

PARACHUTE/BATTLEMENT MESA PARK & RECREATION DISTRICT

BASIC FINANCIAL STATEMENTS

December 31, 2024

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FINANCIAL SECTION



JOHN CUTLER & ASSOCIATES

Board of Directors
Parachute/Battlement Mesa
Park & Recreation District
Parachute, Colorado

INDEPENDENT AUDITORS' REPORT

Report on the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities and each major fund, of the Parachute/Battlement Mesa Park & Recreation District (the "District") as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, of the Parachute/Battlement Mesa Park & Recreation District as of December 31, 2024, and the respective changes in financial position and, where applicable, cash flows and the budgetary comparison schedules for the general and major special revenue funds, thereof for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Parachute/Battlement Mesa Park & Recreation District, and to meet our ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures of the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion of the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required budgetary information on pages 19-20 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board (GASB) who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The individual fund schedule as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements.

The individual fund schedule has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the individual fund schedule is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

John Luther & Associates, LLC

September 30, 2025



PARACHUTE/BATTLEMENT MESA
PARK AND RECREATION DISTRICT

PARACHUTE-BATTLEMENT MESA PARK & RECREATION DISTRICT MANAGEMENT DISCUSSION & ANALYSIS: 2024 AUDIT

This section of the Parachute Battlement Mesa Park & Recreation District ("PBMPRD" or the "District") annual financial report presents our analysis of the District's financial performance during the fiscal year ended December 31, 2024. Please read it in conjunction with the financial statements.

1. Financial Highlights

On January 1, 2016, the District assumed ownership, management, and financial control of the Battlement Mesa Golf Club (BMGC) and the Grand Valley Recreation Center (GVRC). Prior to these transfers the District provided activities and sports programs to the community.

The District has three types of Funds to comply with Governmental Accounting Standards Board for Fund reporting. These Funds consist of:

1. Governmental Type Funds: (1) General Fund; and (2) Conservation Trust Fund;
2. Business Type Activities Funds also known as Proprietary Funds: Recreation Fund with two sub funds: (1) Grand Valley Recreation and Programs Fund and; (2) Battlement Mesa Golf Club Fund.

The Board oversaw the PBM Trail Committee, whose budget was under the General Fund but is no longer active.

The District is *currently* in good financial health and there is no long-term debt. PBMPRD has enough unrestricted funds to maintain operations for over one year. Unrestricted funds for the 2024 year-end are \$3,687,106.

The District has aging infrastructure with the transfer of ownership of the golf course and recreation center resulting in repairs of \$3,544,902 and capital replacements of \$8,629,203 over the past nine years. Major 2024 replacements at the golf course and club included replacement golf carts, cart path infrastructure replacements, irrigation, ponds, club house building and restaurant renovations. Major replacements for the Recreation Center included replacement of the roof in 2023 and 2024. Conversion to solar and LED lighting in 80% of the building, major pool improvements, building systems replacements and building sewer improvements.

PARACHUTE BATTLEMENT MESA PARK & RECREATION DISTRICT
Management's Discussion and Analysis

In 2024 revenue recovered from the prior year's realizing an increase in operating income of \$418,562 from 2023. \$268,755 of this increase is from the district's new restaurant Callahan's at Battlement Mesa Golf Club.

A continual concern is oil and gas production is decreasing and affecting property tax revenue in the years ahead. The District has realized increased property tax revenues by 31.7% over 2023, largely due to oil and gas production. The 2025 oil and gas production is significantly lower due to low prices on gas and oil during the year. Business type funds user fees and memberships do not cover operating expenses.

In 2024 the District expended the following capital projects for a total of \$2,464,989:

- **BATTLEMENT MESA GOLF CLUB:** (\$1,618,678)
 - Cart Path Improvements
 - Golf Pro Shop Building Improvements
 - Replaced Golf Course Machinery
 - Remodeling of Restaurant (finalized 2024)
 - Replaced Golf Beverage Carts
- **GRAND VALLEY RECREATION CENTER:** (\$291,248)
 - Pool Upgrades
 - Building Improvements
 - Roof Replacements
 - Recreation Equipment Replacements
 - Tennis Court Resurfacing
 - Sewer Line Rehabilitation with Structural and Lining Improvements
- **PARKS AND TRAILS:** (\$36,257)
 - Ballfield – Infield Rehabilitation
 - Trails Planning
- **BUTLER BUILDING:** (\$408,830 expensed)
- **MASTER PLAN:** (\$119,991) to be completed in 2025

Despite the age and depreciation of the facilities and equipment, the District's assets increased in value due to the 2024 replacements and improvements. In 2024 the investment in capital assets increased by \$994,812. Depreciation recorded was \$590,966. Net losses of \$5,624 from depreciated machinery removed and replaced were \$67,469 less depreciation of \$56,222.

The District's unrestricted net position decreased by \$19,528, while the restriction for emergencies increased by \$48,700 with the growth of the districts' business activities. Cash and Investments showed an increase of \$60,464 after funding for the golf course and recreation center capital outlays and business type activities.

Property tax income in 2024 was \$3,808,406; however, in this amount, the District did collect \$11,294 in delinquent taxes. The property tax revenue in 2024 was the District's highest since 2016 at \$4,022,124, where the lowest year was in 2022 at \$1,728,251. Oil and gas property tax revenue comprises around 83.97% of the total tax revenue for the District. The decrease in oil and gas property tax revenue over the prior years affected the District's ability to perform the extensive capital repairs and basic maintenance that were needed in prior years. The higher oil and gas taxes in 2024 resulted from 2023 higher prices of natural gas which allowed the significant repairs and upgrades accomplished in 2024. Residential property tax was 8.13% of property tax income.

The Board of Directors strive to keep user fees for the Rec Center, Golf Course and programs at a price that is affordable to those in the District. Keeping these rates low for the community means that property tax revenue is required to maintain operations and limits the amount available for repairs, maintenance, capital projects and ongoing operations.

