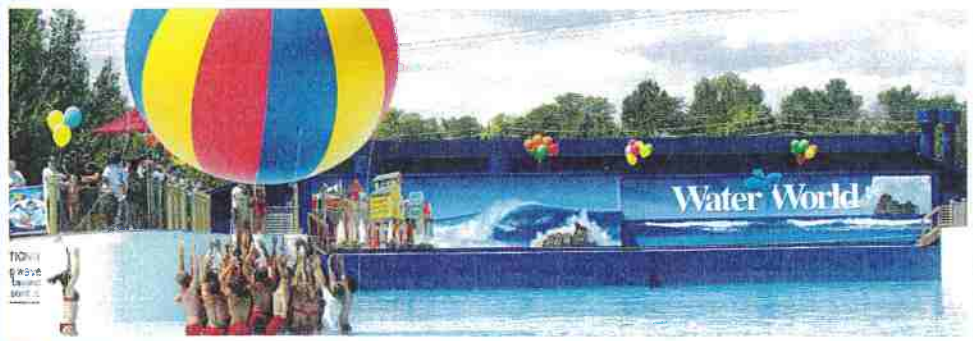
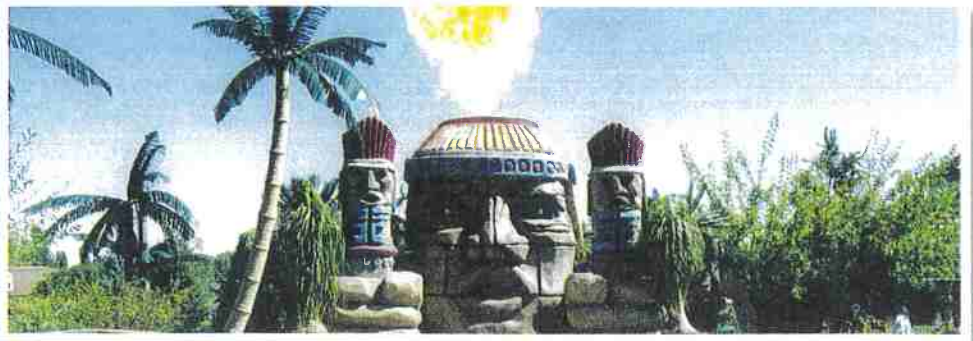




HYLAND HILLS

Park & Recreation District

ADAMS COUNTY, COLORADO



Comprehensive Annual Financial Report
For the years ending December 31, 2020 and 2019

Hyland Hills Park and Recreation District
Adams County, Colorado

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEARS ENDED DECEMBER 31, 2020 AND 2019

Prepared by: Finance Department
Michael Tilger
Director of Finance
www.hylandhills.org

**HYLAND HILLS PARK AND RECREATION DISTRICT
COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the fiscal years ended December 31, 2020 and 2019**

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Introductory Section



Robert Landgraf, Jr.
President
Christopher Dittman
Vice President
Jennifer Flaum
Treasurer
Donald C. Ciancio, II
Secretary
Lori Mirelez
Past President

May 27, 2021

To the Citizens, and the Board
of Directors of the Hyland Hills
Park and Recreation District

We are pleased to submit this Comprehensive Annual Financial Report of the Hyland Hills Park and Recreation District, for the fiscal years ended December 31, 2020 and 2019. This report was prepared by the District's Finance Department. Responsibility for both the accuracy of the data, and completeness and fairness of the presentation, including all disclosures, rests with the District. To the best of our knowledge and belief, the data presented is accurate in all material respects and is reported in a manner designed to present fairly the financial position, results of operations and cash flows of the various functions of the District. Additionally, the disclosures necessary to enable the reader to gain an understanding of the District's financial activities are included.

The Comprehensive Annual Financial Report is presented in three sections: introductory, financial and statistical. The introductory section includes this transmittal letter, the District's organizational chart, a list of principal officials and Government Finance Officers Association (GFOA) Certificate. The financial section includes the Management's Discussion and Analysis, the basic financial statements and the auditor's report of the financial statements. Governmental accounting principles require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The statistical section includes select financial and demographic information generally presented on a multi-year basis.

This report includes all departments of the District. The District provides a full range of recreational services and facilities. These include: the Greg Mastriona Golf Courses at Hyland Hills and the related practice and concession facilities; Adventure Golf and Raceway, a family entertainment center including 54-holes of miniature golf, go-karts, and a ropes course; the Donald E. VanArsdale Gymnastics Center; FIT by Hyland Hills, a fitness center with cardio and weight equipment, a rock-climbing wall, multiple locker rooms, and multiple purpose exercise rooms; three outdoor public swimming pools; various recreational programs including athletics, youth programs and adult programs; an outdoor skate park; and Water World, the largest publicly owned waterpark in the United States. The District is also a partner with the City of Westminster in the operation of the MAC (Mature Adult Center), a recreational facility designed primarily for the use and enjoyment of our mature community members; the Carroll Butts Athletic Park which features an indoor sports arena; and the Ice Centre at the Promenade, a state-of-the-art triple surface ice skating facility. Additionally, the District maintains over 425 acres of public park facilities and supports each separate department with general administrative services.

GENERAL INFORMATION

Hyland Hills Park and Recreation District was created in 1955 by legislation, which made Hyland Hills one of the first park and recreation district in the State of Colorado. Today, Hyland Hills encompasses approximately 23.5 square miles in southwest Adams County and serves a population of approximately 129,000 residents.

A Board of Directors, comprised of five elected officials, governs the District. These officials appoint an Executive Director, who is responsible for managing and operating the District.

ECONOMIC CONDITION AND OUTLOOK

Due to the COVID-19 Pandemic, the 2020 statistics for the Denver metro area are skewed, hence current and future economic conditions and outlook are difficult to predict. Our assessed valuation increased to \$12,874,970 for new construction comparable to \$7,170,420 last year, which is a respectable increase for the area. Surprisingly, construction in the Denver Metro area was steady during Pandemic, and have seen home sales at a high level leading into 2021. Unemployment in 2020 was 7.3%, lower than the national average of 8.1%. As with most parts of the country during COVID, unemployment increased significantly over previous years, and Colorado was no exception. Foreclosures were down 52% from 2019 to 2020, mostly attributed to the state and federal regulatory limits in place. This trend is expected to continue into the first quarter of 2021.

MAJOR INITIATIVES

During 2020, the District completed construction of the Carl Park ADA trail in the southern portion of the District, as well as completed some needed repairs/renovations to equipment and facilities at Water World. At the Greg Mastriona Golf Courses at Hyland Hills, the District completed the new well project which will help offset the regional demand for water resources. In 2020, Water World began design and construction on a new ride and theming improvements, which replaced an aging section of the Water Park. The new area, called Alpine Springs, is set to open for the 2021 season.

Normally throughout the year, several District facilities are recognized and awarded "Best of" and "winners" of both local and national awards. Due to COVID-19, several District facilities were either closed entirely, or operated at reduced capacity and limited attractions. Although this was the case, Colorado Community Media Reader's Choice Awards, representing multiple local newspapers, awarded Hyland Hills its Best of the Best Awards in various categories: Best Waterpark for Water World; Best Family Entertainment Center for Adventure Golf and Raceway; and Best Golf Course for the Greg Mastriona Golf Courses at Hyland Hills.

FINANCIAL INFORMATION

The management of the District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable assurance that these objectives are met.

The concept of reasonable assurance recognizes that the cost of control should not exceed the benefits likely to be derived, and the evaluation of costs and benefits requires estimates and judgments by management.

Per State Budget Law, the Board of Directors appoints staff to prepare the budget then subsequently reviews the budget and holds public hearings in the fall each year to approve the budget and appropriate funds. The District then monitors the budgetary process through the accounting system that includes built-in checks and balances for purchasing, timely recording of transactions, and routine reconciliation procedures and reporting across the District accounts. Included in the District control procedures are: segregation of authorization, collection and reconciliation functions at the Department level; limited access to all systems (i.e. accounting system, POS systems, IT systems, and others); and routine checks by staff to ensure the integrity of these systems.

As with any system, the inherent limitations of these systems require the District to review and monitor the weaknesses and errors, and react accordingly through revisions or change in structure of the controls. Management and employees are reminded of these controls and constant diligence on their part helps in preventing and correcting weaknesses when reviewed.

Long Term Financial Plan. The District's principal investment objectives and long-term planning include, but are not limited to; preservation of capital and protection of investment principal, maintenance of sufficient liquidity to meet anticipated cash flows, and diversification to avoid incurring unreasonable market risks. The District policy states that certain investments cannot exceed a three year term, which helps maintain the overall liquidity of District assets. While keeping these objectives in mind, the District concentrates on conformance with all applicable District policies, and State and Federal regulations. The District continues to see low yields available for investments and the top priority for the District continues to be security of the funds. Therefore, the District continues to hold various investments in multiple institutions to maximize the security and liquidity of these investments, along with searching for the best yields. Conversely, over the past several years, the District has taken advantage of the lower interest rates and made major capital improvements through lease purchases, and has continued to find new ways to refund or pay off debt to improve the overall position of District financials. In 2020, the District advanced paid on the remaining balance of the 2018 General Obligation Bonds from the District reserves. As in years past, the District continues to replace most capital items by paying cash. Due to the COVID-19 Pandemic, several District facilities were either closed for the entire year, or operations were drastically reduced, resulting in a substantial financial impact to the District. The District monitored and was fiscally responsible when decisions about local COVID-19 protocols were introduced and implemented strategies that were in the best interest of both guests and staff. As a whole, the District continues to be fiscally responsible by finding ways to reduce expenses, while maximizing our revenue through great customer experiences. Subsequent to year-end, there was progress made in respect to COVID-19 vaccinations, and the District is scheduled to open its major revenue producer, Water World, for the 2021 operating season, as well as expand operations at other facilities as long as local restrictions allow.

OTHER INFORMATION

Independent Audit. State statutes require an annual audit by independent certified public accountants. The Board of Directors has retained the accounting firm of *CliftonLarsonAllen, LLP*, for this purpose. The auditors' opinion is included in this report.

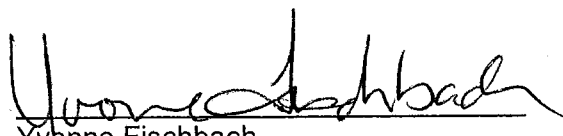
Awards. The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Hyland Hills Park and Recreation District for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended December 31, 2019. This was the 26th consecutive year that Hyland Hills Park and Recreation District has received this award. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

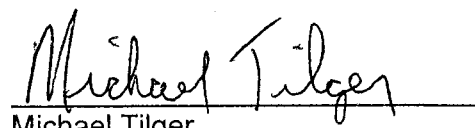
In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. Such CAFR must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to the Certificate of Achievement Program requirements, and we are submitting it to GFOA to determine its eligibility for another certificate.

Acknowledgments. We wish to express appreciation to the entire staff of the Hyland Hills Finance Department for their dedication and support in the preparation of the Comprehensive Annual Financial Report. Sincere appreciation also goes out to the staff of *CliftonLarsonAllen LLP*, whose assistance in the preparation of the financial statements and performance of the audit continue to be both knowledgeable and professional. Finally, we wish to thank the Board of Directors for their interest, support and direction in the financial affairs of the District. Their continuing involvement has enabled Hyland Hills to remain one of the most progressive and successful park and recreation districts in the country.

Sincerely,

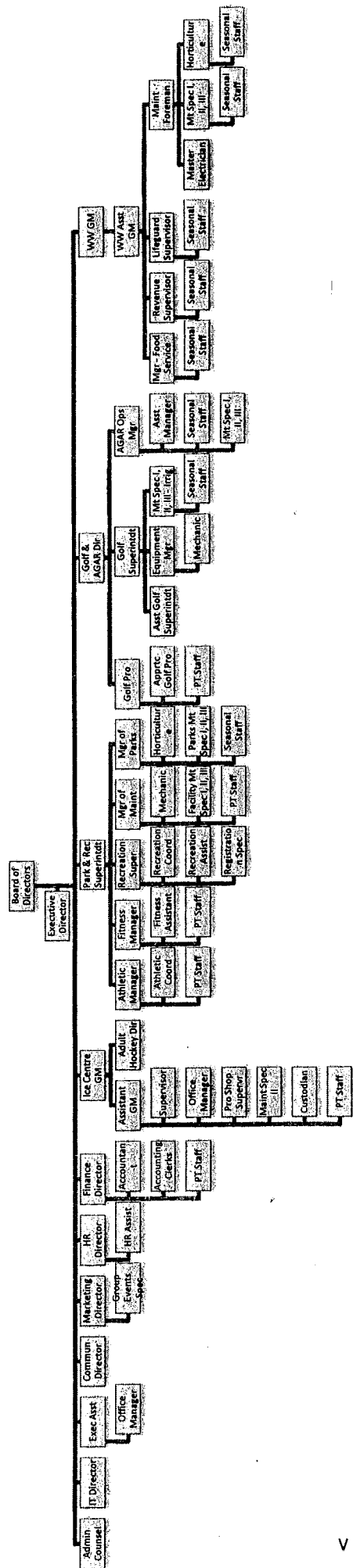

Yvonne Fischbach
Executive Director


Michael Tilger
Director of Finance

Hyland Hills Park & Recreation District

Organizational Chart

December 2020



**HYLAND HILLS PARK and RECREATION DISTRICT
PRINCIPAL OFFICIALS
December 31, 2020**

Board of Directors

| | |
|---------------------|----------------------|
| President..... | Robert Landgraf, Jr. |
| Vice President..... | Christopher Dittman |
| Treasurer..... | Jenn Flaum |
| Secretary..... | Donald C. Ciano, II |
| Past President..... | Lori Mirelez |

Administrative Staff

| | |
|--|------------------|
| Executive Director..... | Yvonne Fischbach |
| Administrative Counsel..... | Richard Fuller |
| Director of Communications..... | Joann Cortez |
| Director of Finance..... | Michael Tilger |
| Director of Golf and Adventure Golf..... | Allen Brown |
| Director of Human Resources..... | Lisa Zaragoza |
| Director of Ice Centre..... | Corey Schmidt |
| Director of Information Technology..... | Noel Williams |
| Director of Marketing..... | Justin Schuvie |
| Director of Parks and Recreation..... | Joe Demers |
| Director of Water World..... | Bob Owens |



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Hyland Hills Park and Recreation District
Colorado**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

December 31, 2019

Christopher P. Morill

Executive Director/CEO

Financial Section



INDEPENDENT AUDITORS' REPORT

Board of Directors
Hyland Hills Park and Recreation District
Federal Heights, Colorado

Report on the Financial Statements

We have audited the accompanying financial statements of the Hyland Hills Park and Recreation District, as of and for the years ended December 31, 2020 and 2019, and the related notes to the financial statements, which collectively comprise the entity's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Hyland Hills Park and Recreation District as of December 31, 2020 and 2019, and the respective changes in financial position and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Hyland Hills Park and Recreation District's basic financial statements. The schedule of revenues and expenses – budget to actual budget basis- are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is also presented for purposes of additional analysis and is not a required part of the basic financial statements.

The schedule of revenues and expenses – budget to actual (budget basis) and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 21, 2021, on our consideration of Hyland Hills Park and Recreation District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Hyland Hills Park and Recreation District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Hyland Hills Park and Recreation District's internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

Broomfield, Colorado
May 21, 2021

MANAGEMENT'S DISCUSSION AND ANALYSIS

This discussion and analysis of the financial performance of the Hyland Hills Park and Recreation District (the District) provides an overview of the District's financial activities for the fiscal year ended December 31, 2020. Please read in conjunction with the transmittal letter at the beginning of this Comprehensive Annual Financial Report, and the financial statements and accompanying notes.

FINANCIAL HIGHLIGHTS

- Due to the COVID-19 Pandemic, a majority of Hyland Hills facilities were either closed entirely, or open on a reduced capacity, which in turn is reflected in the dramatic change in financial position of the District.
- The District's net position decreased by \$2,236,213 or 3.5%.
- During the year, the District's operating revenues decreased by \$18,779,458 or 79.6% and operating expenses decreased by \$8,893,437, or 40.5%.
- Due to the COVID-19 Pandemic, Water World was closed for the 2020 operating season and received minimal revenue while expenses decreased by \$6,896,050.
- Adventure Golf operated with reduced attractions therefore revenues decreased by \$1,340,360, while expenses decreased by \$599,493.
- Revenues at the Greg Mastriona Golf Courses at Hyland Hills increased by \$705,101 while expenses decreased by \$234,833. These figures are inclusive of the golf concessions operations. This facility was able to remain open for a majority of Pandemic.

USING THIS FINANCIAL REPORT

This annual financial report consists of three parts:

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

The financial statements also include notes that provide additional information to some of the information in the financial statements.

REQUIRED FINANCIAL STATEMENTS

The financial statements of the District report information about the District using accounting methods similar to those used by private sector companies. These statements offer important financial information about the District and its activities.

Statements of Net Position

The Statements of Net Position provide information on all of the District's assets, deferred outflows of resources, liabilities, deferred inflows of resources and resulting net position. The Statements of Net Position is one way to measure the District's financial position.

Statements of Revenues, Expenses and Changes in Net Position

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

Statements of Cash Flows

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

FINANCIAL ANALYSIS OF THE DISTRICT

One of the most important questions asked about the District's finances is "Is the District as a whole better off or worse off as a result of this year's activities?" The Statements of Net Position and the Statements 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 District's net position and annual changes in net position. Over time, increases or decreases in the District's net position are one indicator of whether its financial health is improving. However, other non-financial factors, such as changes in economic conditions, population changes and, specifically for the District, severe weather changes, must also be considered.

