

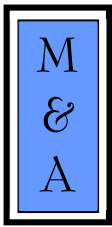
**Evergreen Park and Recreation District  
Evergreen, Colorado**

**Financial Statements  
December 31, 2022**

**Evergreen Park and Recreation District  
Financial Report  
December 31, 2022**

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## INDEPENDENT AUDITOR'S REPORT

**To the Board of Directors  
Evergreen Park and Recreation District  
Evergreen, CO**

### Report on the Audit of the Financial Statements

#### **Opinions**

We have audited the accompanying financial statements of the governmental activities and each major fund of Evergreen Park and Recreation District (the "District"), as of and for the year ended December 31, 2022, which collectively comprise the Authority's basic financial statements as listed in the Table of Contents, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of Evergreen Park and Recreation District, as of December 31, 2022 and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP").

#### **Basis for Opinions**

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

#### **Emphasis of Matter – Change in Accounting Principle and Restatement**

As discussed in Note VI and VII to the financial statements, the District adopted Governmental Accounting Standards Board Statement No. 87, *Leases*. The District fund balance was also restated to reflect previously deferred revenues. Our opinion is not modified with respect to these matters.

#### **Responsibilities of Management for the Financial Statements**

Evergreen Park and Recreation District's management is responsible for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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**INDEPENDENT AUDITORS REPORT**  
**To the Board of Directors**  
**Evergreen Park and Recreation District**  
**Evergreen, CO**

***Responsibilities of Management for the Financial Statements (continued)***

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for one year after the date that the financial statements are issued.

***Auditor's Responsibilities for the Audit of the Financial Statements***

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

In performing an audit in accordance with U.S. GAAS, we:

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

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

***Required Supplementary Information***

U.S. GAAP require that the Management's Discussion and Analysis in Section B be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with U.S. GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

**INDEPENDENT AUDITORS REPORT**  
**To the Board of Directors**  
**Evergreen Park and Recreation District**  
**Evergreen, CO**

***Required Supplementary Information (continued)***

The budgetary comparison information in section E is not a required part of the basic financial statements but is supplementary information required by U.S. GAAP. The budgetary comparison information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with U.S. GAAS. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Evergreen Park and Recreation District's basic financial statements. The individual fund budgetary comparison schedule and statistical tables in Section F are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The individual fund budgetary comparison schedule and Statistical tables are the responsibility of management and were derived from and relates 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 U.S. GAAS. In our opinion, the information in Section F is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

*McMahan and Associates, L.L.C.*

**McMahan and Associates, L.L.C.**  
**Avon, Colorado**  
**September 28, 2023**

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

# Evergreen Park and Recreation District

## Management's Discussion and Analysis

December 31, 2022

As management of the Evergreen Park and Recreation District ("District"), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended December 31, 2022.

### Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements comprise three components: 1) government-wide financial statements; 2) fund financial statements; and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

**Government-wide financial statements:** The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business.

The Statement of Net Position presents information on all the District's assets, liabilities, and deferred inflows, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The Statement of Activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (i.e. uncollected taxes and earned but unused vacation leave).

The government-wide financial statements can be found on pages C1 and C2 of this report.

**Fund financial statements:** A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The District reports two governmental funds, the General Fund and Debt Service Fund.

**Governmental funds:** Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. The governmental funds provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

## Overview of the Financial Statements (continued)

**Governmental funds (continued):** The District adopts an annual appropriated budget for its General Fund. A budgetary comparison statement has been provided for the General Fund on pages E1 – E3 of this report to demonstrate compliance with this budget.

**Notes to the Financial Statements:** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The Notes to the Financial Statements can be found starting on page D1 of this report.

## Government-wide Financial Analysis

### Evergreen Park and Recreation District's Net Position

	Governmental Activities	
	2022	2021 (restated)
<b>Assets:</b>		
Current and other assets	10,370,103	8,854,879
Capital assets	23,970,190	24,816,355
<b>Total Assets</b>	<u>34,340,293</u>	<u>33,671,234</u>
<b>Liabilities &amp; Deferred Inflows:</b>		
Current liabilities	1,040,060	819,960
Deferred inflows	3,624,653	3,621,480
Long-term liabilities	3,420,896	4,698,303
<b>Total Liab &amp; Def Inflows</b>	<u>8,085,609</u>	<u>9,139,743</u>
<b>Net Position:</b>		
Net investment in capital assets	20,626,646	20,190,279
Restricted	981,094	816,627
Unrestricted	4,646,944	3,524,585
<b>Total Net Position</b>	<u>26,254,684</u>	<u>24,531,491</u>

The largest portion of the District's net position is reflected as net investment in capital assets (i.e. land, buildings, machinery, and equipment, net of related debt). At the end of 2022, capital assets accounted for 79% of the total net position. The District uses capital assets to provide services to its citizens. Accordingly, these assets are not an available source for payment of future spending. The district also has a portion of its net position restricted for use in the event of an emergency and for future parks and recreation projects.

**Evergreen Park and Recreation District's  
Change in Net Position**

	<b>Governmental Activities</b>	
	<b>2022</b>	<b>2021 (restated)</b>
<b>Revenues:</b>		
Program revenues:		
Charges for services:		
General administration	119,959	80,912
Wulf recreation center	369,218	241,410
Buchanan recreation center	868,189	565,000
Lakehouse	1,756,345	1,483,779
Parks and fields	110,125	77,435
Recreation and other programs	1,677,884	1,288,083
Special event	51,347	61,963
Operating grants & contributions	31,598	40,382
Capital grants & contributions	149,274	836,713
General revenues:		
Property taxes	3,495,807	3,621,486
Other taxes	247,024	283,103
Interest and other revenue	111,046	19,725
<b>Total Revenues</b>	<b>8,987,816</b>	<b>8,599,991</b>
<b>Expenses:</b>		
General administration	1,464,256	1,814,258
Wulf recreation center	1,005,736	833,745
Buchanan recreation center	1,348,082	1,005,806
Lakehouse	864,906	747,520
Parks and fields	1,267,341	879,288
Recreation and other programs	1,277,968	1,029,796
Grant revenue	36,334	11,942
<b>Total Expenses</b>	<b>7,264,623</b>	<b>6,322,355</b>
<b>Change in Net Position</b>	<b>1,723,193</b>	<b>2,277,636</b>
<b>Net Position - Beginning</b>	<b>24,531,491</b>	<b>22,253,855</b>
<b>Net Position - Ending</b>	<b>26,254,684</b>	<b>24,531,491</b>

**Governmental activities:** Net position of the governmental activities increased \$1,723,193 during 2022. This increase is largely due to a return of operations after operational shutdowns in 2020 and increased interest in recreation programs.

