Non-Current Portion	(388,734)		
Current Portion of Long-term Debt	2,185,000		
Current Portion of Lease Payable	26,398		
Deferred Property Taxes	(17,061,711)		
	\$ 22,408,496		

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, 2025

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, 2025:

Operating Revenues (Budgetary Basis)	\$ 25,141,865
Amortization of Lease Related Deferred Inflow of Resources	811,502
Principal Payments Received on Leases Receivable	<u>(793,112)</u>
Operating Revenues (GAAP)	<u>25,160,255</u>
Operating Expenses (Budgetary Basis)	39,538,153
Depreciation and Amortization	5,914,743
Amortization of Prepaid Subscription Assets	(55,707)
Principal Payments Paid on Subscriptions Payable	(13,626)
Principal Payments Paid on Leases Payable	(24,358)
Capital Outlay	<u>(8,910,835)</u>
Operating Expenses (GAAP)	<u>36,448,370</u>
Nonoperating Revenues (Expenses) (Budgetary Basis)	15,253,719
Debt Principal Payments	2,095,000
Amortization of Bond Premiums	363,053
Amortization of Deferred Loss on Refunding	(39,307)
Loss on Disposal of Capital Assets	<u>(61,125)</u>
Nonoperating Revenues (Expenses) (GAAP)	<u>17,611,340</u>
Other Revenues (Expenses), Gains or (Losses) (Budgetary Basis and GAAP)	842,338
Change in Net Position per Statements of Revenues, Expenses and Changes in Net Position	<u>\$ 7,165,563</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, 2024

	Actual	Budget	Variance Favorable (Unfavorable)
OPERATING REVENUES			
Aquatics	\$ 1,233,624	\$ 1,136,736	\$ 96,888
Children's Programs	3,501,491	3,682,834	(181,343)
Golf	9,394,635	6,528,254	2,866,381
Ice Arena	2,854,063	2,782,757	71,306
Recreation Centers	2,224,395	1,972,108	252,287
Recreation Programs	3,132,552	2,943,741	188,811
Parks and Regional Parks	217,660	142,337	75,323
General and Administrative	22,503	19,000	3,503
Total Operating Revenues	22,580,923	19,207,767	3,373,156
OPERATING EXPENSES			
Aquatics	2,499,337	2,485,535	(13,802)
Children's Programs	3,239,913	3,217,570	(22,343)
Golf	5,223,123	5,020,982	(202,141)
Ice Arena	2,105,421	2,132,635	27,214
Recreation Centers	3,317,393	3,303,171	(14,222)
Recreation Programs	2,407,270	2,364,303	(42,967)
Parks and Regional Parks	5,383,979	5,315,817	(68,162)
General and Administrative	2,718,720	2,891,017	172,297
Facilities & Equipment Repairs and Replacements	15,572,960	23,871,198	8,298,238
Total Operating Expenses	42,468,116	50,602,228	8,134,112
OPERATING LOSS	(19,887,193)	(31,394,461)	11,507,268
NONOPERATING REVENUES (EXPENSES)			
Funds Available	-	15,234,529	(15,234,529)
Property and Specific Ownership Taxes	17,722,628	17,172,355	550,273
Conservation Trust Fund	556,600	559,744	(3,144)
Grants	383,531	125,049	258,482
Grants Expense	(118,915)	(155,811)	36,896
Investment Income	1,121,727	424,800	696,927
Debt Principal and Interest	(3,571,387)	(3,578,012)	6,625
Proceeds from the Sale of Assets, Net of Expense	35,387	-	35,387
Proceeds from Insurance	18,734	-	18,734
Other Expenses	(257,104)	(248,805)	(8,299)
Total Net Nonoperating Revenues (Expenses)	16,474,289	29,533,849	(13,059,560)
OTHER REVENUES (EXPENSES), GAINS OR (LOSSES)			
Capital Grants and Contributions	930,306	1,860,612	(930,306)
Total Other Revenues (Expenses), Gains or (Losses)	930,306	1,860,612	(930,306)
NET CHANGE IN FUNDS AVAILABLE	(2,482,598)	\$ -	\$ (2,482,598)
FUNDS AVAILABLE - Beginning of year	23,191,325		
FUNDS AVAILABLE - End of year	\$ 20,708,727		
Funds available is computed as follows:			
Current Assets	\$ 40,824,500		
Current Portion of Lease Receivable	(793,112)		
Long-term investments	1,197,302		
Prepaid SBITA Assets	97,494		
Current Liabilities	(6,089,863)		
Accrued Compensated Absences Payable Non-Current Portion	(404,347)		
Current Portion of Long-term Debt	2,095,000		
Current Portion of Lease Payable	24,357		
Current Portion of SBITA Payable	13,626		
Deferred Property Taxes	(16,256,230)		
	\$ 20,708,727		