STATEMENTS OF NET POSITION

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

Summarized Statements of Net Position

| | <u>2020</u> | <u>Change From 2019</u> | <u>2019</u> | <u>Change From 2018</u> | <u>2018</u> |
|--|---------------|-----------------------------|---------------|-----------------------------|---------------|
| Current Assets | \$ 17,942,999 | \$ (12,293,005) | \$ 30,236,004 | \$ 735,238 | \$ 29,500,766 |
| Capital Assets | 66,715,669 | 3,972,248 | 62,743,421 | 5,349,926 | 57,393,495 |
| Other Assets | 5,797,084 | 222,981 | 5,574,103 | 890,172 | 4,683,931 |
| Total Assets | 90,455,752 | (8,097,776) | 98,553,528 | 6,975,336 | 91,578,192 |
| Deferred Outflows of Resources | 310,576 | (312,775) | 623,351 | (461,337) | 1,084,688 |
| Total Assets and Deferred Outflows of Resources | 90,766,328 | (8,410,551) | 99,176,879 | 6,513,999 | 92,662,880 |
| Current Liabilities | 4,938,812 | (1,290,727) | 6,229,539 | 389,743 | 5,839,796 |
| Long-term Liabilities | 17,410,117 | (4,885,823) | 22,295,940 | (350,204) | 22,646,144 |
| Total Liabilities | 22,348,929 | (6,176,550) | 28,525,479 | 39,539 | 28,485,940 |
| Deferred Inflows of Resources | 7,134,660 | 2,212 | 7,132,448 | 1,063,311 | 6,069,137 |
| Total Liabilities and Deferred Inflows of Resources | 29,483,589 | (6,174,338) | 35,657,927 | 1,102,850 | 34,555,077 |
| Net Investment in Capital Assets | 46,206,315 | 9,575,687 | 36,630,628 | 4,894,538 | 31,736,090 |
| Restricted | 2,390,447 | (105,185) | 2,495,632 | 621,357 | 1,874,275 |
| Unrestricted | 12,685,977 | (11,706,715) | 24,392,692 | (104,746) | 24,497,438 |
| Total Net Position | \$ 61,282,739 | \$ (2,236,213) | \$ 63,518,952 | \$ 5,411,149 | \$ 58,107,803 |

As seen in the Statements of Net Position summary, the District's net position decreased by \$2,236,213 in 2020, which followed an increase of \$5,411,149 in 2019. Current assets decreased \$12,293,005 from 2019, mainly due to adverse conditions and facility closures as a result of COVID-19, and a pre-payment on the 2018 GO Bonds. This followed an increase of current assets from 2018 to 2019 in the amount of \$735,238 a reflection of increased cash and investments and property tax receivables. Liabilities and deferred inflows decreased by \$6,174,338 in 2020, which was the result of increased property taxes, decreased lease liability and decreased bond liability. This compared to an increase of \$1,102,850 in 2019 which was the result of increased property tax, increased lease liability and decreased bond liability.

While the Statements of Net Position show the change in financial position of the District, the Statements of Revenues, Expenses and Changes in Net Position provide the information as to the source of this overall change.

ACTIVITIES

A summary of the District's Statements of Revenues, Expenses and Changes in Net Position:

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

| | <u>2020</u> | <u>Change From 2019</u> | <u>2019</u> | <u>Change From 2018</u> | <u>2018</u> |
|--------------------------------------|----------------------|-----------------------------|----------------------|-----------------------------|----------------------|
| Operating Revenues | | | | | |
| Fees and Charges | \$ 5,428,825 | \$ (18,315,883) | \$ 23,744,708 | \$ 927,363 | \$ 22,817,345 |
| Conservation Trust Fund | 655,855 | (68,327) | 724,182 | 91,064 | 633,118 |
| Other | 107,499 | (395,248) | 502,747 | 351,449 | 151,298 |
| Non-operating Revenues | | | | | |
| Taxes | 7,594,689 | 1,034,892 | 6,559,797 | 339,250 | 6,220,547 |
| Interest Income | 196,658 | (252,076) | 448,734 | 134,697 | 314,037 |
| Gain(Loss) on Sale of Capital Assets | 49,180 | 220,687 | (171,507) | (235,594) | 64,087 |
| Income from Joint Venture | 363,618 | (46,923) | 410,541 | (17,904) | 428,445 |
| Total Revenues | <u>14,396,324</u> | <u>(17,822,878)</u> | <u>32,219,202</u> | <u>1,590,325</u> | <u>30,628,877</u> |
| Operating Expense | 13,043,986 | (8,893,437) | 21,937,423 | 1,479,855 | 20,457,568 |
| Depreciation | 4,197,207 | 169,545 | 4,027,662 | 195,360 | 3,832,302 |
| Interest Expense | <u>1,074,053</u> | <u>(312,415)</u> | <u>1,386,468</u> | <u>170,147</u> | <u>1,216,321</u> |
| Total Expenses | <u>18,315,246</u> | <u>(9,036,307)</u> | <u>27,351,553</u> | <u>1,845,362</u> | <u>25,506,191</u> |
| Capital Grants and Contributions | <u>1,682,709</u> | <u>1,139,209</u> | <u>543,500</u> | <u>154,550</u> | <u>388,950</u> |
| Change in Net Position | (2,236,213) | (7,647,362) | 5,411,149 | (100,487) | 5,511,636 |
| Beginning Net Position | <u>63,518,952</u> | <u>5,411,149</u> | <u>58,107,803</u> | <u>5,511,636</u> | <u>52,596,167</u> |
| Ending Net Position | <u>\$ 61,282,739</u> | <u>\$ (2,236,213)</u> | <u>\$ 63,518,952</u> | <u>\$ 5,411,149</u> | <u>\$ 58,107,803</u> |

As displayed above, in 2020, the District's ending net position decreased by \$2,236,213 from 2019 to 2020, a decrease of 3.5% primarily due to the effects of COVID-19 Pandemic and resulting District facility closures. The 2020 percentage was out of the ordinary compared with the increase of \$5,411,149 between 2019 and 2018, an increase of 9.3%, a result of consistent operations and controlling expenses over the past few years.

The Greg Mastriona Golf Courses at Hyland Hills had an increase in revenues in 2020 compared to 2019, due to the Courses being much busier during the COVID-19 Pandemic, as patrons were looking for alternative outdoor recreation. This was in stark contrast to the average facility usage in 2019 which resulted in revenue decreases in 2019 compared to 2018.

Adventure Golf had considerably decreased attendance in 2020 due to only one attraction being in operation, therefore revenues decreased significantly compared to 2019, and we controlled expenses as well, resulting in a decrease compared to 2019. This followed an increase in revenues from 2018 to 2019, attributed to favorable weather conditions in 2019.

Total District expenses decreased significantly in 2020 due to a number of facilities and programs not in operation during the COVID-19 Pandemic. The District was in the process of constructing a new ride at the Water World Facility, which attributed to a big part of the total overall District expense in 2020. As a comparison, total District operating expenses increased in 2019 compared to 2018 as the District continues to repair aging facilities and absorb the mandatory minimum wage increases each year, while still continuing to be expense conscious. The District also acquired a fitness building which resulted in additional expenses for 2019.

CAPITAL ASSETS

At December 31, 2020, the District had over \$66.7 million invested in a broad range of capital assets, net of accumulated depreciation. This figure increased significantly as the District began construction on a major ride project at Water World, with a planned opening in 2021. The following schedule summarizes the District's capital assets, and changes from 2018 to 2019, and 2019 to 2020:

| Summary of Capital Assets | Change | | Change | | |
|------------------------------------|----------------------|---------------------|----------------------|---------------------|----------------------|
| | <u>2020</u> | <u>From 2019</u> | <u>2019</u> | <u>From 2018</u> | <u>2018</u> |
| Buildings | \$ 27,481,359 | \$ 102,498 | \$ 27,378,861 | \$ 6,637,291 | \$ 20,741,570 |
| Improvements and Land/Water Shares | 89,371,817 | 1,891,771 | 87,480,046 | (393,276) | 87,873,322 |
| Equipment and Furnishings | 22,222,821 | 954,834 | 21,267,987 | (1,630,573) | 22,898,560 |
| Construction in Progress | <u>5,600,536</u> | <u>5,016,452</u> | <u>584,084</u> | <u>535,716</u> | <u>48,368</u> |
| Total Capital Assets | 144,676,533 | 7,965,555 | 136,710,978 | 5,149,158 | 131,561,820 |
| Less Accumulated Depreciation | <u>(77,960,864)</u> | <u>(3,993,307)</u> | <u>(73,967,557)</u> | <u>200,768</u> | <u>(74,168,325)</u> |
| Net Capital Assets | <u>\$ 66,715,669</u> | <u>\$ 3,972,248</u> | <u>\$ 62,743,421</u> | <u>\$ 5,349,926</u> | <u>\$ 57,393,495</u> |

The District had a few construction projects still in progress at the end of 2020: Water World future ride project; Carroll Butts/Gymnastics remodeled building project; and the Bell Roth Park irrigation system project. Additional information for the District's Capital Assets is contained in note 4 on pages 18-19.

DEBT ADMINISTRATION

At year-end, the District had \$8,948,570 in outstanding Lease Obligations, which reflects a decrease from the previous year, as the District did not enter into another lease in 2020. In addition, the District had \$10,535,000 in Bonds Payable at the end of 2020, which was comprised completely of Revenue Bonds. Additional information for both the bonds and leases are contained in notes 7 and 8 on pages 22 - 29 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET RATES

The Board of Directors considers many factors when setting the District's 2021 budget, including user fees and charges. The Board of Directors has appropriated funds for 2021 compared to 2020 and 2019 appropriations as follows:

| | <u>2021</u> | <u>2020</u> | <u>2019</u> |
|----------------------------|----------------------|----------------------|----------------------|
| Revenues | | | |
| Fees and Charges | \$ 35,536,530 | \$ 29,317,500 | \$ 27,263,100 |
| Conservation Trust Fund | 500,000 | 500,000 | 500,000 |
| Taxes | 7,613,160 | 7,591,348 | 6,528,037 |
| Interest Income | 141,000 | 303,000 | 251,000 |
| Other | <u>105,000</u> | <u>123,000</u> | <u>95,000</u> |
| Total Revenues | <u>43,895,690</u> | <u>37,834,848</u> | <u>34,637,137</u> |
| Expenses | | | |
| Operating Expenses | 28,983,664 | 27,134,187 | 24,878,235 |
| Conservation Trust Fund | 500,000 | 500,000 | 500,000 |
| Capital Outlay | 6,075,150 | 3,679,000 | 2,577,000 |
| Debt Service | 1,697,653 | 3,474,138 | 3,489,352 |
| Reserves and Contingencies | <u>11,217,694</u> | <u>25,990,021</u> | <u>23,016,424</u> |
| Total Expenses | <u>\$ 48,474,161</u> | <u>\$ 60,777,346</u> | <u>\$ 54,461,011</u> |

In setting the District's 2021 budget, the economy and COVID-19 pandemic continue to be the major concern. The District took a conservative approach when setting the 2021 District budget.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have any questions about this report or need additional financial information, please contact Michael Tilger, Director of Finance, at the following:

Hyland Hills Park and Recreation District
8801 N. Pecos St.
Federal Heights, CO 80260
303-428-7488
mtilger@hylandhills.org

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**HYLAND HILLS PARK AND
RECREATION DISTRICT**

**STATEMENTS OF NET POSITION
DECEMBER 31, 2020 AND 2019**

| ASSETS AND DEFERRED OUTFLOWS OF RESOURCES | | |
|--|---------------|---------------|
| CURRENT ASSETS | 2020 | 2019 |
| Cash and Cash Equivalents (Note 3) | \$ 955,475 | \$ 3,795,095 |
| Investments (Note 3) | 7,723,188 | 18,482,974 |
| Accounts Receivable | 240,872 | 303,758 |
| Grant Receivable | 1,360,226 | - |
| Due from Ice Centre (Note 6) | 43,459 | 217,706 |
| Prepaid Expense | 203,438 | 15,085 |
| Property Taxes Receivable | 7,211,791 | 7,170,974 |
| Inventories | 204,550 | 250,412 |
| Total Current Assets | 17,942,999 | 30,236,004 |
| NONCURRENT ASSETS | | |
| Capital Assets - Net of Accumulated Depreciation (Note 4) | 66,715,669 | 62,743,421 |
| Cash and Investments - Restricted (Notes 3 & 5) | 2,461,820 | 2,580,660 |
| Investment in Joint Venture | 3,335,264 | 2,993,443 |
| Total Noncurrent Assets | 72,512,753 | 68,317,524 |
| Total Assets | 90,455,752 | 98,553,528 |
| DEFERRED OUTFLOWS OF RESOURCES | | |
| Deferred Charges on Refunding | 310,576 | 623,351 |
| Total Assets and Deferred Outflows of Resources | 90,766,328 | 99,176,879 |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION | | |
| CURRENT LIABILITIES | | |
| Accounts Payable and Accrued Expenses | 1,340,690 | 1,221,272 |
| Accrued Interest Payable | 71,373 | 85,028 |
| Leases Payable - Current Portion (Note 7) | 1,448,788 | 1,403,965 |
| Bonds Payable - Current Portion (Note 8) | 1,417,616 | 3,036,239 |
| Unearned Revenue-Other | 660,345 | 483,035 |
| Total Current Liabilities | 4,938,812 | 6,229,539 |
| LONG-TERM LIABILITIES | | |
| Leases Payable (Note 7) | 7,499,782 | 8,948,570 |
| Bonds Payable (Note 8) | 9,910,335 | 13,347,370 |
| Total Long-Term Liabilities | 17,410,117 | 22,295,940 |
| Total Liabilities | 22,348,929 | 28,525,479 |
| DEFERRED INFLOWS OF RESOURCES | | |
| Deferred Revenue-Property Taxes | 7,134,660 | 7,132,448 |
| Total Liabilities and Deferred Inflows of Resources | 29,483,589 | 35,657,927 |
| NET POSITION | | |
| Net Investment in Capital Assets | 46,206,315 | 36,630,628 |
| Restricted for: | | |
| Debt Service | 1,431,627 | 1,789,247 |
| Capital Projects | 958,820 | 706,385 |
| Unrestricted | 12,685,977 | 24,392,692 |
| Total Net Position | 61,282,739 | 63,518,952 |
| Total Liabilities, Deferred Inflows of Resources, and Net Position | \$ 90,766,328 | \$ 99,176,879 |

The accompanying notes are an integral
part of the financial statements

**HYLAND HILLS PARK AND
RECREATION DISTRICT**

**STATEMENTS OF REVENUE, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**

| OPERATING REVENUES | 2020 | 2019 |
|--|----------------------|----------------------|
| Fees and Charges Pledged as Security for Revenue Bonds | \$ 5,424,955 | \$ 23,700,967 |
| Fees and Charges | 3,870 | 43,741 |
| Conservation Trust Fund | 655,855 | 724,182 |
| Other | 107,499 | 502,747 |
| Total Operating Revenues | <u>6,192,179</u> | <u>24,971,637</u> |
| OPERATING EXPENSES | | |
| General and Administrative | 4,093,049 | 3,827,561 |
| Parks | 1,692,922 | 1,867,736 |
| Golf Course and Pro Shop | 1,760,823 | 1,993,719 |
| Recreation | 1,717,383 | 2,756,720 |
| Swimming Pools and Aquatics | 185,210 | 194,677 |
| Carroll Butts Athletic Park | 83,051 | 286,051 |
| Golf Course Concessions | 222,487 | 224,424 |
| Water World | 2,604,567 | 9,500,617 |
| Adventure Golf | 673,086 | 1,272,579 |
| Conservation Trust Fund | 11,408 | 13,339 |
| Total Operating Expenses | <u>13,043,986</u> | <u>21,937,423</u> |
| INCOME FROM OPERATIONS BEFORE DEPRECIATION | (6,851,807) | 3,034,214 |
| Depreciation (Note 4) | <u>(4,197,207)</u> | <u>(4,027,662)</u> |
| NET LOSS FROM OPERATIONS | <u>(11,049,014)</u> | <u>(993,448)</u> |
| NON-OPERATING REVENUES (EXPENSES) | | |
| Interest Expense | (1,074,053) | (1,386,468) |
| Taxes | 7,594,689 | 6,559,797 |
| Interest Income | 196,658 | 448,734 |
| Income from Joint Venture (Note 6) | 363,618 | 410,541 |
| Gain(Loss) on Sale of Capital Assets | 49,180 | (171,507) |
| Total Non-Operating Revenues (Expenses) | <u>7,130,092</u> | <u>5,861,097</u> |
| Income Before Capital Grants and Contributions | <u>(3,918,922)</u> | <u>4,867,649</u> |
| Capital Grants and Contributions | <u>1,682,709</u> | <u>543,500</u> |
| CHANGE IN NET POSITION | (2,236,213) | 5,411,149 |
| NET POSITION, Beginning of Year | <u>63,518,952</u> | <u>58,107,803</u> |
| NET POSITION, End of Year | <u>\$ 61,282,739</u> | <u>\$ 63,518,952</u> |