**Financial Analysis of the District's Funds**

As mentioned earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental funds:** The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

The fund balance of the General Fund increased \$1,355,853 during 2022, primarily due to increases to charges for services and increased interest in recreation programs.

The fund balance of the Debt Service Fund decreased \$116,853 during 2022, due to tax collections being slightly lower than the required bond payments.

## **Financial Analysis of the District's Funds (Continued)**

As of the end of the current fiscal year, the District's general fund reported an ending fund balance of \$5,331,401. Of this balance, \$197,144 is nonspendable, \$208,000 is restricted for emergencies as required by TABOR, \$294,598 is restricted for conservation trust projects, and the remaining \$4,587,019 is unassigned.

**Budget variances:** There were no budget amendments during 2022. Details of variances by department can be seen on page E1 – E3 of this report for the General Fund and page F1 for the Debt Service Fund.

**Capital assets:** The District's capital assets decreased by \$846,165, largely due to depreciation expense, but offset by additions to capital assets. Additional information as well as a detailed classification of the District's net capital assets can be found in the Notes to the Financial Statements on pages D10 of this report.

**Long-term debts:** The District continued to make scheduled payments on all of its long-term debts. Details of the District's long term obligations are contained on pages D11 to D13 of this report.

### **Request for Information**

This financial report is designed to provide a general overview of the District's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Financial Controller, Evergreen Park and Recreation District, 1521 Bergen Pkwy, Evergreen, CO 80439.

**GOVERNMENT-WIDE FINANCIAL STATEMENTS**

**Evergreen Park and Recreation District**  
**Statement of Net Position**  
**December 31, 2022**

	<b>Governmental Activities</b>
<b>Assets:</b>	
Cash and cash equivalents - Unrestricted	6,313,484
Cash restricted for park land escrow	217,187
Receivables, net	67,519
Deposits and prepaid expenses	197,144
Property taxes receivable	3,574,769
Capital assets, net	23,970,190
<b>Total Assets</b>	<b>34,340,293</b>
<b>Liabilities:</b>	
Accounts payable and other liabilities	388,955
Accrued salaries and payroll liabilities	78,339
Park land escrow	217,187
Accrued interest payable	9,983
Unearned revenue	345,596
Accrued compensated absences:	
Due within one year	20,772
Due in more than one year	56,580
Leases:	
Due within one year	35,209
Due in more than one year	11,261
General obligation bonds:	
Due within one year	960,000
Due in more than one year	2,337,074
<b>Total Liabilities</b>	<b>4,460,956</b>
<b>Deferred Inflow of Resources:</b>	
Property taxes	3,574,769
Gain on bond refunding	49,884
<b>Total Deferred Inflow of Resources</b>	<b>3,624,653</b>
<b>Net Position:</b>	
Net investment in capital assets	20,626,646
Restricted for emergencies	208,000
Restricted for conservation trust projects	339,238
Restricted for debt service	433,856
Unrestricted	4,646,944
<b>Total Net Position</b>	<b>26,254,684</b>

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

**Evergreen Park and Recreation District**  
**Statement of Activities**  
**For the Year Ended December 31, 2022**

	Expenses	Program Revenues			Net (Expense) Revenue and Change in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
<b>Functions/Programs:</b>					
<b>Governmental activities:</b>					
General administration	1,464,256	119,959	-	-	(1,344,297)
Wulf recreation center	1,005,736	369,218	-	-	(636,518)
Buchanan recreation center	1,348,082	868,189	-	-	(479,893)
Lakehouse	864,906	1,756,345	-	-	891,439
Parks and fields	1,267,341	110,125	-	4,266	(1,152,950)
Recreation and other programs	1,277,968	1,677,884	31,598	145,008	576,522
Special event	36,334	51,347	-	-	15,013
<b>Total Governmental Activities</b>	<b>7,264,623</b>	<b>4,953,067</b>	<b>31,598</b>	<b>149,274</b>	<b>(2,130,684)</b>
<b>General Revenues:</b>					
Property taxes					3,495,807
Specific ownership taxes					240,707
Delinquent taxes and interest					6,317
Investment income					43,762
Grant revenue					36,799
Miscellaneous					30,485
<b>Total General Revenues</b>					<b>3,853,877</b>
<b>Change in Net Position</b>					<b>1,723,193</b>
<b>Net Position - Beginning (restated)</b>					<b>24,531,491</b>
<b>Net Position - Ending</b>					<b>26,254,684</b>

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

**FUND FINANCIAL STATEMENTS**

**Evergreen Park and Recreation District  
Balance Sheet  
Governmental Funds  
December 31, 2022**

	<b>General Fund</b>	<b>Debt Service Fund</b>	<b>Total Governmental Funds</b>
<b>Assets:</b>			
Cash and cash equivalents	5,879,628	433,856	6,313,484
Cash restricted for park land escrow	217,187	-	217,187
Accounts receivable	67,519	-	67,519
Property taxes receivable	2,494,125	1,080,644	3,574,769
Prepaid expenses	197,144	-	197,144
<b>Total Assets</b>	<b>8,855,603</b>	<b>1,514,500</b>	<b>10,370,103</b>
<b>Liabilities:</b>			
Accounts payable and other liabilities	388,955	-	388,955
Accrued salaries and payroll liabilities	78,339	-	78,339
Park land escrow	217,187	-	217,187
Unearned revenue	345,596	-	345,596
<b>Total Liabilities</b>	<b>1,030,077</b>	<b>-</b>	<b>1,030,077</b>
<b>Deferred Inflow of Resources:</b>			
Unavailable property tax revenue	2,494,125	1,080,644	3,574,769
<b>Total Deferred Inflow of Resources</b>	<b>2,494,125</b>	<b>1,080,644</b>	<b>3,574,769</b>
<b>Fund Balances:</b>			
Nonspendable	197,144	-	197,144
Restricted for emergencies	208,000	-	208,000
Restricted for conservation trust projects	339,238	-	339,238
Restricted for debt service	-	433,856	433,856
Unassigned	4,587,019	-	4,587,019
<b>Total Fund Balances</b>	<b>5,331,401</b>	<b>433,856</b>	<b>5,765,257</b>