The District funded operations and capital replacements in 2024 by transferring \$3,421,413 from the General Fund cash reserves to fund operations, repairs, and replacements to maintain the Grand Valley Rec Center, sports programs, Battlement Mesa Golf Club and Community Park. The ability to continue to transfer similar amounts from cash reserves may be unsustainable in the future without increases in rates, memberships, or requests to increase the mill levy. It is hoped that the restaurant revenues will reduce the amounts needed in the future to be transferred from the General Funds.

The District also supported in 2024, 137 employees during the year by providing \$1,622,596 in wages, which is up from 2023 by \$498,042. Employee health insurance provided costs were \$148,311, and \$45,667 was contributed as matching retirement contributions. Independent contractors were paid \$34,076 for programs at the Recreation Center. Payroll taxes paid for unemployment and matching Social Security and Medicare Taxes in 2024 were \$133,629.

2. Overview of the Financial Statements

The annual report consists of three parts:

- Management's Discussion and Analysis
- Financial Statements
- Supplementary Information

3. Required Financial Statements

The financial statement of net position provides information about the District using 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 nature and amounts of investments in resources (assets) and obligations to District creditors (liabilities). It also provides the basis for computing the rate of return, evaluating the capital structure of the District, and assessing the liquidity and financial flexibility of the District.

Statement of Revenues, Expenses, and Changes in Net Position

This statement measures the results of the District's operations over the past year and may be used to determine profitability, credit worthiness, and whether the District has successfully recovered all its costs through its user fees, taxes, and other changes.

Statement of Cash Flows

The final required financial statement is the 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 the net changes in cash resulting from operations, non-capital financing, capital related financing, and investing activities. It also provides answers to such questions as where the cash came from, how was cash used, and what was the change in cash balance during the reporting period.

4. Financial Analysis of The District

One of the most important questions asked about the District's finances is "Is the District as a whole better off or worse off as a result of this year's activities?" The statement of net position and statement of revenues, expenses, and changes in net position report information about the District's activities in a way that can help answer that question. These two statements report the net position of the District and the related change in these assets. The District's net position (the difference between assets and liabilities) is one way to measure financial health or financial position. Over time, increases in the District's net position, is one indicator that the District's financial health is improving. However, one will need to consider other non-financial factors such as changes in economic conditions, population growth, or changed governmental legislation.

5. Net Position

As part of our analysis, we provide a summary of the District's statement of net position:

PARACHUTE BATTLEMENT MESA PARK & RECREATION DISTRICT
Management's Discussion and Analysis

Condensed Statement of Net Position (previously referred to as Balance Sheet)

	2024	2023	2024 - 2023 Change	
			\$	%
Current & Other Assets	\$7,932,010	\$9,319,385	(\$1,387,375)	(14.9%)
Capital Assets	\$ 11,016,594	\$10,021,777	\$994,817	9.92%
Total Assets	\$18,948,603	\$19,341,167	(\$392,564)	(2.03%)
Total Liabilities	\$324,923	\$170,116	\$55,641	32.71%
Deferred Inflow of Resources	\$2,282,167	\$3,754,356	(\$1,472,189)	(39.21%)
Net Position:				
Invested in capital assets				
net of related debt	\$11,016,594	\$10,021,802	\$994,792	9.92%
Restricted for emergencies	\$170,600	\$121,900	\$48,700	(39.9%)
Unrestricted reserve funds	\$5,154,319	\$5,273,013	(\$118,964)	(2.25%)
Total Net Position	\$16,341,513	\$15,416,695	\$924,818	5.99%

Current Assets decreased by 14. 9% primarily due to investing in replacement capital assets, which increased 9.92% over 2023 and decreases in property tax receivables decreased by 39.21%.

Total liabilities increased 32.71% due to accounts payable associated with the repairs and maintenance, golf upgrades and accrued compensated absences. The District has no long-term debt, and these short-term liabilities are paid off within a few months.

Capital improvements of \$994,817, after depreciation, were made in 2024, with \$529,120 in depreciation expense, lowering the value of capital assets based upon life expectancy. Capital assets increased in 2024 by 14.7%. Restricted funds consist of the TABOR requirement to maintain 3% emergency reserves, were increased to \$170,600. Unrestricted funds decreased by \$19,528 due to an increase in operating revenues in 2024 by \$418,562 or 34.9% and increased interest income of 17.1%. The unrestricted funds can be utilized as needed and directed by the Board of Directors.

Deferred Inflow of Resources for property taxes decreased to \$2,287,167 in 2024 because oil and gas property taxes decreased based upon production and current spot prices of natural gas. The assessed valuation tax base was lowered by 2024 State Legislation in the amount of \$373,182,020.

While the statement of net position shows the net position; the statement of revenue, expenses, and changes in net position answers as to the nature and sources of these changes.

The primary sources of income prior to 2016 were program and activities income and non-operating income (property taxes). With Grand Valley Recreation Center and Battlement Mesa Golf Club under the Park and Rec District umbrella, there are user fees and memberships that contribute to operating revenue.

Condensed Statement of Revenue, Expenses and Changes in Net Position
(Previously referred to as Income Statement)

	<u>Gov't Funds</u>	<u>Business Type Activities</u>	<u>All Funds</u>
Revenue			
Operating Revenue		\$1,656,626	\$1,656,626
Non-Operating Revenue	\$4,288,673	\$326,077	\$4,614,750
Total Revenues	\$4,288,673	\$1,982,703	\$6,271,376
Expenses			
Gov't Fund Expense	\$968,960		\$968,960
Operating Expense		\$4,163,736	\$4,163,736
Transfers Out	\$3,421,413		\$3,421,413
Capital Outlay		\$1,278,441	\$1,278,441
Total Expenses	\$4,390,373	\$5,442,177	\$9,733,384
Income/Loss before Transfers	\$3,319,713	-\$2,081,867	\$3,462,008
Transfers In	\$0.00	\$3,421,413	\$3,421,413
Net Income	(\$101,700)	\$1,339,546	\$1,237,846
GAAP Basis Adjustments:			
Capital Outlay less Dispositions		\$1,278,441	\$1,278,441
Depreciation		(\$590,966)	(\$590,996)
Net Income (GAAP Basis)	(\$101,700)	\$994,792	994,792
Beginning Balances (Adjusted)	\$3,959,406	\$11,243,427	\$13,621,489
Ending Balances	\$3,857,706	\$12,483,807	\$16,341,513

For Auditing purposes, the Governmental Fund contains the General Fund, Conservation Trust Fund and the PBM Trail Fund. These funds are not considered Business Type Funds/Proprietary Funds, which charge fees for services. The primary revenue for the Governmental Fund is property tax revenue. The General Fund is used to pay payroll taxes, insurance, employee medical benefits, employee retirement, treasurer's fees, office supplies, printing, postage, elections, management, accounting, legal, audit and sales tax collected.