The accompanying notes are an integral
part of the financial statements

**HYLAND HILLS PARK AND
RECREATION DISTRICT**

**STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**

| CASH FLOW FROM OPERATING ACTIVITIES | 2020 | 2019 |
|---|---------------------|---------------------|
| Cash Received From Customers | \$ 5,950,767 | \$ 24,606,518 |
| Cash Payments for Operations and Supplies for Goods and Services | (6,645,989) | (11,193,905) |
| Cash Payments to Employees | (6,409,662) | (10,310,726) |
| Conservation Trust Fund Income | 655,855 | 724,182 |
| Conservation Trust Fund Expense | (11,408) | (13,339) |
| Net Cash Provided (Used) by Operating Activities | <u>(6,460,437)</u> | <u>3,812,730</u> |
| CASH FLOW FROM NON-CAPITAL FINANCING ACTIVITIES | | |
| Property Taxes | <u>7,556,084</u> | <u>6,564,449</u> |
| Net Cash Provided by Non-Capital Financing Activities | <u>7,556,084</u> | <u>6,564,449</u> |
| CASH FLOW FROM CAPITAL AND RELATED FINANCING ACTIVITIES | | |
| Interest Paid on Bonds and Leases | (854,295) | (969,995) |
| Acquisition of Capital Assets | (8,196,071) | (9,569,444) |
| Proceeds From Sale of Capital Assets | 57,012 | 20,350 |
| Lease Proceeds Received | - | 4,500,000 |
| Capital Grants and Contributions | 322,483 | 932,450 |
| Lease Principal Payments Made During the Year | (1,403,965) | (1,552,831) |
| Bond Principal Payments Made During the Year | <u>(4,910,000)</u> | <u>(2,845,000)</u> |
| Net Cash Used for Capital and Related Financing Activities | <u>(14,984,836)</u> | <u>(9,484,470)</u> |
| CASH FLOW FROM INVESTING ACTIVITIES | | |
| Proceeds from Sale of Investments | 19,431,613 | 4,378,088 |
| Purchase of Investments | (8,530,540) | (8,844,741) |
| Interest on Investments | 196,658 | 448,734 |
| Distribution from/to Ice Centre | <u>(48,162)</u> | <u>226,754</u> |
| Net Cash Provided (Used) for Investing Activities | <u>11,049,569</u> | <u>(3,791,165)</u> |
| Net (Decrease) in Cash and Cash Equivalents | (2,839,620) | (2,898,456) |
| Cash and Cash Equivalents, Beginning of Year | <u>3,795,095</u> | <u>6,693,551</u> |
| Cash and Cash Equivalents, End of Year | <u>\$ 955,475</u> | <u>\$ 3,795,095</u> |

The accompanying notes are an integral
part of the financial statements

**HYLAND HILLS PARK AND
RECREATION DISTRICT**

**STATEMENTS OF CASH FLOWS (CONTINUED)
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**

RECONCILIATION OF OPERATING (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES

| | <u>2020</u> | <u>2019</u> |
|--|--------------------|-------------------|
| Operating (Loss) | \$ (11,049,014) | \$ (993,448) |
| Adjustments to Reconcile Operating Loss to Net Cash Provided by Operating Activities: | | |
| Depreciation | 4,197,207 | 4,027,662 |
| Changes in Assets and Liabilities | | |
| Receivables | 62,886 | 325,534 |
| Due to/from Ice Centre | 174,247 | 76,302 |
| Inventories | 45,862 | 62,361 |
| Prepaid Expense | (188,353) | 325,532 |
| Accounts Payable | 119,418 | 31,560 |
| Unearned Revenue | <u>177,310</u> | <u>(42,773)</u> |
| Net Cash Provided (Used) by Operating Activities | <u>(6,460,437)</u> | <u>3,812,730</u> |
| NON-CASH TRANSACTIONS | | |
| Income from Joint Venture | <u>\$ 293,659</u> | <u>\$ 410,541</u> |

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The accompanying notes are an integral
part of the financial statements

**HYLAND HILLS PARK AND
RECREATION DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Hyland Hills Park and Recreation District's (the District) mission is to provide the finest recreational services and park facilities for the residents of its district.

The accounting system of the District is organized as a single enterprise fund. An enterprise fund accounts for operations that are financed and operated in a manner similar to a private business enterprise where the intent of the District is that the costs (expenses, including depreciation) of providing services to the general public on a continuing basis be financed or recovered primarily through user charges. The acquisition, maintenance and improvement of physical plant facilities required to provide these services are financed from existing cash resources, the issuance of bonds, and other District funds.

MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND BASIS OF PRESENTATION

The District's funds are accounted for using the economic resources measurement focus and the accrual basis of accounting; accordingly, revenues are recognized when earned and measurable, and expenses are recognized in the period incurred. Due to the COVID-19 pandemic and particular facility closures, certain 2020 expenses were treated as prepaid and reclassified to 2021. This is a one-time change in recognition of prepaid expenses due to COVID-19 pandemic.

Operating revenues are those revenues generated directly from the primary activities of the District. Operating expenses are necessary costs to provide these goods or services. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

The District applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted assets are available.

Merchandise inventory held for resale is recorded at cost using the FIFO (first-in, first-out) method of valuation.

Investments are recorded at fair value or net asset value.

For purposes of the statement of cash flows, the District considers all highly liquid investments with an original maturity of 90 days or less (including restricted assets) when purchased to be cash equivalents.

The preparation of the Financial Statements in conformity with Generally Accepted Accounting Principles (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses. The District believes that the techniques and assumptions used in establishing these estimates are appropriate.

COMPENSATED ABSENCES

The District provides annual paid vacation leave for all eligible employees. Vacation leave accrued during the first year of District employment may not be taken until the completion of one year's continuous service.

Regular full-time employees accrue sick leave at a rate of one day per month with an unlimited accumulation. Sick leave accumulated in excess of fifty days may be exchanged for special vacation leave at the rate of two days sick leave for one day special vacation leave only after meeting certain criteria.

The District provides that a regular full-time employee may be granted a personal leave of absence with pay up to four days within one calendar year. Per District policy, there are no accrued compensated absences and no time carried forward to subsequent years, therefore, no liability is recorded.

**HYLAND HILLS PARK AND
RECREATION DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2020 AND 2019**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

PROPERTY TAXES

Adams County Treasurer's Office collects property taxes and remits to the District, on a monthly basis, the District's portion of the property taxes based on the District's mill levy.

Annual property taxes are levied by the Adams County Assessor's office on assessed valuation as of January 1, and attached as an enforceable lien on the property at that time. Taxpayers may pay property taxes in two equal installments. One-half of the taxes due will become delinquent March 1, after which date interest will be added as provided by law. The remaining half will become delinquent June 16. If the entire annual tax is paid on or before April 30, no interest will be added.

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

CAPITAL ASSETS

Purchased capital assets are recorded at acquisition cost. Donated capital assets are recorded at acquisition value at date of transfer. Interest on constructed assets is expensed, not capitalized. Assets with a value of greater than \$5,000 are capitalized and depreciated over the estimated useful life using the straight line method.

| | |
|--------------------------------------|---------------|
| Buildings | 20 - 50 years |
| Improvements Other than Buildings | 10 - 30 years |
| Furniture and Equipment | 5 - 10 years |

LIABILITIES

Long-term liabilities of the District consisting of capitalized leases, revenue obligations, and general obligations are recorded in the enterprise fund. Principal and accrued interests are recorded as liabilities and are reduced as payments are made. Amounts recorded as "current portion" represent principal payable within one year and are reclassified into current portion each year.

BUDGET PROCESS

The District adopts an annual budget at the end of each year for the following calendar year. All appropriations are adopted by the District at the department level.

Unused appropriations expire (lapse) at year-end. Amendments to the budget through supplemental appropriations requires approval of the board of directors, publication of the public hearing dates and proposed supplemental appropriations, the holding of a public hearing, and the filing of the approved supplemental appropriations with the Colorado Division of Local Governments.

The District budgets on a non-GAAP basis. For budget purposes, bond and lease proceeds are considered revenues. Purchase of capital assets and principal payments of debt are shown as expenditures. Depreciation is not budgeted.

**HYLAND HILLS PARK AND
RECREATION DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2020 AND 2019**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of fund net position or fund balance that applies to a future period(s) and thus, will not be recognized as an outflow of resources (expense) until then. The District has only one item that qualifies for reporting in this category. It is the deferred charge on refunding reported on the balance sheet. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

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

NET POSITION

Net position is classified as follows:

Net Investment in capital assets – This represents the total investment in capital assets, net of accumulated depreciation, outstanding debt obligations, capital accounts payable, retainage and deferred loss on refunding related to those capital assets.

Restricted net position – Restricted net position includes resources in which the District is legally or contractually obligated to spend resources in accordance with restrictions either externally imposed by creditors, grantors, and contributors, or imposed by law.

Unrestricted net position – Unrestricted net position represents resources that do not meet the definition of the two preceding categories. These resources are used for transactions relating to the operations of the District and may be used to meet current expenses for any purposes. Unrestricted net position may be designated by actions of the Board of Directors.

When an expenditure is incurred for purposes for which both restricted and unrestricted net position are available, restricted resources are considered expended.

NOTE 2: THE REPORTING ENTITY

In accordance with Governmental Accounting Standards Board (GASB), the District has considered the possibility of inclusion of additional entities in its special purpose 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 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.

The District does not exercise such authority over any other entity, and therefore no other entities are included in the District's financial statements.

**HYLAND HILLS PARK AND
RECREATION DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2020 AND 2019**

NOTE 3: CASH DEPOSITS AND INVESTMENTS

The cash deposits and investments consist of the following:

| | 2020 | 2019 |
|--|---------------|---------------|
| Cash and Cash Equivalents | \$ 1,914,295 | \$ 4,501,480 |
| Certificates of Deposit | 3,348,553 | 3,279,255 |
| Colorado Government Liquid Asset Trust (ColoTrust) | 5,877,635 | 17,077,994 |
| Total Cash Deposits and Investments | \$ 11,140,483 | \$ 24,858,729 |

The cash deposits and investment classifications as shown on the balance sheet are as follows:

| | 2020 | 2019 |
|--|---------------|---------------|
| Cash and Cash Equivalents - Unrestricted | \$ 955,475 | \$ 3,795,095 |
| Investments - Unrestricted | 7,723,188 | 18,482,974 |
| Cash and Investments - Restricted | 2,461,820 | 2,580,660 |
| Total Cash Deposits and Investments | \$ 11,140,483 | \$ 24,858,729 |

CASH DEPOSITS

The District's deposit and investment policy is to follow the Colorado Public Deposit Protection Act (PDPA) and state statute. 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, 2020 and December 31, 2019, State Regulatory Commissioners have indicated that all financial institutions holding deposits for Hyland Hills Park and Recreation 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. The institution is allowed 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 fair value of the collateral must be at least equal to 102% of the uninsured deposits.

| | 2020 | |
|-------------------------|-----------------|-----------------|
| | BOOK BALANCE | BANK BALANCE |
| Insured | \$ 1,250,000 | \$ 1,250,000 |
| Collateralized Deposits | 3,733,054 | 4,341,493 |
| Total Deposits | 4,983,054 | \$ 5,591,493 |
| Cash on Hand | 21,680 | |
| Total Cash and Deposits | \$ 5,004,734 | |

| | 2019 | |
|-------------------------|-----------------|-----------------|
| | BOOK BALANCE | BANK BALANCE |
| Insured | \$ 1,250,000 | \$ 1,250,000 |
| Collateralized Deposits | 6,250,384 | 6,084,655 |
| Total Deposits | 7,500,384 | \$ 7,334,655 |
| Cash on Hand | 27,995 | |
| Total Cash and Deposits | \$ 7,528,379 | |

**HYLAND HILLS PARK AND
RECREATION DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2020 AND 2019**

NOTE 3: CASH DEPOSITS AND INVESTMENTS (CONTINUED)

INVESTMENTS

The Board of Directors of the District requires that all investments of the District be made in accordance with its investment policy.

Colorado Statutes specify in which instruments the units of local governments may invest which include:

- Obligations of the United States and certain U.S. government agency's securities and World Bank
- Certain international agency securities
- General obligation and revenue bonds of U.S. local government entities
- Bankers' acceptances of certain banks
- Commercial paper
- Local government investment pools
- Written repurchase agreements collateralized by certain authorized securities
- Certain money market funds
- Guaranteed investment contracts
- Investments in local government investment pools or in money market funds are not categorized because they are not evidenced by securities that exist in physical or book entry form.

The District's investments are categorized below to give an indication of the level of credit risk assumed. The District limits CD maturities to three years or less to reduce credit risk.

| | | 2020 | | |
|-------------------------|-----------|----------------------|-------------------------|-----------------------------|
| | S&P | Carrying Amount | Maturities Up to 1 Year | Maturities More Than 1 Year |
| Certificates of Deposit | No Rating | \$ 3,348,553 | \$ 3,348,553 | \$ - |
| ColoTrust | AAAm | 5,877,635 | - | 5,877,635 |
| | | <u>\$ 9,226,188</u> | <u>\$ 3,348,553</u> | <u>\$ 5,877,635</u> |
| | | 2019 | | |
| | S&P | Carrying Amount | Maturities Up to 1 Year | Maturities More Than 1 Year |
| Certificates of Deposit | No Rating | \$ 3,279,255 | \$ - | \$ 3,279,255 |
| ColoTrust | AAAm | 17,077,994 | - | 17,077,994 |
| | | <u>\$ 20,357,249</u> | <u>\$ -</u> | <u>\$ 20,357,249</u> |

**HYLAND HILLS PARK AND
RECREATION DISTRICT**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2020 AND 2019

NOTE 3: CASH DEPOSITS AND INVESTMENTS (CONTINUED)

INVESTMENTS (CONTINUED)

The District has investments in 2020 and 2019 of \$5,877,635 and \$17,077,994, respectively, in Colorado Government Liquid Asset Trust (the Trust); an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all State statutes governing the Trust. This trust operates similarly to a money market fund, and each share is equal in value to one dollar. The Trust offers shares in two portfolios, COLOTRUST PRIME and COLOTRUST PLUS+. COLOTRUST PRIME is rated AAAM by Standard and Poor's. COLOTRUST PLUS+ is rated AAAM by Standard and Poor's and Fitch and Moody's. Both portfolios may invest in U.S. Treasury securities. COLOTRUST PLUS+ may also invest in certain obligations of U.S. government agencies, highest rated commercial paper and repurchase agreements collateralized by certain obligations of U.S. government agencies. Financial statements are available at www.colotrust.com.

A designated custodial bank serves as custodian for the Trust's portfolios pursuant to a custodian agreement. The custodian acts as safekeeping agent for the Trust's investment portfolios and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by the Trust.

COLOTRUST external investment pool (COLOTRUST) is valued using the NAV per share (or its equivalent) of the investments, which approximates fair value. COLOTRUST investments do not have any unfunded commitments, redemption restrictions or redemptions notice period.

Certificate of Deposits are measured as level 2.

NOTE 4: SUMMARY OF CHANGES IN CAPITAL ASSETS

The changes in capital assets for 2020 are as follows:

| | Balance 1/1/2020 | Additions | Retirements | Transfers | Balance 12/31/2020 |
|--|---------------------|--------------|-------------|-----------|-----------------------|
| Capital Assets, Not Being Depreciated: | | | | | |
| Land/Water Shares | \$ 4,787,000 | \$ - | \$ - | \$ - | \$ 4,787,000 |
| Construction in Progress | 584,084 | 5,437,900 | - | (421,448) | 5,600,536 |
| Capital Assets, Being Depreciated: | | | | | |
| Buildings | 27,378,861 | 102,498 | - | - | 27,481,359 |
| Improvements Other than Buildings | 82,693,046 | 1,470,323 | - | 421,448 | 84,584,817 |
| Equipment and Furnishings | 21,267,987 | 1,185,350 | (230,516) | - | 22,222,821 |
| Total Capital Assets | 136,710,978 | 8,196,071 | (230,516) | - | 144,676,533 |
| Accumulated Depreciation: | | | | | |
| Buildings | (11,509,156) | (678,896) | - | - | (12,188,052) |
| Improvements Other than Buildings | (48,642,382) | (2,403,230) | - | - | (51,045,612) |
| Equipment and Furnishings | (13,816,019) | (1,115,081) | 203,900 | - | (14,727,200) |
| Total Accumulated Depreciation | (73,967,557) | (4,197,207) | 203,900 | - | (77,960,864) |
| Net Capital Assets | \$ 62,743,421 | \$ 3,998,864 | \$ (26,616) | \$ - | \$ 66,715,669 |

Depreciation expense for the year ended December 31, 2020 was \$4,197,207.

**HYLAND HILLS PARK AND
RECREATION DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2020 AND 2019**

NOTE 4: SUMMARY OF CHANGES IN CAPITAL ASSETS (CONTINUED)

The changes in capital assets for 2019 are as follows:

| | Balance 1/1/2019 | Additions | Retirements | Transfers | Balance 12/31/2019 |
|--|----------------------|---------------------|---------------------|-------------|-----------------------|
| Capital Assets, Not Being Depreciated: | | | | | |
| Land/Water Shares | \$ 4,815,602 | \$ - | \$ - | \$ (28,602) | \$ 4,787,000 |
| Construction in Progress | 48,368 | 543,344 | - | (7,628) | 584,084 |
| Capital Assets, Being Depreciated: | | | | | |
| Buildings | 20,741,570 | 6,939,180 | (301,889) | - | 27,378,861 |
| Improvements Other than Buildings | 83,057,720 | 1,291,505 | (1,692,409) | 36,230 | 82,693,046 |
| Equipment and Furnishings | 22,898,560 | 795,415 | (2,425,988) | - | 21,267,987 |
| Total Capital Assets | <u>131,561,820</u> | <u>9,569,444</u> | <u>(4,420,286)</u> | <u>-</u> | <u>136,710,978</u> |
| Accumulated Depreciation: | | | | | |
| Buildings | (11,219,910) | (591,135) | 301,889 | - | (11,509,156) |
| Improvements Other than Buildings | (47,807,688) | (2,369,503) | 1,534,809 | - | (48,642,382) |
| Equipment and Furnishings | (15,140,727) | (1,067,024) | 2,391,732 | - | (13,816,019) |
| Total Accumulated Depreciation | <u>(74,168,325)</u> | <u>(4,027,662)</u> | <u>4,228,430</u> | <u>-</u> | <u>(73,967,557)</u> |
| Net Capital Assets | <u>\$ 57,393,495</u> | <u>\$ 5,541,782</u> | <u>\$ (191,856)</u> | <u>\$ -</u> | <u>\$ 62,743,421</u> |

Depreciation expense for the year ended December 31, 2019 was \$4,027,662.