**Amounts reported for Governmental Activities in the Statement of Net Position are different because:**

Capital assets, net of accumulated depreciation, used in governmental activities are not financial resources and, therefore, are not reported in the funds.

23,970,190

Long-term liabilities and debt-related deferred inflows, including accrued compensated absences, are not due and payable in the current period and, therefore, are not reported in the funds.

(3,480,763)

**Net Position of Governmental Activities**

26,254,684

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

**Evergreen Park and Recreation District**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Governmental Funds**  
**For the Year Ended December 31, 2022**

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
<b>Revenues:</b>			
Property and other taxes	2,783,084	959,747	3,742,831
Intergovernmental and donations	186,073	-	186,073
Federal grants	31,598	-	31,598
Charges for services:			
Wulf recreation center	369,217	-	369,217
Buchanan recreation center	868,189	-	868,189
Lakehouse	1,756,345	-	1,756,345
Parks and fields	110,125	-	110,125
Recreation and other programs	1,677,885	-	1,677,885
Special events and festivals	51,347	-	51,347
Rental income	119,959	-	119,959
Investment income	43,762	-	43,762
Miscellaneous	30,485	-	30,485
<b>Total Revenues</b>	<u>8,028,069</u>	<u>959,747</u>	<u>8,987,816</u>
<b>Expenditures:</b>			
General government	1,342,694	-	1,342,694
Wulf recreation center	843,148	-	843,148
Buchanan recreation center	1,109,532	-	1,109,532
Lakehouse	772,506	-	772,506
Parks and fields	794,331	-	794,331
Recreation and other programs	1,277,967	-	1,277,967
Special events	36,334	-	36,334
Capital outlay	420,820	-	420,820
Debt service	74,884	1,076,600	1,151,484
<b>Total Expenditures</b>	<u>6,672,216</u>	<u>1,076,600</u>	<u>7,748,816</u>
<b>Change in Fund Balance</b>	1,355,853	(116,853)	1,239,000
<b>Fund Balance - Beginning (restated)</b>	<u>3,975,548</u>	<u>550,709</u>	<u>4,526,257</u>
<b>Fund Balance - Ending</b>	<u><u>5,331,401</u></u>	<u><u>433,856</u></u>	<u><u>5,765,257</u></u>

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

**Evergreen Park and Recreation District  
Reconciliation of the Statement of Revenues, Expenditures  
and Changes in Fund Balance of the Governmental Funds  
To the Statement of Activities  
For the Year Ended December 31, 2022**

**Net Change in Fund Balance of  
the Governmental Fund** 1,239,000

Amounts reported for Governmental Activities  
in the Statement of Activities are different because:

Governmental funds report capital outlays as expenditures. However,  
in the Statement of Activities, the cost of those assets is allocated over  
their estimated useful lives as depreciation and amortization expense.  
This is the amount by which current year depreciation was  
exceeded by capital outlay.

Depreciation and amortization	(1,043,890)	
Capital outlay	197,725	(846,165)

The issuance of long-term debt (e.g., bonds, notes, and leases) provides current  
financial resources to governmental funds, while the repayment of the principal  
of long-term debt consumes the current financial resources of governmental  
funds. Neither transaction, however, has any effect on net position.

Bond principal payments	920,000	
Capital lease principal payments	70,367	
Amortization and interest accrual	355,027	1,345,394

Compensated absences do not require the use of current financial resources and  
therefore, are not reported as expenditures in the fund. This represents the  
change in compensated absences during the year. (15,036)

**Change in Net Position of Governmental Activities** 1,723,193

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

**NOTES TO THE FINANCIAL STATEMENTS**

**Evergreen Park and Recreation District**  
**Notes to the Financial Statements**  
**December 31, 2022**

**I. Summary of Significant Accounting Policies**

The Evergreen Park and Recreation District (the "District") is a quasi-municipal corporation organized and operated pursuant to provisions set forth in the Colorado Special District Act. The District was established to provide recreational facilities and services within its boundaries. The District is located in Evergreen, Colorado.

The financial statements of the District have been prepared in conformity with U.S. generally accepted accounting principles ("GAAP") as applied to government units. The Governmental Accounting Standards Board ("GASB") is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant accounting policies established by GAAP used by the District are discussed below.

**A. Reporting Entity**

The reporting entity consists of (a) the primary government; i.e., the District, and (b) organizations for which the District is financially accountable. The District is considered financially accountable for legally separate organizations if it is able to appoint a voting majority of an organization's governing body and is either able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the District. Consideration is also given to other organizations which are fiscally dependent; i.e., unable to adopt a budget, levy taxes, or issue debt without approval by the District. Organizations for which the nature and significance of their relationship with the District are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete are also included in the reporting entity.

The District has no component units, and it is not a component unit of any other entity.

**B. Government-wide and Fund Financial Statements**

The District's basic financial statements include both government-wide (reporting the District as a whole) and fund financial statements (reporting the District's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type.

**1. Government-wide Financial Statements**

Government-wide financial statements report on information of all activities of the District. All of the District's functions and activities are classified as governmental activities.