The Proprietary Fund consists of those funds or activities that charge fees for service or usage; and receive only a part of their income from property tax revenue. The Funds included under the Proprietary (or Business Type Activities) Fund consist of the Grand Valley Recreation Center and Programs and the Battlement Mesa Golf Club.

As can be seen above the Proprietary (Business Type Activities) funds only bring in \$1,617,712 in operating revenue and total operating expenses were \$4,064,570. Operating income only covers 39.8% of the operating expenses. The largest expense is approximately \$1,909,775 for payroll and benefits.

Utility charges are \$180,423 and repairs and maintenance for the golf course, rec center and ballparks are close to \$810,247. In 2024 a large number of assets were upgraded or renewed extending their lives. Yet, due to the age of the facilities, repairs and maintenance will increase in the future as assets age.

The majority of District employees are part-time and seasonal which saves in benefits. But with the increase in the hourly rate to \$14.42/hr. (2023) and \$14.81/hr. (2025) and the State requirement that part-time and seasonal staff be paid 1-hour sick leave for every 30 hours worked, this added to the District's expenses.

Garfield County Federal and Mineral Lease District provided \$261,000 in grants for the replacement roof, and irrigation at the Recreation Center facilities.

Programs, primarily youth sports programs, with operating revenue of \$62,239 and expenses of \$20,389. The Board believes it has an obligation to provide the youth of the District with these activities.

Battlement Mesa Golf Course increased operating revenue to \$1,232,033 with expenses of \$1,588,809. The increase in income and expense is partially attributed to the opening of Callahan's at Battlement Mesa Golf which ran a loss for 2024. The golf course increased course income by \$114,907 over 2023 revenues. The expenses for the ballfield, Community Park, Skate and Dog Park are included under the golf course fund. The largest expenses were wages, maintenance and repairs and utilities.

Grand Valley Recreation Center raised rates for 2024. Total income for 2024 memberships and user fees were \$346,595, while expenditures were \$1,464,189. \$261,000 in grants from The Federal Mineral Lease District were received to offset capital outlay costs with replacements. As with the golf course and programs, wages comprised the majority of expense at \$819,565. Building repairs and maintenance of \$433,392 remain the largest expenditures to contribute to the loss in 2024.

6. Budgetary Highlights

As required by state law, the District adopts a budget and appropriates funds by December 15 for the following fiscal year. If an amendment is necessary, the Board will approve a supplemental appropriation at a public hearing and file it with the State of Colorado.

7. Capital Assets and Debt Administration

Capital Assets

Capital Assets less disposed assets increased \$994,812 due to \$2,464,989 additions, dispositions of \$67,469 with depreciation of \$590,966 on capital projects that are referenced under Section 1: "Financial Highlights".

8. Long-Term Debt

The District has no long-term debt.

9. Economic Factors and New Year's Budget Rates

The District's Board of Directors and management consider many factors when setting the 2024 budget, including user fees and charges. The Board raised Rec Center and Golf Course membership rates or fees in 2024. Non-Operating income was significantly higher for 2024 based upon House Bill 24-233 and higher Gas & Oil prices. The following table presents the changes in the District's budget from 2024 to 2023.

2024 vs. 2023 Budget

	<u>2024</u>	<u>2023</u>	<u>2024 - 2023 Change</u>	
			<u>\$</u>	<u>%</u>
Revenues				
Operating Revenues	\$1,144,323	\$1,136,315	\$8,008	0.70%
Non-Operating Revenues	\$4,341,564	\$3,100,347	\$1,241,217	40.03%
Transfers In	\$4,693,333	\$3,331,305	\$1,362,028	40.89%
Total Revenues	\$10,179,220	\$7,7567,967	\$2,611,253	34.50%
Expenses				
Operating Expense	\$3,836,711	\$1,854,299	\$1,982,412	106.91%
G & A Expenses	\$438,868	\$410,516	\$28,352	6.91%
Non-operating Expenses	\$90,000	\$45,000	\$45,000	100.00%
Capital Outlay	\$2,335,000	\$1,932,000	\$403,000	20.86%
Total Expenses	\$6,700,579	\$4,241,815	\$2,458,764	57.96%
Change in Net Position	\$4,361,556	\$3,333,173	\$152,489	4.58%
Transfers Out	(\$4,693,333)	(\$3,331,305)	(\$1,362,028)	40.89%
Net Income	\$1,138,680	\$1,795,206	\$181,238	23.37%
Beginning Net Position	\$15,202,833	\$13,393,299	\$86,423	0.65%
Ending Net Position	\$16,341,513	\$15,416,695	924,818	5.99%

Budgeted Operating Revenues increased by \$8,008 between 2023-2024 primarily due to participation. Non-Operating Revenue decreased by \$1,241,217 due to a decrease in 2023 oil and gas property tax revenue, and the reduced real property taxable values due to State House bill 24-223.

PARACHUTE BATTLEMENT MESA PARK & RECREATION DISTRICT

Management's Discussion and Analysis

Transfers out of the Governmental Fund and transfers into Proprietary Fund consisted of property taxes needed to fund operations, cover payroll, and perform capital improvements. The budgeted transfer of \$4,693,333 in 2024 is due to planned increases in operating expenditures of repairs and maintenance and capital improvements.