NOTE 5: RESTRICTED CASH AND INVESTMENTS

Restricted cash and investments represents debt proceeds and funds set aside for payment of debt and specific purposes as outlined below:

| | 2020 | 2019 |
|---|---------------------|---------------------|
| 2010 Revenue Bond Reserve | \$ - | \$ 371,275 |
| 2016-A Special Revenue Refunding Bond Reserve | 1,013,500 | 1,013,500 |
| 2016-B Special Revenue Refunding Bond Reserve | 489,500 | 489,500 |
| Adams County Park Development Funds | 221,165 | 331,975 |
| Conservation Trust Funds | <u>737,655</u> | <u>374,410</u> |
| Total Restricted Cash and Investments | <u>\$ 2,461,820</u> | <u>\$ 2,580,660</u> |

**HYLAND HILLS PARK AND
RECREATION DISTRICT**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2020 AND 2019

NOTE 6: JOINT VENTURE

The District is a partner in an intergovernmental agreement with the City of Westminster to jointly operate a three sheet Ice Skating Facility, The Ice Centre at the Promenade. The facility serves more than 480,000 people each year for ice skating programs including figure skating and hockey.

The City of Westminster, through its building authority, financed and constructed the project in 1998. The District operates the facility pursuant to a sub-lease which calls for the District to make lease payments to the City equivalent to one-half of the rental obligation due to the City's building authority. The agreement entitles the District to an undivided fifty percent interest in the Ice Centre, which in the event of default, would be reduced by two percent for each year the lease obligation was not met. The District and the City each receive one-half of the net revenues received from the operation of the Ice Centre. See Note 14 for further discussion.

Complete joint venture financial statements are maintained at the District's Administrative offices, located at 8801 N. Pecos St., Federal Heights, CO 80260.

BALANCE SHEET

| | 2020 | 2019 |
|--|----------------------------|----------------------------|
| CURRENT ASSETS | | |
| Inventories | \$ 193,609 | \$ 129,211 |
| Total Current Assets | <u>193,609</u> | <u>129,211</u> |
| CAPITAL ASSETS | | |
| Capital Assets - Net of Accumulated Depreciation | <u>8,099,105</u> | <u>8,443,353</u> |
| Total Capital Assets | <u>8,099,105</u> | <u>8,443,353</u> |
| OTHER ASSETS | | |
| Capital Replacement Reserve Fund | 598,582 | 322,664 |
| Reserve Fund - Certificates of Participation | <u>995,000</u> | <u>995,000</u> |
| Total Other Assets | <u>1,593,582</u> | <u>1,317,664</u> |
| DEFERRED OUTFLOWS OF RESOURCES | | |
| Deferred Charges on Refunding | <u>26,151</u> | 39,227 |
| Total Deferred Outflows of Resources | <u>26,151</u> | <u>39,227</u> |
| Total Assets and Deferred Outflows of Resources | <u><u>9,912,447</u></u> | <u><u>9,929,455</u></u> |
| LIABILITIES | | |
| Due to District | 43,459 | 217,706 |
| Due to City | 450,165 | 139,918 |
| Premium on Certificates of Participation | 13,300 | 19,949 |
| Certificates of Participation Payable | <u>2,735,000</u> | <u>3,565,000</u> |
| Total Liabilities | <u>3,241,924</u> | <u>3,942,573</u> |
| FUND NET POSITION | | |
| Retained Earnings | 9,556,665 | 8,969,348 |
| Disbursement of equity to partners | <u>(2,886,142)</u> | <u>(2,982,466)</u> |
| Total Fund Net Position | <u>6,670,523</u> | <u>5,986,882</u> |
| Total Liabilities and Fund Net Position | <u><u>\$ 9,912,447</u></u> | <u><u>\$ 9,929,455</u></u> |

**HYLAND HILLS PARK AND
RECREATION DISTRICT**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2020 AND 2019

NOTE 6: JOINT VENTURE (CONTINUED)

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION

| REVENUES | 2020 | 2019 |
|--|--------------|--------------|
| Operating Revenues | \$ 2,819,788 | \$ 3,720,300 |
| Total Operating Revenues | 2,819,788 | 3,720,300 |
| EXPENSES | | |
| Operating Expenses | 1,742,684 | 2,381,529 |
| Interest Expense - Certificates of Participation | 139,113 | 166,113 |
| Depreciation Expense | 350,674 | 351,577 |
| Total Operating Expenses | 2,232,471 | 2,899,219 |
| Operating Net Income | 587,317 | 821,081 |
| NET INCOME | \$ 587,317 | \$ 821,081 |

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**HYLAND HILLS PARK AND
RECREATION DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2020 AND 2019**

NOTE 7: CAPITALIZED LEASES PAYABLE

The District is a lessee in several lease/purchase agreements.
A summary of future minimum lease payments follows:

| | 2021 | 2022 | 2023 | 2024 |
|----------------------------------|---------------------|---------------------|---------------------|---------------------|
| 2011 Golf Clubhouse Lease | \$ 144,289 | \$ - | \$ - | \$ - |
| 2013 Golf Irrigation Lease | 119,938 | 119,938 | 119,940 | - |
| 2014 Golf Irrigation Lease | 240,465 | 240,465 | 240,466 | 240,466 |
| 2016 WW Ride/GC Irrigation Lease | 520,108 | 520,108 | 520,108 | 520,108 |
| 2018 WW Ride Lease | 241,040 | 241,040 | 241,040 | 241,040 |
| 2019 FIT Building Lease | 497,310 | 498,820 | 499,760 | 500,130 |
| Totals | \$ <u>1,763,150</u> | \$ <u>1,620,371</u> | \$ <u>1,621,314</u> | \$ <u>1,501,744</u> |

The rate of interest for each capital lease obligation follows:

| | |
|------------------------------|-------|
| 2011 Golf Clubhouse Lease | 3.50% |
| 2013 Golf Irrigation Lease | 3.45% |
| 2014 Golf Irrigation Lease | 3.49% |
| 2016 WW Ride/GC Irrig. Lease | 2.84% |
| 2018 WW Ride Lease | 3.91% |
| 2019 FIT Building Lease | 3.80% |

[1] The interest rate on this lease is tied directly to the 10 year treasury note and adjusted every 2 years, but has a set minimum and maximum rate based on prime rate at the time of lease inception.

**HYLAND HILLS PARK AND
RECREATION DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2020 AND 2019**

| <u>2025</u> | <u>2026-2029</u> | <u>Total</u> | <u>Less Imputed Interest</u> | <u>12/31/2020 Net Present Value of Capitalized Leases</u> | <u>12/31/2019 Net Present Value of Capitalized Leases</u> |
|---------------------|---------------------|----------------------|--------------------------------------|---|---|
| \$ - | \$ - | \$ 144,289 | \$ (4,879) | \$ 139,410 | \$ 274,106 |
| - | - | 359,816 | (23,470) | 336,346 | 441,068 |
| - | - | 961,862 | (78,467) | 883,395 | 1,085,929 |
| 520,108 | - | 2,600,540 | (207,677) | 2,392,863 | 2,832,527 |
| 241,040 | 482,076 | 1,687,276 | (235,720) | 1,451,556 | 1,628,905 |
| <u>499,930</u> | <u>1,996,130</u> | <u>4,492,080</u> | <u>(747,080)</u> | <u>3,745,000</u> | <u>4,090,000</u> |
| <u>\$ 1,261,078</u> | <u>\$ 2,478,206</u> | <u>\$ 10,245,863</u> | <u>\$ (1,297,293)</u> | <u>\$ 8,948,570</u> | <u>\$ 10,352,535</u> |

**HYLAND HILLS PARK AND
RECREATION DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2020 AND 2019**

NOTE 7: CAPITALIZED LEASES PAYABLE (CONTINUED)

The amount of capital assets recorded under current capital lease obligations and related accumulated depreciation is as follows:

| | <u>2020</u> | <u>2019</u> |
|--|--------------------------|--------------------------|
| 2009 Thunder Bay Lease | \$ - | \$ 1,184,058 |
| 2011 Golf Clubhouse Lease | 4,334,455 | 4,334,455 |
| 2013 Golf Irrigation Lease | 1,639,544 | 1,639,544 |
| 2014 Golf Irrigation Lease | 2,377,174 | 2,377,174 |
| 2016 WW Ride/GC Irrigation Lease | 4,645,974 | 4,645,974 |
| 2018 WW Ride Lease | 2,102,253 | 2,102,253 |
| 2019 FIT Building Lease | 6,898,401 | 6,898,401 |
| Total Capital Assets Under Capital Lease Obligations | 21,997,801 | 23,181,859 |
| Accumulated Depreciation | <u>(4,036,650)</u> | <u>(3,801,420)</u> |
| Net Capital Assets Under Capital Lease Obligations | <u>\$ 17,961,151</u> | <u>\$ 19,380,439</u> |

SUMMARY OF CHANGES IN CAPITAL LEASE OBLIGATIONS:

| <u>2020</u> | | | | |
|----------------|-----------------------------------|------------------|---------------------|-------------------------------------|
| Capital Leases | <u>BALANCE</u> <u>1/1/2020</u> | <u>ADDITIONS</u> | <u>RETIREMENTS</u> | <u>BALANCE</u> <u>12/31/2020</u> |
| | <u>\$ 10,352,535</u> | <u>\$ -</u> | <u>\$ 1,403,965</u> | <u>\$ 8,948,570</u> |
| | | | | <u>\$ 1,448,788</u> |

| <u>2019</u> | | | | |
|----------------|-----------------------------------|---------------------|---------------------|-------------------------------------|
| Capital Leases | <u>BALANCE</u> <u>1/1/2019</u> | <u>ADDITIONS</u> | <u>RETIREMENTS</u> | <u>BALANCE</u> <u>12/31/2019</u> |
| | <u>\$ 7,405,366</u> | <u>\$ 4,500,000</u> | <u>\$ 1,552,831</u> | <u>\$ 10,352,535</u> |
| | | | | <u>\$ 1,403,965</u> |

**HYLAND HILLS PARK AND
RECREATION DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2020 AND 2019**

NOTE 8: BONDS PAYABLE

2007 SPECIAL REVENUE REFUNDING AND IMPROVEMENT BONDS

On March 8, 2007, the District issued \$17,090,000 Special Revenue Refunding and Improvement Bonds, series 2007. The bonds are payable solely from and secured by the net revenues derived by the District through the operation of certain revenue-producing facilities. The bonds earn interest between 4.00% and 5.00% per annum. Interest is payable semi-annually. Principal payments are made annually, and range from \$380,000 to \$1,670,000, with a maturity date of December 2026.

\$7,715,081 of the proceeds from the issue was used to defease \$7,515,000 of the series 1996 Special Revenue Refunding and Improvement Bonds with an interest rate of 6.75%. The proceeds net of accrued interest, underwriting fees, insurance, and other issuance costs were used to purchase securities. Those securities were deposited into an irrevocable trust with an escrow agent to provide for all future debt service payments on the series 1996 bonds. The Bonds were called in April of 2007, and there is no longer any outstanding debt. The refunding provided an economic gain (the difference between the present values of the debt service payments on the refunded and refunding bonds) of \$422,204 and an increase in debt service payments of \$1,652,368.

In August 2016, the 2007 Special Revenue Refunding Bonds were refunded with the 2016-A and 2016-B Special Revenue Refunding Bonds.

2010 SPECIAL REVENUE BONDS

In December 2010, the District issued \$6,895,000 Special Revenue Bonds. The bonds are payable solely from and secured by the net revenues derived by the District through the operation of certain revenue-producing facilities. The bonds earn interest between 2.000% and 5.625% per annum. Interest is payable semi-annually. Principal payments range from \$100,000 to \$585,000, with a maturity date of December 2030. The bonds were issued to make improvements to various facilities throughout the District.

In August 2016, \$4,665,000 of the 2010 Special Revenue Bonds were refunded with the 2016-A Special Revenue Refunding Bonds.

2010 GENERAL OBLIGATION REFUNDING BONDS

In April 2010, the District issued \$11,780,000 General Obligation Refunding Bonds. The bonds are a General Obligation of the District and are payable from Ad Valorem property taxes. The bonds earn interest between 2.00% and 4.50% per annum. Interest is payable semi-annually. Bonds mature annually on December 15th. Principal payments range from \$80,000 to \$1,350,000, with a maturity date of December 2022. Bonds maturing on or after December 15, 2021 are subject to prior redemption at the option of the District.

The proceeds from the 2010 issue were placed in an irrevocable trust to be used to advance refund a portion of the 2002 General Obligation Bonds and pay for cost of issuance. At December 31, 2010, the outstanding principal balance of the defeased debt was \$10,995,000. The refunding provided an economic gain (the difference between the present values of the debt service payments on the refunded and refunding bonds) of \$405,214 and a reduction in debt service payments of \$492,638. Final payment on the bonds was made in 2020 in the amount of \$1,294,800.

**HYLAND HILLS PARK AND
RECREATION DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2020 AND 2019**

NOTE 8: BONDS PAYABLE (CONTINUED)

2016-A SPECIAL REVENUE REFUNDING BONDS

In August 2016, the District issued \$10,135,000 Special Revenue Refunding Bonds. The bonds are payable solely from and secured by the net revenues derived by the District through the operation of certain revenue-producing facilities. The bonds earn interest between 2.00% and 5.00% per annum. Interest is paid semi-annually. Principal payments are made annually, and range from \$450,000 to \$1,050,000, with a maturity of December 2030.

Proceeds from the issue were used to defease \$5,410,000 of the 2007 Special Revenue Refunding Bonds and \$4,965,000 of the 2010 Special Revenue Bonds. The refunding provided an economic gain (the difference between present values of the debt service payments on the refunded and refunding bonds) of \$787,617 and a decrease of debt service payments of \$1,041,352.

2016-B SPECIAL REVENUE REFUNDING BONDS

In August 2016, the District issued \$4,895,000 Special Revenue Refunding Bonds. The bonds are payable solely from and secured by the net revenues derived by the District through the operation of certain revenue-producing facilities. The bonds earn interest between 0.80% and 3.00% per annum. Interest is paid semi-annually. Principal payments are made annually, and range from \$410,000 to \$500,000, with a maturity of December 2026.

The proceeds from the issue were used to defease \$4,855,000 of the series 2007 Special Revenue Refunding Bonds. The refunding provided economic gain (the difference between present values of the debt service payments on the refunded and refunding bonds) of \$192,889 and a decrease of debt service payments of \$554,483.

2018 GENERAL OBLIGATION REFUNDING BONDS

In December 2018, the District issued \$2,775,000 General Obligation Refunding Bonds. The bonds are a General Obligation of the District and are payable from Ad Valorem property taxes. The bonds earn interest at 3.45% per annum. Interest is payable semi-annually. Bonds mature annually on December 15th. Principal payments range from \$260,000 to \$1,715,000, with a maturity date of December 2022. Bonds maturing on or after December 15, 2021 are subject to prior redemption at the option of the District.

The proceeds from the 2018 issue were placed in an irrevocable trust to be used to advance refund a portion of the 2010 General Obligation Bonds and pay for cost of issuance. At December 31, 2018, the outstanding principal of the defeased debt was \$2,720,616. The refunding provided an economic loss (the difference between present values of the debt service payments on the refunded and refunding bonds) of \$57,618 on a net present value basis and a reduction in debt service payments of \$12,849 over the life of the new debt. Final payment on the bonds was advance paid in 2020 in the amount of \$2,440,212.

PLEDGED REVENUES

The District has issued Revenue Bonds which are outstanding through year end. These bonds were issued to finance various projects within the District; the pledged revenue is supplied by the District.

The District further covenants that in the event the Revenues at any time are not sufficient to assure the District's ability to comply with this covenant, it will immediately increase such rates, fees and charges to an extent necessary to assure the District's ability to comply with this covenant within the following 12 month period.

**HYLAND HILLS PARK AND
RECREATION DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2020 AND 2019**

NOTE 8: BONDS PAYABLE (CONTINUED)

PLEDGED REVENUES (CONTINUED)

The District has pledged future fees and charges for operating revenue, net of specific operating expenses, to repay \$10,535,000 in outstanding revenue bonds. Proceeds from the bonds provided financing for the construction of capital asset projects or refunded other revenue bonds issued for that purpose. The bonds are payable through 2030. The total principal and interest remaining to be paid on the bonds at December 31, 2020 is \$12,331,803. Principal and interest paid for the current year and total operating net revenues were \$1,692,228 and \$5,424,955, respectively.