The government-wide Statement of Activities reports both the gross and net cost of each of the District's governmental functions. The governmental functions are also supported by general government revenues (property and specific ownership taxes, investment earnings, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the governmental function. Operating grants and contributions include operating-specific and discretionary (either operating or capital) grants while the capital grants and contributions column reflects capital-specific grants and contributions received. The government-wide focus is on the sustainability of the District as an entity and the change in the District's net position resulting from the current year's activities.

**Evergreen Park and Recreation District**  
**Notes to the Financial Statements**  
**December 31, 2022**  
**(continued)**

**I. Summary of Significant Accounting Policies (continued)**

**B. Government-wide and Fund Financial Statements (continued)**

**2. Fund Financial Statements**

The financial transactions of the District are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, deferred inflows, reserves, fund equity, revenues and expenditures/expenses. The fund focus is on current available resources and budget compliance.

The District reports the following major governmental funds:

The *General Fund* accounts for all financial resources not required to be accounted for in another fund. All of the District's functions and activities are accounted for in the General Fund.

The *Debt Service Fund* accounts for all financial resources restricted for bonded debt service.

**C. Measurement Focus, Basis of Accounting and Financial Statement Presentation**

Measurement focus refers to whether financial statements measure changes in current resources only (current financial focus) or changes in both current and long-term resources (long-term economic focus). Basis of accounting refers to the point at which revenues, expenditures or expenses are recognized in the accounts and reported in the financial statements. Financial statement presentation refers to classification of revenues by source and expenses by function.

**1. Long-term Economic Focus and Accrual Basis**

Governmental activities in the government-wide financial statements use the long-term economic focus and are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred, regardless of the timing of the related cash flows.

**2. Current Financial Focus and Modified Accrual Basis**

The governmental fund financial statements use the current financial focus and are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. "Available" means collectible within the current period or soon enough thereafter (60 days) to be used to pay liabilities of the current period. Expenditures are generally recognized when the related liability is incurred. The exception to this general rule is that principal and interest on general long-term debt, if any, is recognized when due.

**Evergreen Park and Recreation District**  
**Notes to the Financial Statements**  
**December 31, 2022**  
**(continued)**

**I. Summary of Significant Accounting Policies (continued)**

**C. Measurement Focus, Basis of Accounting and Financial Statement Presentation (continued)**

**3. Financial Statement Presentation**

Amounts reported as program revenues include 1) charges to customers and applicants for goods, services or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

**D. Financial Statement Accounts**

**1. Cash, Cash Equivalents and Investments**

The District pools deposits and investments of all funds. Each fund's share of the pool is readily identified by the District's internal records. Investments are stated at fair market value.

Cash and cash equivalents include demand deposits, certificates of deposit and local governmental investment pools (COLOTRUST).

Certain resources set aside for specific purposes have been classified as restricted assets on the balance sheet.

The District's investment policy permits investments in the following type of obligations which correspond with state statutes:

- FDIC-insured Certificates of Deposit
- Local Government Investment Pools
- Federally Backed Securities
- U.S. Government General Obligation Bonds
- Money Market Instruments

**2. Receivables**

Receivables are reported net of an allowance for uncollectible accounts. However, no allowance was established at December 31, 2022, as the District considered all receivables to be collectible.

**3. Property Taxes**

Property taxes are assessed in one year as a lien on the property, but not collected by the governmental entities until the subsequent year. In accordance with GAAP, the assessed but uncollected property taxes have been recorded as a receivable and as unavailable revenue.

**4. Prepaid Expenses**

Payments made to vendors for services that will benefit periods beyond December 31, 2022 are recorded as prepaid expenses.

**Evergreen Park and Recreation District**  
**Notes to the Financial Statements**  
**December 31, 2022**  
**(continued)**

**I. Summary of Significant Accounting Policies (continued)**

**D. Financial Statement Accounts (continued)**

**5. Capital Assets**

Capital assets, which include land, land improvements, buildings, equipment and vehicles, are reported in the government-wide financial statements. Capital assets are defined by the District as assets with an initial cost of \$2,000 or more and an estimated useful life in excess of one year. Such assets are recorded at historical cost. Donated capital assets are recorded at estimated fair value at the date of donation.

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

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

Asset	Years
Land Improvements	10 - 40
Buildings	15 - 20
Machinery and Equipment	5 - 20
Vehicles	5 - 15

**6. Compensated Absences**

It is the District's policy to permit employees to accumulate earned but unused vacation benefits. All vacation pay is accrued when incurred in the government-wide financial statements.

**7. Long-term Obligations and Leases**

Long-term debt is recognized as a liability of a governmental fund when due, or when resources have been accumulated for payment early in the following year. For other long-term obligations, only that portion expected to be financed from expendable available financial resources is reported as a fund liability of the governmental fund. The remaining portion of such obligations is reported in the governmental activities column of the government-wide financial statements.

Lessee – The District is lessee for noncancellable leases of vehicles. The District recognizes a lease liability and an intangible right-to-use lease asset for the leases. The District recognizes lease liabilities with an initial, individual value of \$5,000 or more.

At the commencement of a lease, the District initially measures the lease liability at the present value of payments expected to be made during the lease term.

Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

**Evergreen Park and Recreation District**  
**Notes to the Financial Statements**  
**December 31, 2022**  
**(continued)**

**I. Summary of Significant Accounting Policies (continued)**

**D. Financial Statement Accounts (continued)**

**7. Long-term Obligations and Leases (continued)**

Key estimates and judgments related to leases include how the District determines the following:

**Discount Rate:** The District uses the interest rate charged by the lessor as the discount rate to discount the expected lease payments to present value. When the interest rate charged by the lessor is not provided, the District uses its incremental rate of borrowing.

**Lease Term:** The lease term includes the noncancellable period of the lease and extended term(s) that the District is reasonably certain to exercise.

**Lease Payments:** Lease payments included in the measurement of the lease liability are composed of fixed increasing payments, and purchase option price that the District is reasonably certain to exercise.

The District monitors changes in circumstances that would require a remeasurement of its leases and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the Statement of Net Position.