The District strives to keep user rates low for the community; however, the Board is aware that property tax revenue may decrease further due to changes in the Residential Assessment Rate and oil and gas production decreasing. This may require an increase in the mill levy and/or increase in user fees and membership rates in order to continue to provide programs and recreation to the District residents. However, the majority of property tax (83.7%) comes from oil and gas companies and not residential. The year 2024 was down for oil and gas production with tax collections

Operating expenses include Battlement Mesa Golf Club, Grand Valley Recreation Center; sports programs and activities; day-to-day operations including wages, employee benefits, cost of goods sold, utilities, janitorial, repairs and maintenance, landscape maintenance, chemicals, and supplies. The majority of employees are hourly and with the minimum rate increase this has increased payroll expenses. Utilities are also increasing for water, sewer, electrical and gas. Maintenance of the Community Park has increased expenses due to landscape and equipment maintenance, trash, and water charges; and no revenue is generated for this facility.

The General and Administrative (G&A) budget includes advertising and promotion, computer, phone & internet services, property and liability insurance, workers compensation, management fees, accounting/finance, audit, legal fees, and contingency. Contingency of \$70,000 is included under General and Administrative expenses but no funds have been expended as a contingency.

Non-Operating expenses include TABOR 3% emergency reserve and Garfield County Treasurer's Fees to collect and distribute property taxes.

BASIC FINANCIAL STATEMENTS

PARACHUTE/BATTLEMENT MESA PARK AND RECREATION DISTRICT

STATEMENT OF NET POSITION
As of December 31, 2024

	GOVERNMENTAL	BUSINESS TYPE	TOTAL	
	ACTIVITIES	ACTIVITIES	2024	2023
ASSETS				
Cash and Investments	\$ 4,082,200	\$ 1,513,057	\$ 5,595,257	\$ 5,534,793
Receivables				
Property Taxes	2,282,167	-	2,282,167	3,754,356
Inventory	-	54,585	54,585	30,236
Capital Assets, Not Depreciated	-	2,643,468	2,643,468	2,643,468
Capital Assets, Depreciated				
Net of Accumulated Depreciation	-	8,373,126	8,373,126	7,378,314
TOTAL ASSETS	6,364,367	12,584,236	18,948,603	19,341,167
LIABILITIES				
Accrued Expenses	224,494	1,263	225,757	127,212
Accrued Compensated Absences	-	99,166	99,166	42,904
TOTAL LIABILITIES	224,494	100,429	324,923	170,116
DEFERRED INFLOWS OF RESOURCES				
Deferred Property Tax Revenue	2,282,167	-	2,282,167	3,754,356
NET POSITION				
Investment in Capital Assets	-	11,016,594	11,016,594	10,021,782
Restricted for Emergencies	170,600	-	170,600	121,900
Unrestricted	3,687,106	1,467,213	5,154,319	5,273,013
TOTAL NET POSITION	\$ 3,857,706	\$ 12,483,807	\$ 16,341,513	\$ 15,416,695

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

PARACHUTE/BATTLEMENT MESA PARK AND RECREATION DISTRICT

STATEMENT OF ACTIVITIES

Year Ended December 31, 2024

		PROGRAM REVENUES		
FUNCTIONS/PROGRAMS	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS
PRIMARY GOVERNMENT				
Governmental Activities				
General Government	\$ 968,960	\$ -	\$ -	\$ -
Parks and Recreation	-	-	-	27,958
Total Governmental Activities	968,960	-	-	27,958
Business-Type Activities				
Recreation Center	4,163,736	1,617,712	264,140	-
Total Business-Type Activities	4,163,736	1,617,712	264,140	-
Total Primary Government	\$ 5,132,696	\$ 1,617,712	\$ 264,140	\$ 27,958
GENERAL REVENUES				
Property Taxes				
Specific Ownership Taxes				
Interest				
Other				
Transfers				
TOTAL GENERAL REVENUES				
CHANGE IN NET POSITION				
NET POSITION, Beginning , Restated				
NET POSITION, Ending				

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

GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	NET (EXPENSE) REVENUE AND CHANGE IN NET POSITION	
		TOTALS	
		2024	2023
\$ (968,960)	\$ -	\$ (968,960)	\$ (368,528)
27,958	-	27,958	-
(941,002)	-	(941,002)	(368,528)
-	(2,281,884)	(2,281,884)	(1,169,439)
-	(2,281,884)	(2,281,884)	(1,169,439)
(941,002)	(2,281,884)	(3,222,886)	(1,537,967)
3,812,331	-	3,812,331	2,870,154
209,792	-	209,792	184,468
214,859	61,937	276,796	236,330
23,733	38,914	62,647	42,221
(3,421,413)	3,421,413	-	-
839,302	3,522,264	4,361,566	3,333,173
(101,700)	1,240,380	1,138,680	1,795,206
3,959,406	11,243,427	15,202,833	13,621,489
\$ 3,857,706	\$ 12,483,807	\$ 16,341,513	\$ 15,416,695

PARACHUTE/BATTLEMENT MESA PARK AND RECREATION DISTRICT

BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2024

	GENERAL FUND	CONSERVATION TRUST FUND	TOTAL GOVERNMENTAL FUNDS	
			2024	2023
ASSETS				
Cash and Investments	\$ 4,053,100	\$ 29,100	\$ 4,082,200	\$ 4,004,335
Property Taxes Receivable	2,282,167	-	2,282,167	3,754,356
TOTAL ASSETS	<u>\$ 6,335,267</u>	<u>\$ 29,100</u>	<u>\$ 6,364,367</u>	<u>\$ 7,758,691</u>
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES				
LIABILITIES				
Accrued Expenses	<u>\$ 224,494</u>		<u>\$ 224,494</u>	<u>\$ 44,929</u>
TOTAL LIABILITIES	<u>224,494</u>	<u>-</u>	<u>224,494</u>	<u>44,929</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred Property Tax Revenue	<u>2,282,167</u>	<u>-</u>	<u>2,282,167</u>	<u>3,754,356</u>
FUND EQUITY				
Restricted for Emergencies	170,600	-	170,600	121,900
Unassigned	<u>3,658,006</u>	<u>29,100</u>	<u>3,687,106</u>	<u>3,837,506</u>
TOTAL FUND EQUITY	<u>3,828,606</u>	<u>29,100</u>	<u>3,857,706</u>	<u>3,959,406</u>
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND EQUITY	<u>\$ 6,335,267</u>	<u>\$ 29,100</u>	<u>\$ 6,364,367</u>	<u>\$ 7,758,691</u>
	-	-	-	-