**HYLAND HILLS PARK AND
RECREATION DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2020 AND 2019**

NOTE 8: BONDS PAYABLE (CONTINUED)

A summary of changes in bonds payable follows:

| 2020 | | | | | |
|---|----------------------|-------------|---------------------|-----------------------|-----------------------------------|
| Issue | Balance 1/1/2020 | Additions | Retirements | Balance 12/31/2020 | Amounts Due Within One Year |
| 2010 Special Revenue Bonds | \$ 355,000 | \$ - | \$ 355,000 | \$ - | \$ - |
| 2010 G.O. Refunding Bonds | 1,245,000 | - | 1,245,000 | - | - |
| 2016-A Refunding Bonds | 8,235,000 | - | 500,000 | 7,735,000 | 900,000 |
| 2016-B Refunding Bonds | 3,230,000 | - | 430,000 | 2,800,000 | 435,000 |
| 2018 G.O. Refunding Bonds | 2,380,000 | - | 2,380,000 | - | - |
| Premium On Bonds | 944,523 | - | 149,576 | 794,947 | 82,948 |
| Discount on 2010 Special Revenue Bonds | (3,586) | - | (3,586) | - | - |
| Discount on 2016-B Special Revenue Refunding Bonds | (2,328) | - | (332) | (1,996) | (332) |
| Total Liabilities | \$ 16,383,609 | \$ - | \$ 5,055,658 | \$ 11,327,951 | \$ 1,417,616 |

| 2019 | | | | | |
|---|----------------------|-------------|---------------------|-----------------------|-----------------------------------|
| Issue | Balance 1/1/2019 | Additions | Retirements | Balance 12/31/2019 | Amounts Due Within One Year |
| 2010 Special Revenue Bonds | \$ 695,000 | \$ - | \$ 340,000 | \$ 355,000 | \$ 355,000 |
| 2010 G.O. Refunding Bonds | 2,440,000 | - | 1,195,000 | 1,245,000 | 1,245,000 |
| 2016-A Refunding Bonds | 8,725,000 | - | 490,000 | 8,235,000 | 500,000 |
| 2016-B Refunding Bonds | 3,655,000 | - | 425,000 | 3,230,000 | 430,000 |
| 2018 G.O. Refunding Bonds | 2,775,000 | - | 395,000 | 2,380,000 | 405,000 |
| Premium On Bonds | 1,049,680 | - | 105,157 | 944,523 | 105,157 |
| Discount on 2010 Special Revenue Bonds | (7,172) | - | (3,586) | (3,586) | (3,586) |
| Discount on 2016-B Special Revenue Refunding Bonds | (2,660) | - | (332) | (2,328) | (332) |
| Total Liabilities | \$ 19,329,848 | \$ - | \$ 2,946,239 | \$ 16,383,609 | \$ 3,036,239 |

**HYLAND HILLS PARK AND
RECREATION DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2020 AND 2019**

NOTE 8: BONDS PAYABLE (CONTINUED)

A summary of debt service on bonded indebtedness to maturity follows:

| YEAR | REVENUE BONDS | | | | REVENUE BONDS | | | | REVENUE BONDS | | | |
|-----------|-------------------|--------------|-------------------|------------|-------------------|--------------|-------------------|----------|---------------|----------|-----------|----------|
| | 2016-A SPECIAL | | 2016-B SPECIAL | | 2016-A SPECIAL | | 2016-B SPECIAL | | TOTAL | | TOTAL | |
| | REVENUE REFUNDING | | REVENUE REFUNDING | | REVENUE REFUNDING | | REVENUE REFUNDING | | REVENUE | | REVENUE | |
| | PRINCIPAL | INTEREST | PRINCIPAL | INTEREST | PRINCIPAL | INTEREST | PRINCIPAL | INTEREST | PRINCIPAL | INTEREST | PRINCIPAL | INTEREST |
| 2021 | \$ 900,000 | \$ 287,575 | \$ 435,000 | \$ 75,078 | \$ 1,335,000 | \$ 362,653 | | | | | | |
| 2022 | 900,000 | 269,575 | 450,000 | 65,725 | 1,350,000 | 335,300 | | | | | | |
| 2023 | 925,000 | 251,575 | 460,000 | 55,150 | 1,385,000 | 306,725 | | | | | | |
| 2024 | 950,000 | 223,825 | 470,000 | 43,650 | 1,420,000 | 267,475 | | | | | | |
| 2025 | 1,005,000 | 176,325 | 485,000 | 29,550 | 1,490,000 | 205,875 | | | | | | |
| 2026-2030 | 3,055,000 | 303,775 | 500,000 | 15,000 | 3,555,000 | 318,775 | | | | | | |
| TOTAL | \$ 7,735,000 | \$ 1,512,650 | \$ 2,800,000 | \$ 284,153 | \$ 10,535,000 | \$ 1,796,803 | | | | | | |

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**HYLAND HILLS PARK AND
RECREATION DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2020 AND 2019**

NOTE 9: RECONCILIATION OF REVENUES AND EXPENSES GAAP BASIS TO BUDGETARY BASIS

For financial statement presentation purposes, the District is shown as an enterprise fund. This essentially requires the accounting treatment to be the same as a business whereby revenue is recognized as income when a sale occurs and is earned. Expenses are recognized when incurred. Depreciation is recorded on capitalized equipment and other costs. For budgetary purposes, all receipts are shown as revenue, regardless of whether they are earned revenue or liabilities. Budgetary expenses are recorded for disbursements, including capital expenses and debt service payments, regardless of the period those disbursements benefit. Below is a reconciliation of the two methods:

| | <u>2020</u> | <u>2019</u> |
|---|----------------------|----------------------|
| Total Revenues on Budgetary Basis | \$ 18,535,203 | \$ 40,572,461 |
| Add - Joint Venture Income | 363,618 | 410,541 |
| Less - Lease Proceeds | | (4,500,000) |
| Ice Centre at the Promenade Revenues | <u>(2,819,788)</u> | <u>(3,720,300)</u> |
| Total Revenues on Generally Accepted Accounting Principles Basis | <u>16,079,033</u> | <u>32,762,702</u> |
| Total Expenses on Budgetary Basis | 30,860,546 | 40,255,385 |
| Add - Depreciation on Capital Assets | 4,197,207 | 4,027,662 |
| Less - Capital Outlay Expenses | (8,196,071) | (9,569,444) |
| Lease Issuance Costs | | (65,000) |
| Ice Centre at the Promenade Expenses | (2,232,471) | (2,899,219) |
| Debt Service | | |
| Bond Principal Payments | (4,910,000) | (2,845,000) |
| Lease Principal Payments | <u>(1,403,965)</u> | <u>(1,552,831)</u> |
| Total Expenses on Generally Accepted Accounting Principles Basis | <u>\$ 18,315,246</u> | <u>\$ 27,351,553</u> |

**HYLAND HILLS PARK AND
RECREATION DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2020 AND 2019**

NOTE 10: DEFINED CONTRIBUTION PLAN

Hyland Hills Park and Recreation District has a defined contribution plan established under IRS Code Section 401(k). Assets of the defined contribution plan are not recorded in the District's financial statements as the assets are not available to the District's general creditors. Principal Financial Group is the insurer of the plan.

Hyland Hills adopted, under board resolution, the defined contribution plan on January 1, 1986. Salaried employees are eligible to participate in the plan after they have completed one year of service. Hourly paid employees are eligible to participate in the plan on the first day of the calendar month following one year of service during which they worked 1,000 hours. The District matches the employee's contributions to the plan up to 6% of the employee's compensation for the pay period. Employee contributions are only limited by the IRS annual limitations. Employer's contributions become fully vested after three years of employment with the District. The District's Board of Directors authorizes District match and District management has the authority to amend or establish plan requirements.

The District, in conjunction with an asset custodian, administers the plan. The District and employees contributed \$244,230 and \$370,485 respectively to the plan in 2020 and \$237,438 and \$352,638 respectively to the plan in 2019. The contribution rate for employees is 7.03% of the covered payroll for 2020 and 7.04% of the covered payroll for 2019. Total payroll for 2020 was \$6,409,662 and payroll covered under the defined contribution plan was \$5,271,845. Total payroll for 2019 was \$10,310,726 and payroll covered under the defined contribution plan is \$5,006,150.

NOTE 11: CONTINGENT LIABILITIES

There are no pending lawsuits in which the District is involved.

NOTE 12: OPERATING LEASES

The District is the lessor in several operating leases with independent companies as detailed below. The leases are cancelable at either parties' discretion and obligate the District for the terms detailed below.

| <u>Leased Property</u> | <u>District Facility</u> | <u>Expiration Date</u> | <u>Monthly Rent</u> | <u>Carrying Amount</u> | <u>Accumulated Depreciation</u> |
|--------------------------------|------------------------------|----------------------------|-------------------------|----------------------------|-------------------------------------|
| Restaurant Space and Equipment | Golf Course | 12/31/2022 | \$ 5,300 | \$ 3,093,280 | \$ 853,664 |
| Restaurant Space | Ice Centre | 12/31/2022 | 6,060 | 541,931 | 238,288 |
| Retail Space | Ice Centre | 7/31/2021 | 4,000 | 311,611 | 137,016 |
| Wireless Communications Site | Ice Centre | 10/31/2021 | 1,910 | 40,645 | 17,872 |
| Wireless Communications Site | Waddell Park | 6/20/2021 | 2,790 | 1,439 | - |
| Retail Space | FIT by Hyland | 12/31/2021 | 3,750 | 269,038 | 9,406 |
| Retail Space | FIT by Hyland | 12/31/2021 | 4,500 | 269,038 | 9,406 |
| Retail Space | FIT by Hyland | 12/31/2021 | 500 | 27,594 | 965 |

NOTE 13: RISK MANAGEMENT

The District is a member of the Colorado Special District Association (SDA) Property and Liability Pool, a separate and independent governmental and legal entity, which was established pursuant to an intergovernmental agreement authorized by state statutes. The purposes of the Pool are to provide property and liability and workers' compensation insurance coverage and risk management services to its municipal members at a reasonable cost.

**HYLAND HILLS PARK AND
RECREATION DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2020 AND 2019**

NOTE 13: RISK MANAGEMENT (CONTINUED)

Members can participate actively in policy-making through the Board of Directors, which are nominated and elected by members; involvement on a number of board committees; and participation at annual general membership meetings. Operations are funded by individual membership contributions.

It is the intent of the members of the SDA Pool to create an entity in perpetuity which will administer and use funds contributed by the members to defend and indemnify, in accordance with the by-laws, any member of the Pool against stated liability or loss, to the limit of the financial resources of the Pool. It is also the intent of the members to have the SDA Pool provide continuing stability and availability of needed coverages at reasonable costs. All income and assets of the SDA Pool shall be at all times dedicated to the exclusive benefit of its members. The by-laws shall constitute the substance of the intergovernmental contract among the members. The amount of settlements has not exceeded insurance coverage for any of the three previous years.

NOTE 14: INTERGOVERNMENTAL AGREEMENTS

The District entered into an Intergovernmental Agreement with the City of Westminster whereby Hyland Hills caused the existing structure of a community building acquired in 1992 to be divided into a two unit condominium with the existing parking lot being designated as common area. The City of Westminster purchased from Hyland Hills an undivided one-half interest in Condominium Unit One. Condominium Unit One consists of approximately two-thirds of the existing structure, where the City and the District jointly operate a Senior/Community Center.

During 1997, the District entered into an Intergovernmental Agreement with the City of Westminster whereby the City built a new Ice Arena, called The Ice Centre at the Promenade within the City of Westminster. The District leases and operates the facility. The 142,000 square foot facility is comprised of three full-size sheets of ice, with amenities including locker rooms, concession facilities, a full-line pro shop, restaurant space and retail space. The facility opened to the public during 1999, at which time the District moved all skating operations from its former ice rink to the Ice Centre at the Promenade.

Cash distributions for the Ice Centre are made quarterly to each partner based on cash receipts and disbursements. Certificates of Participation issued to construct the facility are in the City's name and are wholly owned by the City. Hyland Hills has agreed to pay annual rent to the City in an amount equal to one-half of the annual debt service for the Certificates of Participation.

NOTE 15: SIGNIFICANT ECONOMIC DEPENDENCIES

The District is a party in a sponsorship and exclusivity agreement with Pepsi-Cola Metropolitan Bottling Company, Inc. (Pepsi) which was executed in 1999 and expired in 2014. The original agreement provided the District with an annual sponsorship fee of \$240,000, of which \$100,000 was distributed to the Ice Centre at the Promenade. The District provides to Pepsi the exclusive sales and dispensing of only Pepsi's products at all District facilities and the Ice Centre at the Promenade. The District also agrees to designate Pepsi as the "Official Sponsor" of Hyland Hills and provides various advertising signage at its facilities at no additional charge to Pepsi. A new seven year agreement, with an expiration date of February 22, 2021, was signed with Pepsi on February 5, 2014, which allows for a reduced annual sponsorship of \$115,000, of which \$38,500 was distributed to the Ice Centre at the Promenade.

**HYLAND HILLS PARK AND
RECREATION DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2020 AND 2019**

NOTE 16: TAX SPENDING AND DEBT LIMITATIONS

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 governments. The Amendment is complex and subject to judicial interpretation. The District believes it is in compliance with the requirements of the amendment. However, the District has made certain interpretations of the amendment's language in order to determine its compliance.

NOTE 17: CONSTRUCTION COMMITMENTS

At December 31, 2020 the District had commitments for the completion of the new attraction and theming at Water World in the amount of \$1,349,811.

NOTE 18: SUBSEQUENT EVENTS

Subsequent to year-end, the District entered into an \$8.5 million lease for the funding of a new ride at Water World on February 12, 2021. At this time, our facilities are planning to open for the 2021 season at the recommended capacity of the local authorities. The District also purchased a plot of vacant land in the Northern part of the District, adjacent to the FIT by Hyland Hills facility in the amount of \$1,098,000. As well, the District is in negotiations to sell the Perl Mack Community Center, with an estimated closing of mid-June, 2021.

**HYLAND HILLS PARK AND
RECREATION DISTRICT**

**SCHEDULE OF REVENUES AND EXPENSES
ACTUAL AND BUDGET (NON-GAAP BUDGETARY BASIS)
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**

| | 2020 | | |
|--|----------------------|------------------------------|--|
| | ACTUAL | ORIGINAL/ FINAL BUDGET | VARIANCE FAVORABLE (UNFAVORABLE) |
| REVENUES | | | |
| Taxes | \$ 7,594,689 | \$ 7,591,348 | \$ 3,341 |
| Conservation Trust Fund | 655,855 | 500,000 | 155,855 |
| Adventure Golf | 678,359 | 2,143,900 | (1,465,541) |
| Golf Course | 3,371,211 | 2,832,300 | 538,911 |
| Golf Course Concessions | 393,457 | 379,100 | 14,357 |
| Carroll Butts Athletic Park (Former Ice Arena) | 60,122 | 292,500 | (232,378) |
| Ice Centre at the Promenade | 2,819,788 | 3,388,400 | (568,612) |
| Recreation | 700,327 | 2,111,200 | (1,410,873) |
| Swimming Pools and Aquatics | 16,745 | 38,600 | (21,855) |
| Water World | 207,405 | 16,549,000 | (16,341,595) |
| Interest | 196,658 | 303,000 | (106,342) |
| Lease Proceeds | | | |
| Other | 1,840,587 | 1,705,500 | 135,087 |
| Total Revenues (Note 9) | <u>18,535,203</u> | <u>37,834,848</u> | <u>(19,299,645)</u> |
| EXPENSES | | | |
| General and Administrative | 4,093,049 | 4,505,605 | 412,556 |
| Adventure Golf | 673,086 | 1,327,350 | 654,264 |
| Golf Course and Pro Shop | 1,760,823 | 2,049,670 | 288,847 |
| Golf Course Concessions | 222,487 | 270,780 | 48,293 |
| Carroll Butts Athletic Park (Former Ice Arena) | 83,051 | 292,500 | 209,449 |
| Ice Centre at the Promenade | 2,232,471 | 3,388,400 | 1,155,929 |
| Parks | 1,692,922 | 1,884,330 | 191,408 |
| Recreation | 1,717,383 | 2,819,040 | 1,101,657 |
| Swimming Pools and Aquatics | 185,210 | 231,705 | 46,495 |
| Water World | 2,604,567 | 10,098,545 | 7,493,978 |
| Reserves and Contingency | - | 23,990,021 | 23,990,021 |
| Capital Outlay | 8,196,071 | 3,679,000 | (4,517,071) |
| Conservation Trust Fund | 11,408 | 500,000 | 488,592 |
| Debt Service | | | |
| Bond Interest | 717,666 | 539,138 | (178,528) |
| Bond Principal Payments | 4,910,000 | 2,935,000 | - |
| Bond Issue Costs | - | - | - |
| Lease Interest | 356,387 | 862,297 | 505,910 |
| Lease Principal Payments | 1,403,965 | 1,403,965 | - |
| Lease Issue Costs | - | - | - |
| Total Expenses (Note 9) | <u>\$ 30,860,546</u> | <u>\$ 60,777,346</u> | <u>\$ 31,891,800</u> |

See Independent Auditors' Report

| 2019 | | |
|----------------------|------------------------------|--|
| ACTUAL | ORIGINAL/ FINAL BUDGET | VARIANCE FAVORABLE (UNFAVORABLE) |
| \$ 6,559,797 | \$ 6,528,037 | \$ 31,760 |
| 724,182 | 500,000 | 224,182 |
| 2,018,719 | 2,084,500 | (65,781) |
| 2,708,688 | 2,829,800 | (121,112) |
| 350,879 | 365,500 | (14,621) |
| 281,815 | 287,500 | (5,685) |
| 3,720,300 | 3,326,400 | 393,900 |
| 1,874,821 | 1,307,800 | 567,021 |
| 37,485 | 46,600 | (9,115) |
| 16,445,735 | 15,877,000 | 568,735 |
| 448,734 | 251,000 | 197,734 |
| 4,500,000 | | 4,500,000 |
| 901,306 | 1,233,000 | (331,694) |
| <u>40,572,461</u> | <u>34,637,137</u> | <u>5,935,324</u> |
| 3,827,561 | 3,739,515 | (88,046) |
| 1,272,579 | 1,374,175 | 101,596 |
| 1,993,719 | 2,028,015 | 34,296 |
| 224,424 | 271,010 | 46,586 |
| 286,051 | 287,500 | 1,449 |
| 2,899,219 | 3,326,400 | 427,181 |
| 1,867,736 | 1,842,010 | (25,726) |
| 2,756,720 | 2,122,080 | (634,640) |
| 194,677 | 217,850 | 23,173 |
| 9,500,617 | 9,629,220 | 128,603 |
| - | 21,666,424 | 21,666,424 |
| 9,569,444 | 2,577,000 | (6,992,444) |
| 13,339 | 500,000 | 486,661 |
| - | - | - |
| 1,003,424 | 534,352 | (469,072) |
| 2,845,000 | 2,955,000 | - |
| - | - | - |
| 383,044 | 247,629 | (135,415) |
| 1,552,831 | 1,142,831 | - |
| 65,000 | - | (65,000) |
| <u>\$ 40,255,385</u> | <u>\$ 54,461,011</u> | <u>\$ 14,505,626</u> |