**8. Fund Balance**

The District classifies governmental fund balances as follows:

*Non-spendable* - includes fund balance amounts that cannot be spent either because it is not in spendable form or because of legal or contractual requirements.

*Restricted* – includes fund balance amounts that are constrained for specific purposes which are externally imposed by providers, such as creditors or amounts constrained due to constitutional provisions or enabling legislation.

*Committed* – includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision making authority which is the Board of Directors.

*Assigned* – includes spendable fund balance amounts that are intended to be used for specific purposes that are neither considered restricted or committed. Fund balance may be assigned by the Board of Directors or its management designee.

**Evergreen Park and Recreation District**  
**Notes to the Financial Statements**  
**December 31, 2022**  
**(continued)**

**I. Summary of Significant Accounting Policies (continued)**

**D. Financial Statement Accounts (continued)**

**8. Fund Balance (continued)**

*Unassigned* - includes residual positive fund balance within the General Fund which has not been classified within the other above mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed, or assigned for those specific purposes.

The District uses restricted amounts to be spent first when both restricted and unrestricted fund balance is available unless there are legal documents/contracts that prohibit doing this, such as in grant agreements requiring dollar for dollar spending. Additionally, the District first uses committed, then assigned, and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

The District does not have a formal minimum fund balance policy. However, the District's budget includes a calculation of targeted reserve positions and management calculates targets and reports them annually to Board of Directors.

**9. Deferred Outflows and Inflows of Resources**

In addition to assets, the statement of net position will sometimes report a separate section for "deferred outflows of resources." Deferred outflows of resources represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District does not have any items that qualify for reporting in this category at December 31, 2022.

In addition to liabilities, the statement of net position will sometimes report a separate section for "deferred inflows of resources." Deferred inflows of resources represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resource (revenue) until that time. The District has two types of items which qualify for reporting in this category. Accordingly, the first item, unavailable property tax revenue, is deferred and recognized as an inflow of resource in the period that the amounts become available and earned. The second item, gain on refunding, is deferred and recognized as an inflow over the life of the refunding bonds.

**E. Other Significant Policies**

**1. Use of Estimates**

The preparation of financial statements in conformity with U.S. GAAP requires the District's management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amount of revenues and expenditures or expenses during the reporting period. Actual results could differ from those estimates.

**Evergreen Park and Recreation District**  
**Notes to the Financial Statements**  
**December 31, 2022**  
**(continued)**

**II. Reconciliation of Government-wide and Fund Financial Statements**

**A. Explanation of certain differences between the governmental funds Balance Sheet and the government-wide Statement of Net Position**

The governmental funds Balance Sheet includes reconciliation between *fund balance – governmental funds* and *net position of governmental activities* as reported in the government-wide Statement of Net Position. One element of that reconciliation explains “Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.” This \$23,970,190 difference is related to property and equipment of \$38,677,453 plus less accumulated depreciation and amortization of \$14,707,263.

Another element of the reconciliations explains “Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.” The details of the \$3,480,763 difference are bonds payable of \$3,297,074, accrued interest payable of \$9,983, accrued compensated absences of \$77,352, leases payable of \$46,470 and \$49,884 deferred charge on refunding.

**III. Stewardship, Compliance, and Accountability**

**A. Budgets and Budgetary Accounting**

Annually the District’s Board of Directors formally adopts a budget with appropriations by fund for the ensuing year pursuant to the Colorado Local Budget Law. The budget for the governmental fund is adopted on a basis consistent with U.S. GAAP.

As required by Colorado statutes, the District follows required timetables in preparing, approving, and enacting its budget for the ensuing year. The following is a summary of the budget calendar for the 2022 budget year:

- (1) For the 2022 budget, prior to August 25, 2021, the County Assessor sent to the District a certified assessed valuation of all taxable property within the District’s boundaries. The County Assessor may change the assessed valuation on or before December 10, 2021 only once by a single notification to the District.
- (2) On or before October 15, 2021, the District’s accountant submitted to the District’s Board of Directors a recommended budget which detailed the necessary property taxes needed along with other available revenues to meet the District’s operating requirements.
- (3) For the 2022 budget, prior to December 15, 2021, the District computed and certified to the County Commissioners a rate of a levy that derived the necessary property taxes as computed in the proposed budget.

**Evergreen Park and Recreation District**  
**Notes to the Financial Statements**  
**December 31, 2022**  
**(continued)**

**III. Stewardship, Compliance, and Accountability (continued)**

**A. Budgets and Budgetary Accounting (continued)**

- (4) After a required publication of "Notice of Proposed Budget" and a public hearing, the District adopted the proposed budget and an appropriating resolution, which legally appropriated expenditures for the upcoming year.
- (5) After adoption of the budget resolution, the District may make the following changes: (a) it may transfer appropriated monies between funds or between spending agencies within a fund, as determined by the original appropriation level; (b) it may approve supplemental appropriations to the extent of revenues in excess of the estimated in the budget; (c) it may approve emergency appropriations; and (d) it may approve the reduction of appropriations for which originally estimated revenues are insufficient.
- (6) All appropriations lapse at a year-end.

Taxes levied in one year are collected in the succeeding year. Thus taxes certified in 2021 were collected in 2022 and taxes certified in 2022 will be collected in 2023. Taxes are due on January 1st in the year of collection; however, they may be paid in either one installment (no later than April 30th) or two equal installments (not later than February 28th and June 15th) without interest or penalty. Taxes that are not paid within the prescribed time bear interest at the rate of one percent (1%) per month until paid. Unpaid amounts and the accrued interest thereon become delinquent on June 15th.

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**Evergreen Park and Recreation District**  
**Notes to the Financial Statements**  
**December 31, 2022**  
**(continued)**

**III. Stewardship, Compliance, and Accountability (continued)**

**B. TABOR Amendment - Revenue and Spending Limitation Amendment**

In November 1992, Colorado voters amended Article X of the Colorado Constitution by adding Section 20, commonly known as the Taxpayer's Bill of Rights ("TABOR"). TABOR contains revenue, spending, tax and debt limitations that apply to the State of Colorado and local governments. TABOR requires, with certain exceptions, advance voter approval for any new tax, tax rate increase, mill levy above that for the prior year, extension of any expiring tax, or tax policy change directly causing a net tax revenue gain to any local government.