**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, 2024**

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, 2024:

Operating Revenues (Budgetary Basis)	\$ 22,580,923
Amortization of Lease Related Deferred Inflow of Resources	811,502
Principal Payments Received on Leases Receivable	<u>(774,662)</u>
Operating Revenues (GAAP)	<u>22,617,763</u>
Operating Expenses (Budgetary Basis)	42,468,116
Depreciation and Amortization	5,237,591
Amortization of Prepaid Subscription Assets	(55,136)
Principal Payments Paid on Subscriptions Payable	(15,346)
Principal Payments Paid on Leases Payable	(26,322)
Lease Termination	(1,819)
Capital Outlay	<u>(13,521,391)</u>
Operating Expenses (GAAP)	<u>34,085,693</u>
Nonoperating Revenues (Expenses) (Budgetary Basis)	16,474,289
Debt Principal Payments	2,020,000
Amortization of Bond Premiums	363,052
Amortization of Deferred Loss on Refunding	(39,306)
Loss on Disposal of Capital Assets	<u>(100)</u>
Nonoperating Revenues (Expenses) (GAAP)	<u>18,817,935</u>
Other Revenues (Expenses), Gains or (Losses) (Budgetary Basis)	930,306
Contributions-Capital Assets	<u>504,594</u>
Other Revenues (Expenses), Gains or (Losses) (GAAP)	<u>1,434,900</u>
Change in Net Position per Statements of Revenues, Expenses and Changes in Net Position	<u>\$ 8,784,905</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
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%
2023/2024	115,703,234	1,594,719,092	29,831,190	1,710,422,326	14.97%
2024/2025	115,401,933	1,604,257,330	30,524,007	1,719,659,263	0.54%

(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
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
2023/2024	6.829	0.000	2.666	0.000	8.405	0.000
2024/2025	6.829	0.000	2.653	0.000	8.406	0.000

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

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

History of Property Tax Collections

Levy/Collection Year	Total Taxes Levied	Current Tax Collections (1)	Percent of Levy Collected
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%
2023/2024	16,183,639	16,661,155	103.0%
2024/2025	16,256,230	16,179,534	99.5%