Statistical Section

STATISTICAL SECTION

Table

Financial Trends Information

These tables contain trend information to help the reader understand how the District's financial performance and stability are changed over time.

| | |
|-----------------------------------|---|
| Net Position by Component | 1 |
| Changes in Net Position | 2 |
| Operating Revenues by Source | 3 |
| Operating Expenses by Source | 4 |
| Non-operating Revenues/(Expenses) | 5 |

Revenue Capacity Information

These tables contain information to help the reader understand the District's tax revenue stream, although not a major part of the District's total revenue.

| | |
|---|---|
| Property Tax Levies and Collections | 6 |
| Assessed and Estimated Actual Value of Taxable Property | 7 |

Debt Capacity Information

These tables contain the financial information related to the District's debt, its ability to meet covenants of existing debt and the ability to issue additional debt in the future.

| | |
|---|----|
| Ratios of Outstanding Debt by Type | 8 |
| Ratios of Outstanding General Obligation Debt | 9 |
| Computation of Direct and Overlapping Bonded Debt | 10 |
| Computation of Pledged Revenue Coverage | 11 |

Demographic and Economic Information

These tables offer demographic and economic information to help the reader understand the environment in which the District operates.

| | |
|------------------------------------|----|
| Demographic Information | 12 |
| Principal Employers (Adams County) | 13 |
| Full Time Employees by Department | 14 |

Operating Information

These tables contain information which enables the reader to understand the scope of what the District has to offer as well as the historical information for its major revenue producers.

| | |
|--|----|
| Attendance for Recreational Facilities | 15 |
| Miscellaneous District Statistics | 16 |

Additional Information-Continuing Disclosure

These tables contain information required for the Districts' continuing disclosure and are to be read in conjunction with other tables to understand the environment in which the District operates.

| | |
|--|----|
| Assessed Valuation of Taxable Property | 17 |
| District Mill Levies | 18 |
| Largest District Taxpayers | 19 |

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Hyland Hills Park and Recreation District
Net Position by Component
Last Ten Fiscal Years
(Unaudited)

Table 1

| | | | | | As Restated |
|----------------------------------|----------------------|-------------------|----------------------|----------------------|----------------------|
| | 2020 | 2019 | 2018 | 2017 | 2016 |
| Enterprise Fund | | | | | |
| Net investment in capital assets | \$ 46,206,315 | 36,630,628 | \$ 31,736,090 | \$ 30,708,462 | \$ 27,987,932 |
| Restricted | 2,390,447 | 2,495,632 | 1,874,275 | 1,874,275 | 1,874,275 |
| Unrestricted | <u>12,685,977</u> | <u>24,392,692</u> | <u>24,497,438</u> | <u>20,013,430</u> | <u>17,213,015</u> |
| Total Net Position | <u>\$ 61,282,739</u> | <u>63,518,952</u> | <u>\$ 58,107,803</u> | <u>\$ 52,596,167</u> | <u>\$ 47,075,222</u> |
| | | | | | |
| | 2015 | 2014 | 2013 | 2012 | 2011 |
| Enterprise Fund | | | | | |
| Net investment in capital assets | \$ 22,706,443 | 17,714,026 | \$ 16,429,122 | \$ 12,861,839 | \$ 10,409,550 |
| Restricted | 3,570,175 | 3,125,591 | 2,484,029 | 2,322,383 | 6,847,512 |
| Unrestricted | <u>12,899,746</u> | <u>13,513,866</u> | <u>12,258,224</u> | <u>13,220,369</u> | <u>9,444,415</u> |
| Total Net Position | <u>\$ 39,176,364</u> | <u>34,353,483</u> | <u>\$ 31,171,375</u> | <u>\$ 28,404,591</u> | <u>\$ 26,701,477</u> |

Hyland Hills Park and Recreation District
Changes in Net Position
Last Ten Fiscal Years
(Unaudited)

Table 2

| | As Restated | | | | |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|
| | 2020 | 2019 | 2018 | 2017 | 2016 |
| OPERATING REVENUES | | | | | |
| Fees and Charges Pledged as Security for Revenue Bonds | \$ 5,424,955 | \$ 23,700,967 | \$ 22,773,942 | \$ 22,687,442 | \$ 23,269,480 |
| Fees and Charges | 3,870 | 43,741 | 43,403 | 42,777 | 45,920 |
| Conservation Trust Fund | 655,855 | 724,182 | 633,118 | 614,479 | 679,612 |
| Other | 107,499 | 502,747 | 151,298 | 63,022 | 77,571 |
| Total Operating Revenues | 6,192,179 | 24,971,637 | 23,601,761 | 23,407,720 | 24,072,583 |
| OPERATING EXPENSES | | | | | |
| General and Administrative | 4,093,049 | 3,827,561 | 3,603,579 | 3,611,350 | 3,768,060 |
| Parks | 1,692,922 | 1,867,736 | 1,796,748 | 1,678,869 | 1,722,694 |
| Golf Course and Pro Shop | 1,760,823 | 1,993,719 | 2,007,378 | 1,945,417 | 1,808,811 |
| Recreation | 1,717,383 | 2,756,720 | 1,983,776 | 2,049,101 | 2,061,081 |
| Swimming Pools and Aquatics | 185,210 | 194,677 | 200,849 | 191,678 | 197,322 |
| Carroll Butts Athletic Park | 83,051 | 286,051 | 301,396 | 292,411 | 299,611 |
| Golf Course Concessions | 222,487 | 224,424 | 228,707 | 233,678 | 247,293 |
| Water World | 2,604,567 | 9,500,617 | 9,041,187 | 8,582,478 | 8,900,185 |
| Racquetball Courts | - | - | - | - | - |
| Adventure Golf | 673,086 | 1,272,579 | 1,284,104 | 1,312,829 | 1,306,868 |
| Conservation Trust Fund | 11,408 | 13,339 | 9,844 | 56,626 | 76,243 |
| Total Operating Expenses | 13,043,986 | 21,937,423 | 20,457,568 | 19,954,437 | 20,388,168 |
| INCOME FROM OPERATIONS BEFORE DEPRECIATION | (6,851,807) | 3,034,214 | 3,144,193 | 3,453,283 | 3,684,415 |
| Depreciation (Note 4) | (4,197,207) | (4,027,662) | (3,832,302) | (3,781,113) | (3,748,523) |
| NET LOSS FROM OPERATIONS | (11,049,014) | (993,448) | (688,109) | (327,830) | (64,108) |
| NON-OPERATING REVENUES (EXPENSES) | | | | | |
| Interest Expense | (1,074,053) | (1,386,468) | (1,216,321) | (1,290,964) | (1,239,662) |
| Taxes | 7,594,689 | 6,559,797 | 6,220,547 | 5,435,297 | 5,353,315 |
| Interest Income | 196,658 | 448,734 | 314,037 | 122,508 | 55,699 |
| Income from Joint Venture | 363,618 | 410,541 | 428,445 | 319,045 | 372,930 |
| Gain(Loss) on Sale of Capital Assets | 49,180 | (171,507) | 64,087 | 30,000 | 156,152 |
| Total Non-Operating Revenues (Expenses) | 7,130,092 | 5,861,097 | 5,810,795 | 4,615,886 | 4,698,434 |
| Income Before Capital Grants and Contributions | (3,918,922) | 4,867,649 | 5,122,686 | 4,288,056 | 4,634,326 |
| Capital Grants and Contributions | 1,682,709 | 543,500 | 388,950 | 1,232,889 | 3,264,532 |
| CHANGE IN NET POSITION | (2,236,213) | 5,411,149 | 5,511,636 | 5,520,945 | 7,898,858 |
| NET POSITION, Beginning of Year (Restated 1) | 63,518,952 | 58,107,803 | 52,596,167 | 47,075,222 | 39,176,364 |
| NET POSITION, End of Year, (Restated 2) | \$ 61,282,739 | \$ 63,518,952 | \$ 58,107,803 | \$ 52,596,167 | \$ 47,075,222 |

(1) GASB 65 was implemented retroactive to January 1, 2012

(2) Restatement of Net Position, 2016

Table 2

| | 2015 | 2014 | 2013 | 2012 | 2011 |
|----|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| \$ | 22,837,628 | \$ 21,518,449 | \$ 21,304,021 | \$ 22,319,895 | \$ 20,639,326 |
| | 58,601 | 46,676 | 40,058 | 35,690 | 47,426 |
| | 574,511 | 570,893 | 588,567 | 535,594 | 516,776 |
| | 59,941 | 160,225 | 66,971 | 64,976 | 61,066 |
| | <u>23,530,681</u> | <u>22,296,243</u> | <u>21,999,617</u> | <u>22,956,155</u> | <u>21,264,594</u> |
| | 3,673,816 | 3,409,976 | 3,336,733 | 3,501,842 | 3,261,170 |
| | 1,813,127 | 1,684,987 | 1,697,490 | 1,753,913 | 1,636,805 |
| | 1,851,776 | 1,900,408 | 1,880,084 | 2,068,417 | 1,942,005 |
| | 2,045,331 | 1,865,134 | 1,842,573 | 1,789,034 | 1,806,856 |
| | 171,412 | 183,109 | 181,740 | 179,933 | 175,856 |
| | 302,920 | 286,423 | 298,853 | 250,320 | 259,086 |
| | 228,549 | 213,290 | 166,050 | 153,625 | 98,157 |
| | 9,251,727 | 8,955,567 | 8,977,781 | 9,152,907 | 8,613,436 |
| | - | - | - | - | 25,531 |
| | 1,087,253 | 1,038,324 | 874,539 | 980,184 | 956,218 |
| | 88,094 | 150,500 | 70,680 | 67,824 | 244,682 |
| | <u>20,514,005</u> | <u>19,687,718</u> | <u>19,326,523</u> | <u>19,897,999</u> | <u>19,019,802</u> |
| | 3,016,676 | 2,608,525 | 2,673,094 | 3,058,156 | 2,244,792 |
| | <u>(3,512,959)</u> | <u>(3,384,199)</u> | <u>(3,360,002)</u> | <u>(3,331,536)</u> | <u>(3,378,205)</u> |
| | <u>(496,283)</u> | <u>(775,674)</u> | <u>(686,908)</u> | <u>(273,380)</u> | <u>(1,133,413)</u> |
| | (1,476,158) | (1,533,109) | (1,737,992) | (1,876,697) | (1,940,441) |
| | 4,980,502 | 4,918,716 | 4,872,292 | 4,723,401 | 4,786,405 |
| | 27,800 | 24,594 | 33,196 | 65,398 | 102,371 |
| | 314,106 | 219,924 | 287,123 | 194,041 | 197,412 |
| | 1,500 | (27,343) | (927) | 21,200 | 79,374 |
| | <u>3,847,750</u> | <u>3,602,782</u> | <u>3,453,692</u> | <u>3,127,343</u> | <u>3,225,121</u> |
| | <u>3,351,467</u> | <u>2,827,108</u> | <u>2,766,784</u> | <u>2,853,963</u> | <u>2,091,708</u> |
| | <u>1,471,414</u> | <u>355,000</u> | <u>-</u> | <u>-</u> | <u>3,000</u> |
| | 4,822,881 | 3,182,108 | 2,766,784 | 2,853,963 | 2,094,708 |
| | <u>34,353,483</u> | <u>31,171,375</u> | <u>28,404,591</u> | <u>25,550,628</u> | <u>24,606,769</u> |
| \$ | <u><u>39,176,364</u></u> | <u><u>34,353,483</u></u> | <u><u>31,171,375</u></u> | <u><u>28,404,591</u></u> | <u><u>26,701,477</u></u> |

Hyland Hills Park and Recreation District
Operating Revenues by Source
Last Ten Fiscal Years
(Unaudited)

Table 3

| <u>Revenue Source [1]</u> | <u>2011</u> | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|
| Adventure Golf | \$ 1,335,029 | \$ 1,416,414 | \$ 1,384,910 | \$ 1,628,393 | \$ 1,736,217 |
| Golf Course | 1,839,233 | 2,042,613 | 2,190,967 | 2,267,916 | 2,434,926 |
| Golf Course Concessions | 115,862 | 169,986 | 228,882 | 269,229 | 303,279 |
| Carroll Butts Athletic Park (Former Ice Arena) | 363,409 | 371,210 | 343,570 | 329,917 | 347,957 |
| Racquetball | 10,479 | - | - | - | - |
| Recreation | 1,254,322 | 1,240,565 | 1,216,172 | 1,332,375 | 1,374,961 |
| Swimming Pools | 52,476 | 54,020 | 48,981 | 48,426 | 45,826 |
| Water World | 15,694,655 | 17,036,872 | 15,908,101 | 15,667,534 | 16,632,751 |
| Conservation Trust Fund | 516,776 | 535,594 | 588,567 | 570,893 | 574,511 |
| Other | 82,353 | 88,881 | 89,467 | 181,560 | 80,253 |
| Total Operating Revenues | \$ 21,264,594 | \$ 22,956,155 | \$ 21,999,617 | \$ 22,296,243 | \$ 23,530,681 |

[1] Revenues are made up entirely of fees and charges for all areas except Conservation Trust Fund and Other

Table 3

| | 2016 | | 2017 | | 2018 | | 2019 | | 2020 |
|----|-------------------|----|-------------------|----|-------------------|----|-------------------|----|------------------|
| \$ | 1,962,697 | \$ | 2,109,589 | \$ | 1,946,733 | \$ | 2,018,719 | \$ | 678,359 |
| | 2,504,770 | | 2,681,775 | | 2,741,806 | | 2,708,688 | | 3,371,211 |
| | 333,186 | | 346,554 | | 342,447 | | 350,879 | | 393,457 |
| | 342,036 | | 276,225 | | 271,870 | | 281,815 | | 60,122 |
| | - | | - | | - | | - | | - |
| | 1,401,014 | | 1,355,519 | | 1,169,732 | | 1,874,821 | | 700,327 |
| | 53,881 | | 48,227 | | 42,601 | | 37,485 | | 16,745 |
| | 16,698,496 | | 15,893,645 | | 16,275,942 | | 16,445,735 | | 207,405 |
| | 679,612 | | 614,479 | | 633,118 | | 724,182 | | 655,855 |
| | 96,891 | | 81,707 | | 177,512 | | 529,313 | | 108,698 |
| \$ | <u>24,072,583</u> | \$ | <u>23,407,720</u> | \$ | <u>23,601,761</u> | \$ | <u>24,971,637</u> | \$ | <u>6,192,179</u> |

Hyland Hills Park and Recreation District
Operating Expenses by Source
Last Ten Fiscal Years
(Unaudited)

Table 4

| <u>Expense Source</u> | <u>2011</u> | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|
| General and Administrative | \$ 3,261,170 | \$ 3,501,842 | \$ 3,336,733 | \$ 3,409,976 | \$ 3,673,816 |
| Adventure Golf | 956,218 | 980,184 | 874,539 | 1,038,324 | 1,087,253 |
| Golf Course and Pro Shop | 1,942,005 | 2,068,417 | 1,880,084 | 1,900,408 | 1,851,776 |
| Golf Course Concessions | 98,157 | 153,625 | 166,050 | 213,290 | 228,549 |
| Carroll Butts Athletic Park (Former Ice Arena) | 259,086 | 250,320 | 298,853 | 286,423 | 302,920 |
| Parks | 1,636,805 | 1,753,913 | 1,697,490 | 1,684,987 | 1,813,127 |
| Racquetball | 25,531 | - | - | - | - |
| Recreation | 1,806,856 | 1,789,034 | 1,842,573 | 1,865,134 | 2,045,331 |
| Swimming Pools | 175,856 | 179,933 | 181,740 | 183,109 | 171,412 |
| Water World | 8,613,436 | 9,152,907 | 8,977,781 | 8,955,567 | 9,251,727 |
| Conservation Trust Fund | 244,682 | 67,824 | 70,680 | 150,500 | 88,094 |
| Total Operating Expenses Before Depreciation | 19,019,802 | 19,897,999 | 19,326,523 | 19,687,718 | 20,514,005 |
| Depreciation (1) | 3,378,205 | 3,331,536 | 3,360,002 | 3,384,199 | 3,512,959 |
| Total Operating Expenses | \$ 22,398,007 | \$ 23,229,535 | \$ 22,686,525 | \$ 23,071,917 | \$ 24,026,964 |

(1) GASB 65 was implemented retroactive to January 1, 2012, which removed amortization expense in years 2012 and forward.