Except for refinancing bonded debt at a lower interest rate or adding new employees to existing pension plans, TABOR requires advance voter approval for the creation of any multiple-fiscal year debt or other financial obligation unless adequate present cash reserves are pledged irrevocably and held for payments in all future fiscal years.

TABOR also requires local governments to establish emergency reserves to be used for declared emergencies only. Emergencies, as defined by TABOR, exclude economic conditions, revenue shortfalls, or salary or fringe benefit increases. These reserves are required to be 3% or more of fiscal year spending (excluding bonded debt service) for the fiscal year ended December 31, 2022.

The District has restricted a portion of its December 31, 2022 year-end fund balance in the General Fund for emergencies as required under TABOR in the amount of \$208,000, which is the approximate required reserve.

In November 1998, the voters of the District approved a referendum that authorizes the District to collect, retain or expend all revenues and other funds received from any source regardless of the limitations imposed by TABOR. The referendum applies only the excess revenues and leaves all other provisions of TABOR unchanged.

The District's management believes it is in compliance with the financial provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of its provisions, including the interpretation of how to calculate fiscal year spending limits, will require judicial interpretation.

**IV. Detailed Notes on All Funds**

**A. Deposits and Investments**

The District's checking accounts are entirely covered by federal depository insurance ("FDIC") or by collateral held under Colorado's Public Deposit Protection Act ("PDPA"). The FDIC insures the first \$250,000 of the District's deposits at each financial institution. Deposit balances over \$250,000 are collateralized as required by PDPA. The carrying amount of the District's deposits was \$3,714,729 at December 31, 2022.

**Evergreen Park and Recreation District**  
**Notes to the Financial Statements**  
**December 31, 2022**  
**(continued)**

**IV. Detailed Notes on All Funds (continued)**

**A. Deposits and Investments (continued)**

*Fair Value of Investments*

The District measures and records its investments using fair value measurement guidelines established by generally accepted accounting principles. These guidelines recognize a three-tiered fair value hierarchy, as follows:

- *Level 1*: Quoted prices for identical investments in active markets;
- *Level 2*: Observable inputs other than quoted market prices; and,
- *Level 3*: Unobservable inputs.

At December 31, 2022, the District has the following recurring fair value measurements:

<u>Investments Measured at Net Asset Value</u>	<u>Total</u>
Colotrust	2,598,755

The District has the following deposits and investments for all funds, with the following maturities at December 31, 2022:

<u>Type</u>	<u>Rating</u>	<u>Carrying Amount</u>	<u>Maturities</u>	
			<u>Less Than One Year</u>	<u>Less Than Five Years</u>
Checking and savings	<i>Not rated</i>	3,714,729	3,714,729	-
Government investment pools	<i>AAAm</i>	2,598,755	2,598,755	-
Held by agent	<i>Not rated</i>	217,187	217,187	-
		<u>6,530,671</u>	<u>6,530,671</u>	<u>-</u>

**Financial Statement Captions:**

Cash and cash equivalents - Unrestricted	6,313,484
Cash and cash equivalents - Restricted	217,187
	<u>6,530,671</u>

Deposits recorded in the General Fund include \$217,187 of Jefferson County Deposit Accounts for Park Purposes. These funds have been set aside for the District but the District has not requested distribution of these funds. These funds have been recorded as unearned revenue as the funds are not available until the District requests the funds and distribution is approved by the County.

The investment pools represent investments in the Colorado Government Liquid Asset Trust (COLOTRUST) a 2a7-like pool. Pools are not covered by FDIC insurance or PDPA but are rated AAAM. The fair value of the pools is determined by the pools' share price. The District has no regulatory oversight for pools.

**Evergreen Park and Recreation District**  
**Notes to the Financial Statements**  
**December 31, 2022**  
**(continued)**

**IV. Detailed Notes on All Funds (continued)**

**A. Deposits and Investments (continued)**

**Interest Rate Risk.** The District limits its investments to savings accounts and investment pools (explained below) where each share is equal to one dollar and the District avoids interest rate risk.

**Credit Risk.** State law and District policy limit investments to those authorized by State statutes including U.S. Agencies and 2a7-like pools. The District's general investment policy is to apply the prudent-person rule: Investments are made as a prudent person would be expected to act, with discretion and intelligence, to seek reasonable income, preserve capital, and, in general, avoid speculative investments.

**Concentration of Credit Risk.** The District invests most funds in 2a7-like pools and thus avoids a concentration of credit risk.

**B. Capital Assets**

Governmental capital asset activity for the year ended December 31, 2022 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<b>Governmental Activities:</b>				
Capital assets not depreciated:				
Land	10,897,915	-	-	10,897,915
Water rights	55,588	-	-	55,588
Art	40,742	-	-	40,742
Total capital assets not depreciated	10,994,245	-	-	10,994,245
Capital assets depreciated and amortized:				
Land improvements	7,524,521	142,474	-	7,666,995
Buildings and improvements	17,589,077	21,408	-	17,610,485
Machinery and equipment	1,620,911	33,844	-	1,654,755
Leased assets	481,871	-	-	481,871
Vehicles	269,102	-	-	269,102
Total capital assets depreciated and amortized	27,485,482	197,726	-	27,683,208
Less accumulated depreciation and amortization for:				
Land improvements	(4,056,160)	(455,023)	-	(4,511,183)
Buildings and improvements	(7,606,796)	(462,895)	-	(8,069,691)
Machinery and equipment	(1,427,283)	(50,918)	-	(1,478,201)
Leased assets	(374,946)	(65,043)	-	(439,989)
Vehicles	(198,188)	(10,011)	-	(208,199)
Total accumulated depreciation and amortization	(13,663,373)	(1,043,890)	-	(14,707,263)
Total capital assets depreciated and amortized, net	13,822,109	(846,164)	-	12,975,945
<b>Governmental Activities Capital Assets, Net</b>	<u>24,816,354</u>	<u>(846,164)</u>	<u>-</u>	<u>23,970,190</u>