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

PARACHUTE/BATTLEMENT MESA PARK AND RECREATION DISTRICT

STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year Ended December 31, 2024

	GENERAL FUND	CONSERVATION TRUST FUND	TOTAL GOVERNMENTAL FUNDS	
			2024	2023
REVENUES				
Property Taxes	\$ 3,812,331	\$ -	\$ 3,812,331	\$ 2,870,154
Specific Ownership Taxes	209,792	-	209,792	184,468
Grants and Donations	-	-	-	12
Intergovernmental	-	27,958	27,958	32,228
Interest	214,859	-	214,859	177,693
Other	23,733	-	23,733	40,422
TOTAL REVENUES	4,260,715	27,958	4,288,673	3,304,977
EXPENDITURES				
General Government	968,960	-	968,960	400,768
TOTAL EXPENDITURES	968,960	-	968,960	400,768
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	3,291,755	27,958	3,319,713	2,904,209
OTHER FINANCING SOURCES (USES)				
Transfer Out	(3,422,555)	1,142	(3,421,413)	(2,075,463)
NET CHANGE IN FUND BALANCE	(130,800)	29,100	(101,700)	828,746
FUND BALANCE, Beginning	3,959,406	-	3,959,406	3,130,660
FUND BALANCES, Ending	\$ 3,828,606	\$ 29,100	\$ 3,857,706	\$ 3,959,406

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

PARACHUTE/BATTLEMENT MESA PARK AND RECREATION DISTRICT

STATEMENT OF NET POSITION
 PROPRIETARY FUND TYPE
 As of December 31, 2024

	2024	2023
ASSETS		
Current Assets		
Cash and Cash Equivalents	\$ 1,513,057	\$ 1,530,458
Total Current Assets	1,513,057	1,530,458
Noncurrent Assets		
Capital Assets, net of accumulated depreciation	11,016,594	10,021,782
Inventory	54,585	30,236
TOTAL ASSETS	12,584,236	11,582,476
LIABILITIES		
Current Liabilities		
Accrued Expenses	1,263	82,283
Accrued Compensated Absences	99,166	42,904
TOTAL LIABILITIES	100,429	125,187
NET POSITION		
Investment in Capital Assets	11,016,594	10,021,782
Unrestricted	1,467,213	1,435,507
TOTAL NET POSITION	\$ 12,483,807	\$ 11,457,289
	-	-

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

PARACHUTE/BATLEMENT MESA PARK AND RECREATION DISTRICT

STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
PROPRIETARY FUND TYPE
Year Ended December 31, 2024

	2024	2023
OPERATING REVENUES		
Charges for Services	\$ 1,422,000	\$ 1,007,430
Pro Shop Sales	172,539	38,365
Facility Rental	23,173	41,965
Miscellaneous	38,914	1,799
TOTAL OPERATING REVENUES	1,656,626	1,089,559
OPERATING EXPENSES		
Operations	4,163,736	2,581,961
TOTAL OPERATING EXPENSES	4,163,736	2,581,961
OPERATING LOSS	(2,507,110)	(1,492,402)
NON-OPERATING REVENUES		
Interest Income	61,937	58,637
Grants and Contributions	264,140	324,762
TOTAL NON-OPERATING REVENUES	326,077	383,399
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	(2,181,033)	(1,109,003)
CONTRIBUTIONS AND TRANSFERS		
Transfers In	3,421,413	2,075,463
TOTAL CONTRIBUTIONS AND TRANSFERS	3,421,413	2,075,463
NET INCOME (LOSS)	1,240,380	966,460
NET POSITION, Beginning	11,243,427	10,490,829
NET POSITION, Ending	\$ 12,483,807	\$ 11,457,289

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

PARACHUTE/BATLEMENT MESA PARK AND RECREATION DISTRICT

STATEMENT OF CASH FLOWS
 PROPRIETARY FUND TYPE
 Year Ended December 31, 2024
 Increase (Decrease) in Cash and Cash Equivalents

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Received from Customers	\$ 1,656,626	\$ 1,089,559
Cash Paid to Suppliers	(3,616,272)	(1,992,453)
Net Cash Provided (Used) by Operating Activities	(1,959,646)	(902,894)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Grant and Contribution Revenue	264,140	324,762
Purchase of Capital Assets	(1,804,845)	(1,429,337)
Transfers from Other Funds	3,421,413	2,075,463
Net Cash Provided by Capital and Related Financing Activities	1,880,708	970,888
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest Received	61,937	58,637
Net Increase (Decrease) in Cash and Cash Equivalents	(17,001)	126,631
CASH AND CASH EQUIVALENTS, Beginning	1,530,058	1,403,827
CASH AND CASH EQUIVALENTS, Ending	\$ 1,513,057	\$ 1,530,458
RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES		
Operating Loss	\$ (2,507,110)	\$ (1,492,402)
Adjustments to Reconcile Operating Loss to Net Cash Used by Operating Activities		
Depreciation and Amortization	590,966	422,023
Loss on disposal of assets	5,605	60,871
Changes in Assets and Liabilities		
Accounts Receivable	-	-
Prepaid Expenses	-	-
Inventory	(24,349)	2,548
Accounts Payable	-	-
Accrued Expenses	(81,020)	72,250
Due to Other Funds	-	-
Accrued Compensated Absences	56,262	31,816
Total Adjustments	547,464	589,508
Net Cash Used by Operating Activities	\$ (1,959,646)	\$ (902,894)

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

PARACHUTE/BATTELEMENT MESA PARK & RECREATION DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2024

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Parachute/Battlement Mesa Parks and Recreation District serves the Parachute/Battlement Mesa area with youth and adult sports, and activities. The Parachute/Battlement Mesa Park & Recreation District was formed in 1984 and serves a 318-square mile area which includes Battlement Mesa, Parachute and the surrounding area. The District owns and operates the Grand Valley Recreation Center and Battlement Mesa Golf Course. In addition, the District provides a variety of outdoor and indoor recreational services to the public. These services include activities for all ages ranging from dog and skate parks to organized volleyball, soccer, basketball and wrestling leagues.