Table 4

| | <u>2016</u> | | <u>2017</u> | | <u>2018</u> | | <u>2019</u> | | <u>2020</u> |
|----|--------------------------|----|--------------------------|----|--------------------------|----|--------------------------|----|--------------------------|
| \$ | 3,768,060 | \$ | 3,611,350 | \$ | 3,603,579 | \$ | 3,827,561 | \$ | 4,093,049 |
| | 1,306,868 | | 1,312,829 | | 1,284,104 | | 1,272,579 | | 673,086 |
| | 1,808,811 | | 1,945,417 | | 2,007,378 | | 1,993,719 | | 1,760,823 |
| | 247,293 | | 233,678 | | 228,707 | | 224,424 | | 222,487 |
| | 299,611 | | 292,411 | | 301,396 | | 286,051 | | 83,051 |
| | 1,722,694 | | 1,678,869 | | 1,796,748 | | 1,867,736 | | 1,692,922 |
| | - | | - | | - | | - | | - |
| | 2,061,081 | | 2,049,101 | | 1,983,776 | | 2,756,720 | | 1,717,383 |
| | 197,322 | | 191,678 | | 200,849 | | 194,677 | | 185,210 |
| | 8,900,185 | | 8,582,478 | | 9,041,187 | | 9,500,617 | | 2,604,567 |
| | <u>76,243</u> | | <u>56,626</u> | | <u>9,844</u> | | <u>13,339</u> | | <u>11,408</u> |
| | 20,388,168 | | 19,954,437 | | 20,457,568 | | 21,937,423 | | 13,043,986 |
| | <u>3,748,523</u> | | <u>3,781,113</u> | | <u>3,832,302</u> | | <u>4,027,662</u> | | <u>4,197,207</u> |
| \$ | <u><u>24,136,691</u></u> | \$ | <u><u>23,735,550</u></u> | \$ | <u><u>24,289,870</u></u> | \$ | <u><u>25,965,085</u></u> | \$ | <u><u>17,241,193</u></u> |

Hyland Hills Park and Recreation District
Non-operating Revenues and Expenses
Last Ten Fiscal Years
(Unaudited)

Table 5

| <u>Fiscal Year</u> | <u>Interest (Expense)</u> | <u>Tax Revenues</u> | <u>Interest Income</u> | <u>Gain/(Loss) on Sale of Capital Assets</u> | <u>Grants/Contributions</u> | <u>Income From Joint Venture</u> | <u>Total Non-operating Revenues (Expenses)</u> |
|--------------------|---------------------------|---------------------|------------------------|--|-----------------------------|----------------------------------|--|
| 2011 | \$ (1,940,441) | \$ 4,786,405 | \$ 102,371 | \$ 79,374 | \$ 3,000 | \$ 197,412 | \$ 3,228,121 |
| 2012 | (1,876,697) | 4,723,401 | 65,398 | 21,200 | - | 194,041 | 3,127,343 |
| 2013 | (1,737,992) | 4,872,292 | 33,196 | (927) | - | 287,123 | 3,453,692 |
| 2014 | (1,533,109) | 4,918,716 | 24,594 | (27,343) | 355,000 | 219,924 | 3,957,782 |
| 2015 | (1,476,158) | 4,980,502 | 27,800 | 1,500 | 1,471,414 | 314,106 | 5,319,164 |
| 2016 | (1,239,662) | 5,353,315 | 55,699 | 156,152 [1] | 3,264,532 | 372,930 | 7,962,966 |
| 2017 | (1,290,964) | 5,435,297 | 122,508 | 30,000 | 1,232,889 | 319,045 | 5,848,775 |
| 2018 | (1,216,321) | 6,220,547 | 314,037 | 64,087 | 388,950 | 428,445 | 6,199,745 |
| 2019 | (1,386,468) | 6,559,797 | 448,734 | (171,507) | 543,500 | 410,541 | 6,404,597 |
| 2020 | (1,074,053) | 7,594,689 | 196,658 | 49,180 | 1,682,709 | 363,618 | 8,812,801 |

[1] Restatement of Capital Grants and Contributions, 2016

**Hyland Hills Park and Recreation District
Property Tax Levies and Collections
Last Ten Fiscal Years
(Unaudited)**

Table 6

| Levy Year | Collection Year | Total Tax Levy | Current Tax Collections | Percentage of Current Taxes Collected | Delinquent Tax Collections | Total Tax Collections | Ratio of Total Tax Collections to Total Tax Levy | [1] Outstanding Delinquent Taxes |
|--------------|--------------------|-------------------|----------------------------|--|----------------------------------|--------------------------|---|---|
| 2010 | 2011 | \$ 4,500,965 | \$ 4,470,503 | 99.32 % | \$ 10,856 | \$ 4,481,359 | 99.56 % | - |
| 2011 | 2012 | 4,452,964 | 4,389,933 | 98.58 | 13,909 | 4,403,842 | 98.90 | - |
| 2012 | 2013 | 4,557,309 | 4,525,436 | 99.30 | 1,601 | 4,527,037 | 99.34 | - |
| 2013 | 2014 | 4,575,251 | 4,536,366 | 99.15 | 13,851 | 4,550,217 | 99.45 | - |
| 2014 | 2015 | 4,581,558 | 4,561,156 | 99.55 | 7,528 | 4,568,684 | 99.72 | - |
| 2015 | 2016 | 4,950,240 | 4,929,024 | 99.57 | 1,166 | 4,930,190 | 99.59 | - |
| 2016 | 2017 | 4,952,677 | 4,938,165 | 99.71 | 2,709 | 4,940,874 | 99.76 | - |
| 2017 | 2018 | 5,709,289 | 5,696,156 | 99.77 | 4,499 | 5,700,655 | 99.85 | - |
| 2018 | 2019 | 6,069,137 | 6,049,140 | 99.67 | 2,891 | 6,052,031 | 99.72 | - |
| 2019 | 2020 | 7,132,448 | 7,058,049 | 98.96 | 3,509 | 7,061,558 | 99.01 | - |

[1] Total outstanding delinquent taxes are unknown by the District and are recorded only upon receipt of payment.

**Hyland Hills Park and Recreation District
Assessed and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years
(Unaudited)**

Table 7

| <u>Levy Year</u> | <u>Collection Year</u> | <u>Assessed Value</u> | <u>Total Direct Tax Rate</u> | <u>Total Estimated Actual Value</u> | <u>Ratio of Total Assessed Value To Total Estimated Actual Value</u> |
|----------------------|----------------------------|---------------------------|--------------------------------------|---|--|
| 2011 | 2012 | \$ 796,846,600 | 5.588 | \$ 7,182,165,646 | 11.09 |
| 2012 | 2013 | 815,655,900 | 5.587 | 7,732,262,660 | 10.55 |
| 2013 | 2014 | 829,649,190 | 5.515 | 7,779,133,029 | 10.67 |
| 2014 | 2015 | 823,236,670 | 5.565 | 7,782,058,727 | 10.58 |
| 2015 | 2016 | 921,422,330 | 5.372 | 8,900,309,836 | 10.35 |
| 2016 | 2017 | 924,179,930 | 5.359 | 8,952,062,246 | 10.32 |
| 2017 | 2018 | 1,124,087,030 | 5.079 | 12,242,951,010 | 9.18 |
| 2018 | 2019 | 1,121,218,780 | 5.413 | 12,327,447,016 | 9.10 |
| 2019 | 2020 | 1,397,037,790 | 5.105 | 14,507,075,647 | 9.63 |
| 2020 | 2021 | 1,394,588,220 | 5.116 | 14,567,078,683 | 9.57 |

Source: Adams County Assessor's Office

Hyland Hills Park and Recreation District
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years
(Unaudited)

Table 8

| Fiscal Year | | | | | Total | | As a Percent of Personal Income |
|----------------|-------------------------|----|---------------------------------------|----|--------------------------|----|--|
| | Revenue <u>Bonds</u> | | General Obligation <u>Bonds</u> | | Capital <u>Leases</u> | | |
| 2011 | \$ 23,519,511 | \$ | 12,048,222 | \$ | 6,165,456 | \$ | 2.85% |
| 2012 | 21,763,800 | | 11,836,092 | | 5,683,380 | | 2.51% |
| 2013 | 20,109,217 | | 10,823,541 | | 3,921,152 | | 2.13% |
| 2014 | 18,394,633 | | 9,780,991 | | 5,126,842 | | 1.89% |
| 2015 | 16,595,050 | | 8,703,440 | | 4,312,727 | | 1.57% |
| 2016 | 16,565,956 | | 7,590,890 | | 7,604,363 | | 1.61% |
| 2017 | 15,316,926 | | 6,448,339 | | 6,551,752 | | 1.36% |
| 2018 | 14,032,895 | | 5,296,953 | | 7,405,366 | | 1.20% |
| 2019 | 12,698,865 | | 3,684,744 | | 10,352,535 | | 1.14% |
| 2020 | 11,334,836 | | - | | 8,948,570 | | [1] |

[1] Amounts of personal income unavailable at time of print.

Hyland Hills Park and Recreation District
Ratios of Outstanding General Obligation Debt
Last Ten Fiscal Years
(Unaudited)

Table 9

| Fiscal Year | Total | | | | | | Ratio of General Obligation Debt To Total Estimated Actual Property Value |
|----------------|-------------------------------------|---|---|-----------------|---------------|--|--|
| | 2002 General Obligation Bonds | 2010 General Obligation Refunding Bonds | 2018 General Obligation Refunding Bonds | Total Amount | Per Capita | | |
| 2011 | \$ 845,000 | \$ 11,435,000 | \$ - | \$ 12,280,000 | \$ 114.75 | | 0.17% |
| 2012 | - | 11,350,000 | - | 11,350,000 | 104.28 | | 0.15% |
| 2013 | - | 10,390,000 | - | 10,390,000 | 88.00 | | 0.13% |
| 2014 | - | 9,400,000 | - | 9,400,000 | 78.71 | | 0.12% |
| 2015 | - | 8,375,000 | - | 8,375,000 | 68.70 | | 0.09% |
| 2016 | - | 7,315,000 | - | 7,315,000 | 58.99 | | 0.08% |
| 2017 | - | 6,225,000 | - | 6,225,000 | 49.78 | | 0.05% |
| 2018 | - | 2,440,000 | 2,775,000 | 5,215,000 | 41.25 | | 0.04% |
| 2019 | - | 1,245,000 | 2,380,000 | 3,625,000 | 28.77 | | 0.02% |
| 2020 | - | - | - | - | - | | - |

**Hyland Hills Park and Recreation District
Computation of Direct and Overlapping Debt
December 31, 2020
(Unaudited)**

Table 10

| <u>Jurisdiction</u> | <u>Net General Obligation Bonded Debt Outstanding</u> | <u>Estimated Percentage Applicable to District</u> | <u>Estimated Amount Applicable to District</u> |
|-----------------------------------|---|--|--|
| Overlapping: | | | |
| Adams County School District 12 | \$ 482,680,000 | 19.69% | \$ 95,039,692 |
| Westminster Public Schools | 46,675,000 | 98.57% | 46,007,548 |
| Mapleton School District | 155,618,789 | 20.00% | 31,123,758 |
| Subtotal, overlapping debt | | | \$ 172,170,997 |
| District direct debt | | | 20,283,406 |
| Total direct and overlapping debt | | | \$ 192,454,403 |

The following entities overlap the District but have no general obligation debt outstanding: Adams County, City of Arvada, Berkeley Water and Sanitation District, Crestview Water and Sanitation District, City of Federal Heights, City of Thornton, North Lincoln Water and Sanitation District, Regional Transportation District, Urban Drainage and Flood Control District, West Adams County Fire District No. 1, North Pecos Water and Sanitation District, and City of Westminster.

Note: Overlapping governments are those that coincide, at least in part, within the District boundaries. When estimating the governments' outstanding debt, it is taken into consideration that not all businesses or residents bear the full debt, only the portion applicable to the District. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire burden borne by the residents and businesses should be taken into account, and that not all taxpayers are residents and therefore responsible for repaying debt of each overlapping government.

Sources: Adams County Assessor's Office and the respective entities. The District's direct debt detail can be found in Note 7 and 8.

**Hyland Hills Park and Recreation District
Computation of Pledged-Revenue Coverage
Last Ten Fiscal Years
(Unaudited)**

Table 11

| <u>Fiscal Year</u> | <u>Operating Revenues</u> | <u>Less Non-Pledged Revenues [1]</u> | <u>Plus Ice Centre Revenues [2]</u> | <u>Plus Interest Revenue [3]</u> | <u>Total Pledged Revenues</u> | <u>Operating Expenses [4]</u> | <u>Less Non-Pledged Expenses [5]</u> |
|--------------------|---------------------------|--------------------------------------|-------------------------------------|----------------------------------|-------------------------------|-------------------------------|--------------------------------------|
| 2011 | \$ 21,264,594 | \$ 564,202 | \$ 1,556,915 | \$ 75,505 | 22,332,812 | \$ 19,019,802 | \$ 5,404,914 |
| 2012 | 22,956,155 | 571,284 | 1,519,461 | 46,331 | 23,950,663 | 19,897,999 | 5,627,693 |
| 2013 | 21,999,617 | 628,625 | 1,552,880 | 31,249 | 22,955,121 | 19,326,523 | 5,426,633 |
| 2014 | 22,296,243 | 617,569 | 1,585,136 | 22,727 | 23,286,537 | 19,687,718 | 5,538,475 |
| 2015 | 23,530,681 | 633,112 | 1,628,815 | 25,546 | 24,551,930 | 20,514,005 | 5,946,764 |
| 2016 | 24,072,583 | 725,532 | 1,685,885 | 45,047 | 25,077,983 | 20,388,168 | 5,883,803 |
| 2017 | 23,407,720 | 657,256 | 1,770,142 | 96,230 | 24,616,836 | 19,954,437 | 5,749,135 |
| 2018 | 23,601,761 | 676,521 | 1,840,821 | 266,276 | 25,032,337 | 20,457,568 | 5,758,538 |
| 2019 | 24,971,637 | 767,923 | 1,860,150 | 396,411 | 26,460,275 | 21,937,423 | 6,097,529 |
| 2020 | 6,192,179 | 659,725 | 1,409,894 | 180,098 | 7,122,446 | 13,043,986 | 6,115,338 |

[1] Non-pledged revenues include revenues from senior programs, the Carl Park facility and the Baker facility as well as revenues from the Conservation Trust Fund (Lottery).

[2] Ice Centre revenues reported at District's share of 50% after first year of joint operation in 1999.

[3] Interest revenue exclusive of interest from bond reserve funds.

[4] Total Operating expenses exclusive of depreciation.

[5] Non-pledged expenses include general and administrative, parks, senior programs, the Carl Park facility and the Baker facility, as well as expenses from the Conservation Trust Fund (Lottery).

[6] Ice Centre expenses are reflected at the District's share of 50%, including the District's lease payment obligation to the City of Westminster.

[7] Lease payments expenses exclude the payments on any equipment leases for the General Government Fund.

[8] Principal reflects only scheduled revenue bond debt service payments, not amounts refunded in 2016.

Table 11

| | Plus Ice Centre Expenses [6] | Plus Lease Payments [7] | Total Pledged Expenses | Net Available Revenues | Revenue Bond Debt Service | | | Coverage Ratio |
|----|------------------------------------|-------------------------------|------------------------------|------------------------------|---------------------------|--------------|--------------|-------------------|
| | | | | | Principal | Interest | Total | |
| \$ | 1,359,505 | \$ 1,287,682 | \$ 16,262,075 | \$ 6,070,737 | \$ 1,535,000 | \$ 1,127,531 | \$ 2,662,531 | 2.28 |
| | 1,323,376 | 1,380,281 | 16,973,963 | 6,976,700 | 1,890,000 | 1,075,229 | 2,965,229 | 2.35 |
| | 1,265,757 | 3,488,446 | 18,654,093 | 4,301,028 | 1,650,000 | 1,010,175 | 2,660,175 | 1.62 |
| | 1,365,212 | 816,095 | 16,330,550 | 6,955,987 | 1,710,000 | 943,831 | 2,653,831 | 2.62 |
| | 1,314,708 | 935,787 | 16,817,736 | 7,734,194 | 1,795,000 | 860,831 | 2,655,831 | 2.91 |
| | 1,312,955 | 1,400,075 | 17,217,395 | 7,860,588 | 1,210,000 [8] | 567,772 | 1,777,772 | 4.42 |
| | 1,451,096 | 1,268,541 | 16,924,939 | 7,691,897 | 1,170,000 | 517,663 | 1,687,663 | 4.56 |
| | 1,412,377 | 1,394,107 | 17,505,514 | 7,526,823 | 1,205,000 | 486,843 | 1,691,843 | 4.45 |
| | 1,449,610 | 1,885,668 | 19,175,172 | 7,285,103 | 1,255,000 | 449,352 | 1,704,352 | 4.27 |
| | 1,116,236 | 1,766,261 | 9,811,145 | (2,688,699) | 1,285,000 | 407,228 | 1,692,228 | (1.59) |

**Hyland Hills Park and Recreation District
Demographic Information
Last Ten Fiscal Years
(Unaudited)**

Table 12

| Adams County Colorado | | | | | | |
|-----------------------|-------------------|--|--------------------------|--------------------|--------------------------|--------------------------|
| Fiscal Year | [1] Population | [2] Personal Income (Thousands of dollars) | [2] Per Capita Income | [3] Labor Force | [4] School Enrollment | [3] Unemployment Rate |
| 2011 | 107,017 | \$ 14,647,606 | \$ 32,392 | 229,309 | 85,951 | 9.50% |
| 2012 | 108,846 | 15,620,755 | 33,917 | 234,673 | 87,096 | 8.90% |
| 2013 | 118,066 | 16,360,525 | 34,811 | 232,981 | 87,120 | 6.50% |
| 2014 | 119,419 | 17,666,105 | 36,809 | 239,789 | 84,340 | 4.40% |
| 2015 | 121,909 | 18,858,350 | 38,452 | 245,247 | 84,284 | 3.80% |
| 2016 | 124,013 | 19,693,041 | 39,565 | 253,515 | 83,921 | 3.60% |
| 2017 | 125,056 | 20,808,816 | 41,321 | 261,302 | 84,676 | 3.10% |
| 2018 | 126,427 | 22,266,329 | 43,544 | 269,911 | 85,435 | 3.50% |
| 2019 | 126,000 | 23,532,735 | 45,481 | 275,440 | 85,001 | 2.90% |
| 2020 | 129,122 | [5] | [5] | 274,498 | 81,668 | 8.00% |

[1] Division of Local Government - Conservation Trust Fund Administrator. 2011 figure reflects a decrease due to 2010 being a census year.