**Evergreen Park and Recreation District**  
**Notes to the Financial Statements**  
**December 31, 2022**  
**(continued)**

**IV. Detailed Notes on All Funds (continued)**

**B. Capital Assets (continued)**

Depreciation and amortization expense was charged to functions of the District as follows:

**Governmental Activities:**

General Government	150,424
Wulf Center	147,965
Buchanan Center	233,189
Lakehouse	62,037
Parks and Fields	450,275
<b>Total Depreciation and Amortization - Governmental Activities</b>	<u><u>1,043,890</u></u>

**C. Long-term Obligations**

**1. General Obligation Refunding Bonds - Series 2015**

On September 10, 2015, the District issued General Obligation Refunding Bonds, Series 2015, in the principal amount of \$8,790,000. The proceeds of the Bonds, which amounted to \$9,796,917 and included an original issue premium of \$1,006,917, were used to refund certain portion of the District's outstanding General Obligation Refunding and Improvement Bonds, Series 2005 and pay the costs of issuing the Bonds. The District realized present value savings of approximately \$970,000 from this refunding. The bonds mature annually through 2025. Interest is payable June 1 and December 1 at rates varying from 3% to 4%.

**2. Schedule of Debt Service Requirements**

Bond principal and interest payments due at December 31, 2022 were as follows:

	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2023	960,000	119,800	1,079,800
2024	1,000,000	81,400	1,081,400
2025	1,035,000	41,400	1,076,400
Total	<u><u>2,995,000</u></u>	<u><u>242,600</u></u>	<u><u>3,237,600</u></u>

At December 31, 2022 the District had no authorized but unissued debt.

**Evergreen Park and Recreation District**  
**Notes to the Financial Statements**  
**December 31, 2022**  
**(continued)**

**IV. Detailed Notes on All Funds (continued)**

**C. Long-term Obligations (continued)**

**3. Compensated Absences**

The District's employees receive 40 hours paid time off after the first year of employment. After one, three and ten years of employment, the employees receive 80, 120 and 160 hours per year respectively. Employees may accumulate up to 100% of their annual accrual rate. No additional vacation time may be accrued until time is taken and the total accrual drops below the maximum amount. Unused vacation time is paid out upon termination.

Employees are granted sick leave absences on a pro rata basis over time of employment. The sick leave does not vest and is not payable upon termination of employment.

The estimated liability for accrued leave is recorded in the governmental activities column in the government-wide financial statements.

**4. Leases**

The District executed a vehicle master lease for seven vehicles in February 2017. The lease terms expire during 2022. Payments under the lease include interest of 1.15%. Total lease expenses under this agreement were \$18,407 including \$227 of interest.

The District executed amendments to the vehicle master lease for three additional vehicles during 2018. The lease terms expire during 2023. Payments under the lease include interest of .47%. Total lease expenses under this agreement were \$28,424 including \$1,357 of interest.

The District executed amendments to the vehicle master lease for three additional vehicles during 2019. The lease terms expire during 2024. Payments under the lease include interest of .56%. Total lease expenses under this agreement were \$28,052 including \$2,933 of interest.

Future lease payments for the District are as follows:

	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2023	35,209	1,484	36,693
2024	11,261	209	11,470
Total	46,470	1,693	48,163

**Evergreen Park and Recreation District**  
**Notes to the Financial Statements**  
**December 31, 2022**  
**(continued)**

**IV. Detailed Notes on All Funds (continued)**

**C. Long-term Obligations (continued)**

**5. Changes in Long-term Obligations**

Long-term liability activity for the year ended December 31, 2022 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
2015 G.O. Refunding Bonds	3,915,000	-	(920,000)	2,995,000	960,000
2015 Bond Premium	604,150	-	(302,076)	302,074	-
Capital Leases	116,837	-	(70,367)	46,470	35,209
Accrued compensated absences	62,316	35,808	(20,772)	77,352	20,772
<b>Long-term Liabilities</b>	<u>4,698,303</u>	<u>35,808</u>	<u>(1,313,215)</u>	<u>3,420,896</u>	<u>1,015,981</u>

**V. Other Information**

**A. Risk Management**

The District is exposed to various risks of loss related to workers compensation; general liability, unemployment, torts, theft of, damage to, and destruction of assets; and errors and omissions. In addition, the District is exposed in the ordinary course of business to the risk of injury to persons attending or operating its recreational facilities and events. The District has acquired commercial coverage for these risks and claims, if any, are not expected to exceed the commercial insurance coverage.

**B. Conservation Trust**

The District received \$145,009 of Colorado lottery funds during 2022 based upon a formula considering population within the District. The funds are restricted under the State Conservation Trust Fund statutes to acquisition, development and maintenance of parks and recreation facilities. This revenue and the related expenditures are accounted for in the General Fund.

**Evergreen Park and Recreation District**  
**Notes to the Financial Statements**  
**December 31, 2022**  
**(continued)**

**V. Other Information (continued)**

**C. Retirement Plans**

**1. Defined Contribution Pension Plan – Section 401(a)**

The District is a member of Colorado County Officials & Employees Retirement Association (“CCOERA”). COERA was established to provide retirement benefits to employees of Colorado local governments. As a member, the District participates in the CCOERA retirement plan created in accordance with Internal Revenue Code Section 401(a) (the “401(a) Plan”), which is a defined contribution pension plan.

Employees who work at least 1,850 hours per year are eligible to participate upon the first day of the month following the date of hire. All participating employees are required to make a mandatory contribution to the plan equal to 3% of gross payroll. The District is required to match the 3% employee contribution. Employee contributions to the plan are vested 100% upon contribution. Employer contributions are vested 25% after 1 year of services, plus 25% for each year of service completed thereafter. Employees are fully vested after 4 years of service. The District is neither the trustee nor the administrator for the 401(a) Plan. The seven-member governing board of CCOERA makes all necessary rules and is responsible for administration of the funds in the 401(a) Plan. Benefits payable at retirement, death, termination, or other unforeseen circumstance are based on the accumulated account balance of each employee. Upon termination of service with the District, any unvested amounts will be forfeited and may be used to pay plan expenses or District required employer contributions to the 401(a) Plan.