(1) Figures include current and delinquent tax collections, as well as interest and/or penalties thereon and backfill payments received from the State of Colorado in 2024 under Senate Bill 22-238. 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>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Operating Revenues					
Fees and Charges:					
Aquatics	\$ 817,973	\$ 951,756	\$ 1,018,362	\$ 1,233,624	\$ 1,281,140
Children's Programs	1,743,268	2,130,627	3,213,306	3,501,491	3,942,368
Golf	7,218,366	7,056,992	8,083,987	9,394,635	11,335,553
Ice Arena	2,369,165	2,630,924	2,790,921	2,873,548	2,917,976
Recreation Centers	1,232,208	1,633,501	2,123,848	2,224,395	2,242,897
Recreation Programs	1,953,131	2,300,871	2,850,023	3,143,204	3,228,605
Parks and Regional Parks	503,851	456,604	161,812	224,363	204,530
General and Administrative	48,762	34,156	33,921	22,503	7,186
Total	<u>15,886,724</u>	<u>17,195,431</u>	<u>20,276,180</u>	<u>22,617,763</u>	<u>25,160,255</u>
Operating Expenses					
Aquatics	1,851,269	1,981,929	2,052,888	2,499,337	2,712,513
Children's Programs	2,141,536	2,522,774	2,893,550	3,239,913	3,507,336
Golf	4,206,636	4,523,014	4,507,367	5,180,753	5,824,582
Ice Arena	1,605,348	1,913,048	2,047,941	2,105,421	2,316,363
Recreation Centers	2,674,976	2,865,293	3,069,646	3,317,393	3,540,804
Recreation Programs	1,853,317	2,154,659	2,225,403	2,407,270	2,556,518
Parks and Regional Parks	4,328,455	4,483,295	4,748,596	5,383,979	5,532,861
General and Administrative	2,116,275	2,316,790	2,287,813	2,662,467	2,778,551
Facilities & Equipment Repairs and Replacements	820,216	510,940	962,139	2,051,569	1,764,099
Depreciation	3,146,039	3,567,662	3,986,390	5,237,591	5,914,743
Total	<u>24,744,067</u>	<u>26,839,404</u>	<u>28,781,733</u>	<u>34,085,693</u>	<u>36,448,370</u>
Operating Loss	(8,857,343)	(9,643,973)	(8,505,553)	(11,467,930)	(11,288,115)
Nonoperating Revenues (Expenses)					
Property and Specific Ownership Taxes	14,015,179	15,253,212	15,096,409	17,722,628	17,293,859
Conservation Trust Fund	591,421	586,730	637,014	556,600	545,198
Grants and Contributions	934,061	1,593,101	686,411	383,531	226,141
Grants Expense	(46,174)	(110,815)	(235,209)	(118,915)	(143,556)
Investment Income	1,539	652,277	1,695,507	1,121,727	1,046,553
Interest Expense	(834,301)	(1,378,591)	(1,297,070)	(1,227,641)	(1,149,015)
Interest Expense Subsidy	18,215	7,877	-	-	-
Bond Issuance Cost	(255,350)	-	-	-	-
Gain (Loss) on Sale of Assets	62,426	22,477	28,617	618,375	42,035
Proceeds from Insurance	5,653	17,630	353,222	18,734	-
Other Income	-	-	-	-	-
Other Expenses	(213,866)	(223,224)	(218,327)	(257,104)	(249,875)
Total	<u>14,278,803</u>	<u>16,420,674</u>	<u>16,746,574</u>	<u>18,817,935</u>	<u>17,611,340</u>
Other Revenues (Expenses), Gains or (Losses)					
Capital Grants and Contributions	-	-	-	1,434,900	842,338
Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,434,900</u>	<u>842,338</u>
Change in Net Position	5,421,460	6,776,701	8,241,021	8,784,905	7,165,563
Beginning Net Position	80,663,382	86,084,842	92,436,880	100,677,901	109,462,806
Ending Net Position	<u>\$ 86,084,842</u>	<u>\$ 92,861,543</u>	<u>\$ 100,677,901</u>	<u>\$ 109,462,806</u>	<u>\$ 116,628,369</u>

FOOTHILLS PARK AND RECREATION DISTRICT
Historical Net Position (Unaudited)

	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Net Investment in Capital Assets	\$ 69,409,656	\$ 72,412,235	\$ 72,868,570	\$ 87,931,169	\$ 93,179,225
Restricted	911,000	1,011,000	1,131,000	1,261,000	1,321,000
Unrestricted	<u>15,764,186</u>	<u>19,438,308</u>	<u>26,678,331</u>	<u>20,270,637</u>	<u>22,128,144</u>
Total Net Position	<u>\$ 86,084,842</u>	<u>\$ 92,861,543</u>	<u>\$ 100,677,901</u>	<u>\$ 109,462,806</u>	<u>\$ 116,628,369</u>