The accounting policies of Parachute/Battlement Mesa Park & Recreation District (the “District”) conform to generally accepted accounting principles as applicable to governments. Following is a summary of the more significant policies.

Reporting Entity

In accordance with governmental accounting standards, Parachute/Battlement Mesa Park & Recreation has considered the possibility of inclusion of additional entities in its basic financial statements.

The definition of the reporting entity is based primarily on financial accountability. The District is financially accountable for organizations that make up its legal entity. It is also financially accountable for legally separate organizations if District officials appoint a voting majority of the organization’s governing body and either it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the District. The District may also be financially accountable for governmental organizations that are fiscally dependent upon it.

Based on the application of these criteria, the District does not include additional organizations in its reporting entity.

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the District. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of the given function or segments are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment.

PARACHUTE/BATTLEMENT MESA PARK & RECREATION DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2024

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Government-Wide and Fund Financial Statements (Continued)

Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when the liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current *financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period.

Property taxes, specific ownership taxes, grants, and interest associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the District.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, are recorded only when payment is due.

PARACHUTE/BATTLEMENT MESA PARK & RECREATION DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2024

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the District's practice to use restricted resources first, then unrestricted resources as they are needed.

In the fund financial statements, the District reports the following major governmental funds:

The *General Fund* is the District's primary operating fund. It accounts for all financial resources of the District, except those required to be accounted for in another fund.

The District reports the following major proprietary fund:

The *Recreation Fund* accounts for the financial activities associated with the operation of the recreation center, park & recreation programs, and golf course.

Cash and Investments

Cash equivalents include investments with original maturities of three months or less.

Investments are recorded at fair value.

Capital Assets

Capital assets, which include property and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

PARACHUTE/BATTLEMENT MESA PARK & RECREATION DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2024

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

The District depreciated its assets using the straight-line method over the following estimated useful lives:

Buildings and Improvements	10 - 50 years
Machinery and Equipment	3 - 30 years
Infrastructure	10 - 50 years

Compensated Absences

Employees of the District are allowed to accumulate unused paid time off up to a max of 120 hours. Upon termination of employment from the District, an employee will be compensated for all accrued paid time off at their current pay rate.

These compensated absences are recognized as current salary costs when earned in the proprietary fund types and when due in the governmental fund types. A liability has been recorded in the government-wide financial statements for the accrued compensated absences.

Long-Term Obligations

In the government-wide financial statements, and proprietary fund type in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums, discounts, and bond issuance costs are deferred and amortized over the life of the bonds using the straight-line method.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

PARACHUTE/BATTLEMENT MESA PARK & RECREATION DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2024

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Deferred Outflows/Inflows of Resources

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

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

Net Position

The government-wide financial statements, utilize a net position presentation. Net position is categorized as investment in capital assets, restricted, and unrestricted.

Net Investment in Capital Assets includes the District's capital assets (net of accumulated depreciation) reduced by the outstanding balances of capital leases that are attributable to the acquisition of those assets.

Restricted Net Position includes assets that have third-party (statutory, bond covenant, or granting agency) limitations on their use. The District typically uses restricted assets first, as appropriate opportunities arise, but reserves the right to selectively defer the use until a future project.

Unrestricted Net Position typically includes unrestricted liquid assets. The Board has the authority to revisit or alter this designation.

PARACHUTE/BATTLEMENT MESA PARK & RECREATION DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2024

NOTE 1: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

Fund Balance Classification

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

- Nonspendable – This classification includes amounts that cannot be spent because they are either not in a spendable form (such as inventories and prepaid amounts) or are legally or contractually required to be maintained intact. The District does not report any nonspendable fund balance as of December 31, 2024.
- Restricted – This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation. The District has classified Emergency Reserves as being restricted because their use is restricted by State Statute for declared emergencies.
- Committed – This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the District Council. These amounts cannot be used for any other purpose unless the District Council removes or changes the specified use by taking the same type of action (ordinance or resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The District does not report any committed fund balances as of December 31, 2024.
- Assigned – This classification includes amounts the government intends to use for specific purposes that do not meet the criteria to be classified as restricted or committed.
- Unassigned – This classification includes the residual fund balance for the General Fund. The Unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of Assigned fund balance amounts.

The District would typically use Restricted fund balances first, followed by Committed resources, and then Assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend Unassigned.

PARACHUTE/BATTLEMENT MESA PARK & RECREATION DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2024

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property Taxes

Property taxes are levied on November 1 and attach as an enforceable lien on property on January 1. Taxes are payable in full on April 30 or in two installments on February 28 and June 15. The County Treasurer's office collects property taxes and remits to the District on a monthly basis.

Since property tax revenues are collected in arrears during the succeeding year, a receivable and corresponding deferred revenue are recorded at December 31. As the tax is collected in the succeeding year, the deferred revenue is recognized as revenue and the receivable is reduced.

NOTE 2: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgets and Budgetary Accounting

The District follows these procedures in establishing the budgetary data reflected in the financial statements:

- In October, the District staff submits to the Board of Directors a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.
- Public hearings are conducted to obtain taxpayer comments.
- Prior to December 31, the budget is legally enacted through passage of a resolution.
- The District Administration is authorized to transfer budgeted amounts between departments within any fund. However, any revisions that alter the total expenditures of any fund must be approved by the Board of Directors.
- Budgets are legally adopted for all funds of the District. Budgets for the General Fund is adopted on a basis consistent with generally accepted accounting principles (GAAP). The Budgetary comparison presented for the enterprise funds are presented on a non-GAAP budgetary basis. Capital outlay and debt payments are budgeted as expenditures.
- Budgeted amounts in the financial statements are as originally adopted or as amended by the Board of Directors. All appropriations lapse at year end. Colorado governments may not exceed budgeted appropriations at the fund level.