[2] Bureau of Economic Analysis: revised estimates (2010-2019) updated March, 2020

[3] State Department of Labor

[4] State Department of Education

[5] Information unavailable at time of print

**Hyland Hills Park and Recreation District
Principal Employers of Adams County
2020 and 2011
(Unaudited)**

Table 13

| <u>Employer</u> | 2020 | | | 2011 | | |
|--|------------------|-------------|---|------------------|-------------|---|
| | <u>Employees</u> | <u>Rank</u> | <u>Percent of Total County Government</u> | <u>Employees</u> | <u>Rank</u> | <u>Percent of Total County Government</u> |
| UC Health: University of Colorado Hospital | 9,160 | 1 | 3.3000% | 4,080 | 2 | 1.7600% |
| Children's Hospital Colorado | 6,150 | 2 | 2.2200% | 4,100 | 1 | 1.7600% |
| Amazon | 5,190 | 3 | 1.8700% | - | | 0.0000% |
| United Parcel Service | 4,020 | 4 | 1.4500% | 2,520 | 3 | 1.0800% |
| FedEx | 1,790 | 5 | 0.6400% | - | | |
| Sturgeon Electric | 1,350 | 6 | 0.4900% | - | | |
| Gaylord Rockies Resort and Convention Center | 1,130 | 7 | 0.4100% | | | |
| Maxtar Technologies | 1,070 | 8 | 0.3900% | | | |
| SROriginals | 1,060 | 9 | 0.3800% | | | |
| Health One: North Suburban Medical Center | 880 | 10 | 0.3200% | 610 | 10 | 0.2600% |
| Avaya | | | | 1,000 | 4 | 0.4300% |
| Echo (Dish) Star Communications | | | | 990 | 5 | 0.4300% |
| Staples | | | | 800 | 6 | 0.3400% |
| St. Anthony's Hospital North | | | | 770 | 7 | 0.3300% |
| T-Mobile | | | | 650 | 8 | 0.2800% |
| Shamrock Foods | | | | 640 | 9 | 0.2800% |
| Total | 31,800 | | 11.4700% | 16,160 | | 6.9500% |
| Total County Employment | 277,590 | | | 232,300 | | |

Source: Adams County Economic Development, Adams County Finance Department

Does not include governmental entities.

**Hyland Hills Park and Recreation District
Number of Full Time Employees by Department
Last Ten Fiscal Years
(Unaudited)**

Table 14

| <u>Fiscal Year</u> | <u>Water World And Pools</u> | <u>Adventure Golf</u> | <u>Golf Course</u> | <u>Recreation</u> | <u>Parks</u> | <u>General and Administrative</u> | <u>Ice Centre</u> | <u>Total</u> |
|------------------------|--------------------------------------|---------------------------|------------------------|-------------------|--------------|---------------------------------------|-----------------------|--------------|
| 2011 | 19 | 3 | 12 | 13 | 18 | 15 | 9 | 89 |
| 2012 | 19 | 3 | 11 | 14 | 18 | 15 | 8 | 88 |
| 2013 | 18 | 4 | 10 | 14 | 17 | 14 | 8 | 85 |
| 2014 | 20 | 4 | 10 | 12 | 18 | 16 | 8 | 88 |
| 2015 | 20 | 4 | 12 | 13 | 17 | 14 | 8 | 88 |
| 2016 | 18 | 4 | 11 | 14 | 15 | 14 | 7 | 83 |
| 2017 | 16 | 4 | 12 | 11 | 12 | 14 | 8 | 77 |
| 2018 | 19 | 4 | 12 | 11 | 16 | 12 | 8 | 82 |
| 2019 | 19 | 5 | 12 | 12 | 18 | 14 | 8 | 88 |
| 2020 | 19 | 3 | 9 | 12 | 16 | 11 | 8 | 78 |

Information obtained through District Human Resources Department

**Hyland Hills Park and Recreation District
Attendance for Recreational Facilities
Last Ten Fiscal Years
(Unaudited)**

Table 15

| Fiscal Year | Water World | Adventure Golf | [1] Golf Course | Ice Centre |
|----------------|----------------|-------------------|-----------------------|---------------|
| 2011 | 559,377 | 187,058 | 106,373 | 256,229 |
| 2012 | 537,824 | 187,216 | 118,806 | 238,423 |
| 2013 | 494,458 | 174,303 | 123,273 | 235,597 |
| 2014 | 459,691 | 186,852 | 135,492 | 245,360 |
| 2015 | 443,816 | 200,067 | 131,933 | 378,122 |
| 2016 | 434,024 | 241,408 | 137,603 | 436,533 |
| 2017 | 388,843 | 240,558 | 139,486 | 481,035 |
| 2018 | 405,807 | 215,644 | 134,561 | 486,698 |
| 2019 | 375,222 | 223,895 | 126,268 | 480,214 |
| 2020 [2] | - | 79,834 | 182,558 | 235,590 |

[1] Number of nine hole equivalents

[2] Due to COVID-19 pandemic, some facilities were closed for entire season, while others operated at reduced capacity

Information obtained through various District internal reporting and point-of-sale systems

Hyland Hills Park and Recreation District
Miscellaneous Statistics
December 31, 2020
(Unaudited)

Table 16

| | |
|------------------------------|------------------|
| Date of Incorporation | October 14, 1955 |
| Type of Government | Special District |
| Area in square miles | 23.5 |
| Acres of Parks | 425 |
| Acres of Golf Course | 300 |
| Acres of Water World | 70 |
| Full-time employees | 78 |
| Part-time/Seasonal employees | 415 |

Hyland Hills Facilities:

| | | | |
|----------------------------------|-----|----------------------------------|----|
| Acres of Open Space | 136 | Indoor Sports Arena | 1 |
| Ball Fields | 28 | Miniature Golf Courses (18 hole) | 3 |
| Batting Cage Complex | 1 | Outdoor Swimming Pools | 3 |
| Community Centers | 3 | Parks | 25 |
| Disc Golf Course | 1 | Pickleball Courts | 4 |
| Go-Kart/Bumper Car Facility | 1 | MAC | 1 |
| Golf Courses (9 and 18 hole) | 4 | Skate Park | 1 |
| Golf Practice Facility | 1 | Tennis Courts | 2 |
| Gymnastics Center | 1 | Water Theme Park | 1 |
| Indoor Ice Arena (sheets of ice) | 3 | | |

Program Participants and Facility Visits:

| | [1] | | | | | | | | | |
|---------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| | <u>2020</u> | <u>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> | <u>2013</u> | <u>2012</u> | <u>2011</u> |
| Batting Cages | - | 5,493 | 2,809 | 7,241 | 8,229 | 10,148 | 8,620 | 8,650 | 8,950 | 8,800 |
| Community Center Rentals | 5,078 | 22,920 | 24,840 | 27,840 | 24,550 | 21,090 | 19,844 | 22,160 | 28,360 | 19,200 |
| Recreation Club | 250 | 14,433 | 13,279 | 13,548 | 12,005 | 8,489 | 7,772 | 7,852 | 6,481 | 6,501 |
| Gymnastics | 3,412 | 11,311 | 11,039 | 12,153 | 10,849 | 10,695 | 6,203 | 9,658 | 8,000 | 8,181 |
| Junior Golf | - | 242 | 278 | 295 | 210 | 209 | 230 | 240 | 288 | 270 |
| Preschool | - | - | - | 960 | 1,035 | 2,500 | 2,500 | 1,700 | 1,500 | 1,273 |
| FIT by Hyland Fitness Ctr | 65,932 | 115,348 | - | - | - | - | - | - | - | - |
| Racquetball | - | - | - | - | - | - | - | - | - | 1,582 |
| Recreation | 500 | 6,853 | 10,016 | 8,488 | 8,568 | 5,340 | 4,814 | 5,000 | 5,200 | 4,850 |
| MAC | 12,866 | 88,980 | 91,297 | 99,976 | 99,972 | 92,016 | 101,137 | 98,656 | 94,482 | 87,815 |
| Special Events | - | 4,733 | 3,937 | 2,330 | 1,700 | 2,000 | 1,994 | 1,785 | 1,800 | 2,000 |
| Sports - Adult | 3,907 | 11,445 | 11,168 | 10,144 | 10,106 | 10,303 | 10,953 | 11,689 | 11,673 | 11,281 |
| Sports - Youth | 2,157 | 4,187 | 4,315 | 3,856 | 2,504 | 2,316 | 2,140 | 1,978 | 2,025 | 1,810 |
| Sports Camps | - | 247 | 333 | 316 | 348 | 366 | 2,010 | 365 | 390 | 403 |
| Summer Camp | - | 92 | 109 | 145 | 180 | 166 | 172 | 142 | 147 | 133 |
| Teen Programs | - | - | - | - | - | - | - | - | - | - |

Information obtained through District internal reporting and point-of-sale systems

[1] Due to COVID-19 pandemic, attendance in 2020 was either reduced or zero

**Hyland Hills Park and Recreation District
Assessed Valuation of Taxable Property
Last Ten Fiscal Years
(Unaudited)**

Table 17

| Levy Year | Collection Year | Residential Property Assessment Ratio | | Certified Assessed Valuation Amount | % Change | |
|--------------|--------------------|--|------|--|----------|---|
| 2011 | 2012 | 7.96 | % \$ | 796,846,600 | (0.2) | % |
| 2012 | 2013 | 7.96 | | 815,655,900 | 2.4 | |
| 2013 | 2014 | 7.96 | | 829,649,190 | 1.7 | |
| 2014 | 2015 | 7.96 | | 823,236,670 | (0.1) | |
| 2015 | 2016 | 7.96 | | 921,422,330 | 12.0 | |
| 2016 | 2017 | 7.96 | | 924,179,930 | 0.3 | |
| 2017 | 2018 | 7.20 | | 1,124,087,030 | 17.8 | |
| 2018 | 2019 | 7.20 | | 1,121,218,780 | (0.3) | |
| 2019 | 2020 | 7.15 | | 1,397,037,790 | 19.7 | |
| 2020 | 2021 | 7.15 | | 1,394,588,220 | (0.2) | |

Sources: State of Colorado, Department of Local Affairs, Division of Property Taxation, Annual Reports,
and Adams County Assessor's Office

**Hyland Hills Park and Recreation District
District Mill Levies
Last Ten Fiscal Years
(Unaudited)**

Table 18

| Levy Year | Collection Year | Mill Levies | | | | Total |
|--------------|--------------------|-------------|-------------------------|--------------------|---------------------------|-------|
| | | General | Temporary Tax Credit | Bond Redemption | Refunds and Abatements | |
| 2011 | 2012 | 3.817 | -- | 1.765 | 0.006 | 5.588 |
| 2012 | 2013 | 3.817 | -- | 1.717 | 0.053 | 5.587 |
| 2013 | 2014 | 3.817 | -- | 1.696 | 0.002 | 5.515 |
| 2014 | 2015 | 3.817 | -- | 1.703 | 0.045 | 5.565 |
| 2015 | 2016 | 3.817 | -- | 1.526 | 0.029 | 5.372 |
| 2016 | 2017 | 3.817 | -- | 1.520 | 0.022 | 5.359 |
| 2017 | 2018 | 3.817 | -- | 1.250 | 0.012 | 5.079 |
| 2018 | 2019 | 3.817 | -- | 1.592 | 0.004 | 5.413 |
| 2019 | 2020 | 3.817 | -- | 1.275 | 0.013 | 5.105 |
| 2020 | 2021 | 5.092 | -- | -- | 0.024 | 5.116 |

Sources: State of Colorado, Department of Local Affairs, Division of Property Taxation, District Annual Reports and District 2020 Budget

**Hyland Hills Park and Recreation District
Largest District Taxpayers
December 31, 2020
(Unaudited)**

Table 19

| <u>Property Owner</u> | | <u>2020 Assessed Valuation</u> | |
|---|----|--------------------------------|--|
| | | <u>Amount [1]</u> | <u>Percent of Total District [2]</u> |
| Public Service CO of Colorado(Xcel) | \$ | 37,910,390 | 2.71 % |
| Qwest Corp FKA US West | | 17,292,800 | 1.24 |
| Centro GA Westminster LLC | | 9,326,570 | 0.67 |
| Cellco Partnership FKA Verizon | | 9,001,300 | 0.64 |
| IMT Capital-Vintage at Hyland Hills LLC | | 8,302,010 | 0.60 |
| Comcast of Colorado LLC | | 6,621,970 | 0.47 |
| Bell Fund VI Westminster LLC | | 6,026,770 | 0.43 |
| SNT Environs II LLC | | 5,851,140 | 0.42 |
| MAR Legacy Heights LLC | | 5,765,760 | 0.41 |
| 321 W 84th Ave LLC | | 5,144,580 | 0.37 |

[1] The figures in this table are based on the District's gross assessed valuation, including the incremental assessed valuation attributable to tax increment districts that overlap portions of the District and from which the District derives no property tax revenue.

[2] Percentages based on the District's gross 2020 assessed valuation of \$1,399,482,830

Source: Adams County Assessor's Office

Compliance Section



**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Board of Directors
Hyland Hills Park and Recreation District
Federal Heights, Colorado

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities of the Hyland Hills Park and Recreation District, as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise Hyland Hills Park and Recreation District's basic financial statements, and have issued our report thereon dated May 21, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Hyland Hills Park and Recreation District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Hyland Hills Park and Recreation District's internal control. Accordingly, we do not express an opinion on the effectiveness of Hyland Hills Park and Recreation District's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.


Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Hyland Hills Park and Recreation District 's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

CliftonLarsonAllen LLP

Broomfield, Colorado
May 21, 2021



CliftonLarsonAllen LLP
CLAAconnect.com

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR
FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY THE UNIFORM GUIDANCE**

Board of Directors
Hyland Hills Park and Recreation District
Federal Heights, Colorado

Report on Compliance for Each Major Federal Program

We have audited Hyland Hills Park and Recreation District's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Hyland Hills Park and Recreation District's major federal programs for the year ended December 31, 2020. Hyland Hills Park and Recreation District's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of Hyland Hills Park and Recreation District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Hyland Hills Park and Recreation District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Hyland Hills Park and Recreation District's compliance.

Opinion on Each Major Federal Program

In our opinion, Hyland Hills Park and Recreation District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2020.

Report on Internal Control Over Compliance

Management of Hyland Hills Park and Recreation District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Hyland Hills Park and Recreation District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Hyland Hills Park and Recreation District's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



CliftonLarsonAllen LLP

Broomfield, Colorado
May 21, 2021

**HYLAND HILLS PARK AND RECREATION DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2020**

Section I – Summary of Auditors' Results

Financial Statements

1. Type of auditors' report issued: Unmodified
2. Internal control over financial reporting:
- Material weakness(es) identified? _____ yes x no
 - Significant deficiency(ies) identified? _____ yes x none reported
3. Noncompliance material to financial statements noted? _____ yes x no

Federal Awards

1. Internal control over major federal programs:
- Material weakness(es) identified? _____ yes x no
 - Significant deficiency(ies) identified? _____ yes x none reported
2. Type of auditors' report issued on compliance for major federal programs: Unmodified
3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? _____ yes x no

Identification of Major Federal Programs

| CFDA Number(s) | Name of Federal Program or Cluster |
|-----------------------|---|
| 21.019 | Coronavirus Relief Funds |

Dollar threshold used to distinguish between Type A and Type B programs: \$ \$750,000

Auditee qualified as low-risk auditee? _____ yes x no

**HYLAND HILLS PARK AND RECREATION DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2020**

Section II – Financial Statement Findings

Our audit did not disclose any matters required to be reported in accordance with *Government Auditing Standards*.

Section III – Findings and Questioned Costs – Major Federal Programs

Our audit did not disclose any matters required to be reported in accordance with 2 CFR 200.516(a).

**HYLAND HILLS PARK AND RECREATION DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED DECEMBER 31, 2020**

Hyland Hills Park and Recreation District respectfully submits the following summary schedule of prior audit findings for the year ended December 31, 2020.

Audit period: Year ended December 31, 2020

The findings from the prior audit's schedule of findings and questioned costs are discussed below. The findings are numbered consistently with the numbers assigned in the prior year.

FINDINGS – FINANCIAL STATEMENT AUDIT

There were no financial statement findings in the prior year.

FINDINGS – FEDERAL AWARD PROGRAMS AUDITS

There were no federal award program audit findings in the prior year.

If there are questions regarding this schedule, please call Michael Tilger, Director of Finance at 303-650-7509.

**HYLAND HILLS PARK AND RECREATION DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2020**

| Federal Grantor/Pass-through Grantor Program Title | Federal CFDA Number | Pass-Through Identifying Number | Federal Expenditures |
|---|---------------------------|---------------------------------------|--------------------------|
| U.S. DEPARTMENT OF TREASURY | | | \$ _____ |
| <i>Passed through Colorado Department of Local Affairs</i> Coronavirus Relief Fund Program | 21.019 | CVRF-SD-102 | <u>500,000</u> |
| <i>Passed through City of Arvada</i> Coronavirus Relief Fund Program | 21.019 | 1000091.15 | <u>234,000</u> |
| <i>Passed through Adams County Foundation</i> Coronavirus Relief Fund Program | 21.019 | | <u>74,159</u> |
| TOTAL U.S. DEPARTMENT OF TREASURY | | | <u><u>808,159</u></u> |
| TOTAL EXPENDITURES OF FEDERAL AWARDS | | | \$ <u><u>808,159</u></u> |

**HYLAND HILLS PARK AND RECREATION DISTRICT
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2020**

NOTE 1 BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of Hyland Hills Park and Recreation District ("the District") under programs of the federal government for the year ended December 31, 2020. No federal financial assistance was passed through to other entities. The information in this Schedule is presented in accordance with the requirements of 2 CFR Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the District.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance for all awards with the exception of CFDA 21.019, which follows criteria determined by the Department of Treasury for allowability of costs. Under these principles, certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

NOTE 3 INDIRECT COST RATE

The District has elected to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.



HYLAND HILLS
Park & Recreation District

ADAMS COUNTY, COLORADO
1800 West 89th Avenue
Federal Heights, Colorado

