



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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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.

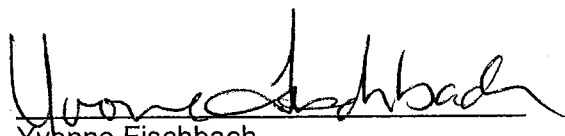
Awards. The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Hyland Hills Park and Recreation District for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended December 31, 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.

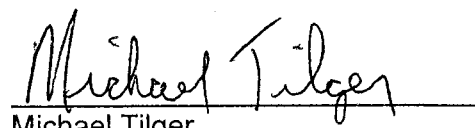
In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. Such CAFR must satisfy both generally accepted accounting principles and applicable legal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

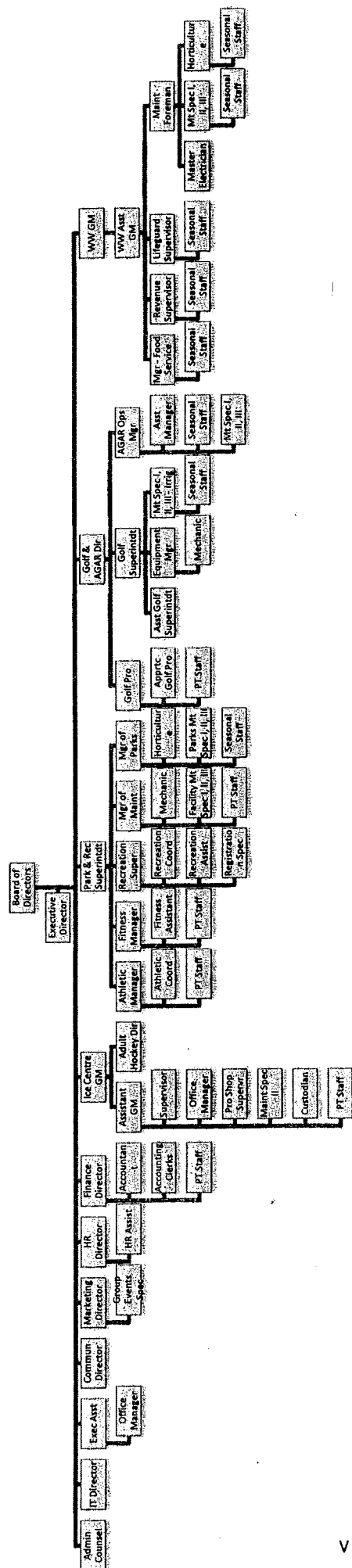
Acknowledgments. We wish to express appreciation to the entire staff of the Hyland Hills Finance Department for their dedication and support in the preparation of the Comprehensive Annual Financial Report. Sincere appreciation also goes out to the staff of *CliftonLarsonAllen LLP*, whose assistance in 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

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**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	2020		Change From 2019		2019		Change From 2018		2018	
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		5,600,536		5,016,452		584,084		535,716		48,368
Total Capital Assets		144,676,533		7,965,555		136,710,978		5,149,158		131,561,820
Less Accumulated Depreciation		(77,960,864)		(3,993,307)		(73,967,557)		200,768		(74,168,325)
Net Capital Assets	\$	66,715,669	\$	3,972,248	\$	62,743,421	\$	5,349,926	\$	57,393,495

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	6,192,179	24,971,637
 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	13,043,986	21,937,423
 INCOME FROM OPERATIONS BEFORE DEPRECIATION	 (6,851,807)	 3,034,214
Depreciation (Note 4)	(4,197,207)	(4,027,662)
 NET LOSS FROM OPERATIONS	 (11,049,014)	 (993,448)
 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)	7,130,092	5,861,097
 Income Before Capital Grants and Contributions	 (3,918,922)	 4,867,649
 Capital Grants and Contributions	 1,682,709	 543,500
 CHANGE IN NET POSITION	 (2,236,213)	 5,411,149
 NET POSITION, Beginning of Year	 63,518,952	 58,107,803
 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	(6,460,437)	3,812,730
 CASH FLOW FROM NON-CAPITAL FINANCING ACTIVITIES		
Property Taxes	7,556,084	6,564,449
Net Cash Provided by Non-Capital Financing Activities	7,556,084	6,564,449
 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	(4,910,000)	(2,845,000)
Net Cash Used for Capital and Related Financing Activities	(14,984,836)	(9,484,470)
 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	(48,162)	226,754
Net Cash Provided (Used) for Investing Activities	11,049,569	(3,791,165)
Net (Decrease) in Cash and Cash Equivalents	(2,839,620)	(2,898,456)
Cash and Cash Equivalents, Beginning of Year	3,795,095	6,693,551
Cash and Cash Equivalents, End of Year	\$ 955,475	\$ 3,795,095

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

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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:

	<u>2021</u>		<u>2022</u>		<u>2023</u>		<u>2024</u>
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
	<u> </u>		<u> </u>		<u> </u>		<u> </u>
Totals	\$ 1,763,150	\$	1,620,371	\$	1,621,314	\$	1,501,744
	<u> </u>		<u> </u>		<u> </u>		<u> </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:

2020					
Capital Leases	BALANCE 1/1/2020	ADDITIONS	RETIREMENTS	BALANCE 12/31/2020	AMOUNTS DUE WITHIN ONE YEAR
	\$ 10,352,535	\$ -	\$ 1,403,965	\$ 8,948,570	\$ 1,448,788

2019					
Capital Leases	BALANCE 1/1/2019	ADDITIONS	RETIREMENTS	BALANCE 12/31/2019	AMOUNTS DUE WITHIN ONE YEAR
	\$ 7,405,366	\$ 4,500,000	\$ 1,552,831	\$ 10,352,535	\$ 1,403,965

**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:

REVENUE BONDS							
YEAR	2016-A SPECIAL REVENUE REFUNDING BONDS		2016-B SPECIAL REVENUE REFUNDING BONDS		TOTAL REVENUE BONDS		
	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 \$	<u>7,735,000</u>	<u>1,512,650</u>	<u>2,800,000</u>	<u>284,153</u>	<u>10,535,000</u>	<u>1,796,803</u>	

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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)	18,535,203	37,834,848	(19,299,645)
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)	\$ 30,860,546	\$ 60,777,346	\$ 31,891,800

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
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Computation of Direct and Overlapping Bonded Debt	10
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Demographic and Economic Information

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

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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
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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.

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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

	2016		2017		2018		2019		2020
\$	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
	76,243		56,626		9,844		13,339		11,408
	20,388,168		19,954,437		20,457,568		21,937,423		13,043,986
	3,748,523		3,781,113		3,832,302		4,027,662		4,197,207
\$	<u>24,136,691</u>	\$	<u>23,735,550</u>	\$	<u>24,289,870</u>	\$	<u>25,965,085</u>	\$	<u>17,241,193</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



CliftonLarsonAllen LLP
CLAconnect.com

**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.



CliftonLarsonAllen LLP

Broomfield, Colorado
May 21, 2021



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**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