PARACHUTE/BATTLEMENT MESA PARK & RECREATION DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2024

NOTE 3: DEPOSITS AND INVESTMENTS

A summary of deposits and investments as of December 31, 2024 follows:

Petty Cash	\$ 2,689
Cash Deposits	1,275,289
Investments	<u>4,317,699</u>
Total	<u>\$ 5,595,257</u>

The above amounts are classified in the statement of net position as follows:

Governmental Activities	\$ 4,082,200
Business-Type Activities	<u>1,513,057</u>
Total	<u>\$ 5,595,257</u>

Deposits

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulations. At December 31, 2024, State regulatory commissioners have indicated that all financial institutions holding deposits for the District are eligible public depositories. Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by the PDPA. PDPA allows the financial institution to create a single collateral pool for all public funds held. The pool is to be maintained by another institution, or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits. The District has no policy regarding custodial credit risk for deposits.

At December 31, 2024, the District had deposits with financial institutions with a carrying amount of \$1,275,289. The bank balances with the financial institutions were \$1,269,321. Of these balances, \$250,000 was covered by federal depository insurance and \$1,019,321 was covered by collateral held by authorized escrow agents in the financial institutions name (PDPA).

PARACHUTE/BATTLEMENT MESA PARK & RECREATION DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2024

NOTE 3: **DEPOSITS AND INVESTMENTS** (Continued)

Investments

Interest Rate Risk

The District has a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk

Colorado statutes specify in which instruments the units of local government may invest which includes:

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

The above investments are authorized for all funds and fund types used by Colorado municipalities and local governments.

The District's policy is to hold investments until maturity.

Local Government Investment Pools

The District had invested \$4,317,699 in the Colorado Government Liquid Asset Trust (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 custodian's internal records identify the investments owned by the entities.

ColoTrust is not a 2a7-like external investment pool. The unit of account is each share held, and the value of the position would be the fair value of the pool's share price multiplied by the number of shares held. The government-investor does not "look through" the pool to report a pro rata share of the pool's investments, receivables, and payables.

PARACHUTE/BATTLEMENT MESA PARK & RECREATION DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2024

NOTE 3: DEPOSITS AND INVESTMENTS (Continued)

Fair Value

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant observable inputs. The District has no investments requiring categorization as of December 31, 2024.

NOTE 4: CAPITAL ASSETS

	Balances 12/31/2023	Additions	Deletions	Balances 12/31/2024
Business-Type Activities				
Capital Assets, not depreciated				
Land	\$ 2,578,468	\$ -	\$ -	\$ 2,578,468
Water Rights	65,000	-	-	65,000
Construction in Process	<u>79,251</u>	<u>73,167</u>	<u>79,251</u>	<u>73,167</u>
Total Capital Assets, not depreciated	<u>2,722,719</u>	<u>73,167</u>	<u>79,251</u>	<u>2,716,635</u>
Capital Assets, depreciated				
Buildings and Improvements	8,295,361	1,544,589	-	9,839,950
Equipment	<u>1,481,379</u>	<u>266,740</u>	<u>67,469</u>	<u>1,680,460</u>
Total Capital Assets, depreciated	<u>9,776,740</u>	<u>1,811,329</u>	<u>67,469</u>	<u>11,520,600</u>
Less: Accumulated Depreciation				
Buildings and Improvements	1,909,691	396,886	-	2,306,577
Equipment	<u>781,848</u>	<u>194,080</u>	<u>61,864</u>	<u>914,064</u>
Total Accumulated Depreciation	<u>2,691,539</u>	<u>590,966</u>	<u>61,864</u>	<u>3,220,641</u>
Total Capital Assets, depreciated, Net	<u>7,085,201</u>	<u>1,220,363</u>	<u>(5,605)</u>	<u>8,299,959</u>
Business-Type Activities, Capital Assets, Net	<u>\$ 9,807,920</u>	<u>\$ 1,293,530</u>	<u>\$ (84,856)</u>	<u>\$ 11,016,594</u>

Depreciation expense was charged to the recreation center, golf course and program activities.

PARACHUTE/BATTLEMENT MESA PARK & RECREATION DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2024

NOTE 5: LONG-TERM DEBT

Business-Type Activities

Following is a summary of long-term debt transactions for the business-type activities for the year ended December 31, 2024.

	Balance <u>12/31/23</u>	<u>Additions</u>	<u>Payments</u>	Balance <u>12/31/24</u>	Due In <u>One Year</u>
Compensated Absences	\$ 42,904	\$ 56,212	\$ -	\$ 99,166	\$ -

Accrued Compensated Absences are being paid from resources generated by the Recreation Fund.

NOTE 6: RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; injuries to employees; and natural disasters. The District carries commercial insurance to cover these risks. The District has not had any claims that exceeded insurable amounts for the last three years

NOTE 7: COMMITMENTS AND CONTINGENCIES

Tabor Amendment

Colorado voters passed an amendment to the State Constitution, Article X, Section 20, which has several limitations, including revenue raising, spending abilities, and other specific requirements of state and local government. On November 5, 2013, voters within the District approved the collection, retention and expenditure the full amount of the District taxes, grants and all other revenue collected from all sources including property taxes, received in 2012 and each subsequent year, without regard to any revenue or expenditure limitations including those contained in Article X, Section 20 of the Colorado constitution or any other law.

The District has established an emergency reserve, representing 3% of qualifying expenditures, as required by the Amendment. At December 31, 2024, the emergency reserve of \$170,600 was recorded in the General Fund.

PARACHUTE/BATTLEMENT MESA PARK & RECREATION DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2024

NOTE 8: ADJUSTMENTS TO AND RESTATEMENTS OF BEGINNING BALANCES

During the fiscal year ending on December 31, 2024, beginning net position was decreased by \$213,862. This adjustment was necessary to correctly state the Capital Asset. The effect of the restatement is shown below:

	<u>Net Position:</u> <u>Government Wide</u>
December 31, 2023, as previously reported	\$ 11,457,289
Correction of an error	<u>(213,862)</u>
June 30, 2024, as restated	<u>\$ 11,243,427</u>

NOTE 9: SUBSEQUENT EVENTS

Potential subsequent events were considered through September 30, 2025. We noted no significant items required to be disclosed through this date.

REQUIRED SUPPLEMENTARY INFORMATION

PARACHUTE/BATTLEMENT MESA PARK AND RECREATION DISTRICT

GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2024

	2024			
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)	2023 ACTUAL
REVENUES				
Property Taxes	\$ 3,772,854	\$ 3,812,331	\$ 39,477	\$ 2,870,154
Specific Ownership Taxes	100,000	209,792	109,792	184,468
Grants and Donations	8,500	-	(8,500)	12
Interest	115,000	214,859	99,859	177,693
Other	50,000	23,733	(26,267)	40,422
TOTAL REVENUES	4,046,354	4,260,715	214,361	3,272,749
EXPENDITURES				
General Government				
Professional Services	120,500	12,584	107,916	92,144
Payroll Expense	3,600	240,951	(237,351)	118,282
Office Expense	266,857	31,672	235,185	6,358
Insurance	66,000	77,351	(11,351)	66,982
Treasurer Fees	85,000	76,327	8,673	57,388
Repair and Maintenance	668,328	120,638	547,690	-
Utilities	-	607	(607)	-
Other Expenses	500	-	500	
Capital Outlay		408,830	(408,830)	27,386
TOTAL EXPENDITURES	1,210,785	968,960	241,825	368,540
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	2,835,569	3,291,755	456,186	2,904,209
OTHER FINANCING SOURCES (USES)				
Transfer In	-	-	-	-
Transfer Out	(4,693,333)	(3,422,555)	1,270,778	(2,075,463)
TOTAL OTHER FINANCING SOURCES (USES)	(4,693,333)	(3,422,555)	1,270,778	(2,075,463)
NET CHANGE IN FUND BALANCE	(1,857,764)	(130,800)	1,726,964	828,746
FUND BALANCE Beginning	4,545,913	3,959,406	(586,507)	3,130,660
FUND BALANCE, Ending	\$ 2,688,149	\$ 3,828,606	\$ 1,140,457	\$ 3,959,406

See the accompanying independent auditors' report.

PARACHUTE/BATTLEMENT MESA PARK AND RECREATION DISTRICT

CONSERVATION TRUST FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2024

	2024		
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)
REVENUES			
Intergovernmental	\$ 40,000	\$ 27,958	\$ (12,042)
TOTAL REVENUES	40,000	27,958	(12,042)
EXPENDITURES			
General Government			
Parks and Recreation	-	-	-
TOTAL EXPENDITURES		-	-
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	40,000	27,958	(12,042)
OTHER FINANCING SOURCES (USES)			
Transfer Out	-	1,142	1,142
TOTAL OTHER FINANCING SOURCES (USES)		1,142	1,142
NET CHANGE IN FUND BALANCE	40,000	29,100	(10,900)
FUND BALANCE Beginning	-	-	-
FUND BALANCE, Ending	\$ 40,000	\$ 29,100	\$ (10,900)

See the accompanying independent auditors' report.

INDIVIDUAL FUND SCHEDULES

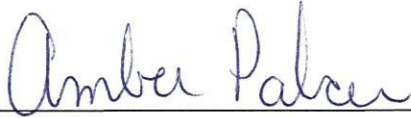
PARACHUTE/BATTLEMENT MESA PARK AND RECREATION DISTRICT

RECREATION FUND
BUDGETARY COMPARISON SCHEDULE
BUDGET (NON-GAAP) BASIS
Year Ended December 31, 2024

	2024		VARIANCE Positive (Negative)	2023 ACTUAL
	ORIGINAL AND FINAL BUDGET	ACTUAL		
REVENUES				
Charges for Services	\$ 1,035,423	\$ 1,422,000	\$ 386,577	\$ 1,007,430
Facility Rental	12,420	23,173	10,753	41,965
Interest Income	-	61,937	61,937	58,637
Pro Shop Sales	109,500	172,539	63,039	38,365
Miscellaneous	-	38,914	38,914	1,799
Transfers In	4,639,333	3,421,413	(1,217,920)	2,075,463
Grants	232,790	261,000	28,210	315,474
Contribution Revenue	-	3,140	3,140	9,288
TOTAL REVENUES	6,029,466	5,404,116	(625,350)	3,548,421
EXPENDITURES				
Salaries and Benefits	1,537,929	1,995,566	(457,637)	1,333,324
Office Expense	42,174	151,462	(109,288)	17,349
Utilities	194,118	180,378	13,740	199,579
Recreation Center Operating Expense	80,000	17,501	62,499	37,633
Program Expense	103,025	60,054	42,971	22,545
Golf and Park Operating Expense	841,451	431,541	409,910	2,848
Repair and Maintenance Expenses	1,352,500	728,117	624,383	384,318
Pro Shop Operating Expense	-	-	-	4,669
Other	-	8,151	(8,151)	157,673
Capital Outlay	290,000	-	290,000	1,682,267
Contingency	70,000	-	70,000	-
TOTAL EXPENDITURES	4,511,197	3,572,770	938,427	3,842,205
NET INCOME (Budget Basis)	\$ 1,518,269	1,831,346	\$ 313,077	(293,784)
GAAP BASIS ADJUSTMENTS				
Capital Outlay		-		1,682,267
Depreciation		(590,966)		(422,023)
NET INCOME (LOSS), GAAP BASIS		1,240,380		966,460
NET POSITION, Beginning		11,243,427		10,490,829
NET POSITION, Ending		\$ 12,483,807		\$ 11,457,289

See the accompanying independent auditors' report.

THE BOARD OF DIRECTORS OF THE PARACHUTE BATTLEMENT MESA PARK AND RECREATION DISTRICT HEREBY CERTIFIES THAT THE FINANCIAL STATEMENTS PRESENTED HAVE BEEN REVIEWED AND APPROVED AS THE OFFICIAL AUDITED FINANCIALS FOR THE FISCAL YEAR ENDING 2024. THESE AUDITED FINANCIALS WERE FORMALLY ACCEPTED BY THE BOARD ON OCTOBER 20, 2025. **Noted (Signed copy in possession of the District Manager)**



Amber Palcer, President



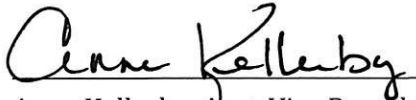
Shandice Churchill, Secretary



Wendell Goad, Vice President



Vincent Tomasulo, Treasurer



Anne Kellerby, Asst. Vice President