For 2022, the District recognized \$89,361 of expense under this plan. During 2022, the District had \$2,068 of forfeitures, which were used to offset plan expenses. For 2022, the District's employees' covered payroll was \$2,978,700. The District had no liability to the Plan at December 31, 2022.

**2. Deferred Compensation Plan – Section 457**

The District also participates in the CCOERA retirement plan created in accordance with Internal Revenue Code Section 457 (the “457 Plan”), which is a defined contribution plan. The plan permits employees to defer a portion of their salary until future years. All contributions to the 457 Plan and all income attributable to those amounts, property are to be held in trust for the exclusive benefit of the plan participants and their beneficiaries. Plan investment purchases are determined by the plan participant and therefore, the plan's investment concentration varies between participants. The District has no liability for losses under the plan but does have the duty of due care that would be required of an ordinary prudent investor. The District is neither the trustee nor the administrator for the plan. The seven-member governing board of CCOERA makes all necessary rules and is responsible for administration of the funds in the 401(a) Plan. Benefits payable at retirement, death, termination, or other unforeseen circumstance are based on the accumulated account balance of each employee.

The District did not recognize any pension expense related to this 457 Plan during 2022 and had no liability to the 457 Plan at December 31, 2022.

**Evergreen Park and Recreation District**  
**Notes to the Financial Statements**  
**December 31, 2022**  
**(continued)**

**VI. Adoption of New Accounting Standard – GASB Statement No. 87, Leases**

During 2022, the District adopted GASB Statement No. 87, Leases. This standard requires the recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and inflows of resources or outflows of resources recognized based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this standard, a lessee is required to recognize a lease liability and an intangible right-to-use lease assets and a lessor is required to recognize a lease receivable and a deferred inflow of resources. The District has applied this standard to the beginning of the earliest comparative period presented. The District net position was restated and lowered by \$9,911 as a result of this implementation.

**VII. Restatement of Fund Balance and Net Position**

The District's 2022 fund balance and net position were restated and increased by \$192,983 to reflect previously deferred revenue and uncollectible revenues.

**REQUIRED SUPPLEMENTARY INFORMATION**

**Evergreen Park and Recreation District**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual**  
**General Fund**  
**For the Year Ended December 31, 2022**

	<b>Original &amp; Final Budget</b>	<b>Actual</b>	<b>Final Budget Variance Positive (Negative)</b>
<b>Revenues:</b>			
<b>Property and other taxes</b>	2,813,426	2,783,084	(30,342)
<b>Intergovernmental and donations</b>	4,228,000	186,073	(4,041,927)
<b>Federal grants</b>	-	31,598	31,598
<b>Charges for services:</b>			
Wulf Recreation Center:			
Daily admissions and facility revenue	238,440	297,294	58,854
Aquatics programs	81,209	65,752	(15,457)
Concessions and merchandise	840	4,345	3,505
Program and instruction	9,600	1,826	(7,774)
<b>Total Wulf Recreation Center</b>	<b>330,089</b>	<b>369,217</b>	<b>39,128</b>
Buchanan Recreation Center:			
Daily admissions and facility revenue	557,115	705,046	147,931
Aquatics programs	85,878	93,571	7,693
Concessions and merchandise	2,700	6,682	3,982
Program and instruction	62,400	62,890	490
<b>Total Buchanan Recreation Center</b>	<b>708,093</b>	<b>868,189</b>	<b>160,096</b>
Lakehouse:			
Facility rentals	414,000	750,988	336,988
Boating rentals and classes	403,000	450,725	47,725
Skating and hockey revenue	288,650	495,465	206,815
Concessions and merchandise	28,500	10,402	(18,098)
Special events	40,000	48,765	8,765
<b>Total Lakehouse</b>	<b>1,174,150</b>	<b>1,756,345</b>	<b>582,195</b>
Parks and Fields	100,300	110,125	9,825
Recreation and other programs:			
Athletic programs	318,524	269,406	(49,118)
Children programs	523,493	404,577	(118,916)
Gymnastics programs	462,765	500,089	37,324
Recreation programs	320,450	314,225	(6,225)
Special population programs	136,450	189,588	53,138
<b>Total Recreation and other programs</b>	<b>1,761,682</b>	<b>1,677,885</b>	<b>(83,797)</b>
Special events and festivals	29,000	51,347	22,347
Rental and marketing income	125,570	119,959	(5,611)
<b>Total Charges for Services</b>	<b>4,228,884</b>	<b>4,953,067</b>	<b>724,183</b>
<b>Investment income</b>	840	43,762	42,922
<b>Miscellaneous income</b>	3,615	30,485	26,870
<b>Total Revenues</b>	<b>11,274,765</b>	<b>8,028,069</b>	<b>(3,246,696)</b>

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

**Evergreen Park and Recreation District**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual**  
**General Fund**  
**For the Year Ended December 31, 2022**

	<u>Original &amp; Final Budget</u>	<u>Actual</u>	<u>Final Budget Variance Positive (Negative)</u>
<b>Expenditures:</b>			
<b>General:</b>			
Payroll	1,028,458	712,722	315,736
Repairs and maintenance	9,745	10,951	(1,206)
Utilities	9,144	11,780	(2,636)
Administrative	67,870	43,513	24,357
County treasurer fees	50,000	52,532	(2,532)
Insurance	194,500	192,383	2,117
Professional fees	219,789	270,574	(50,785)
Other expenses	186,530	48,239	138,291
<b>Total General</b>	<u>1,766,036</u>	<u>1,342,694</u>	<u>423,342</u>
<b>Wulf Recreation Center:</b>			
Payroll	504,576	499,475	5,101
Programs	1,600	589	1,011
Repairs and maintenance	128,497	141,736	(13,239)
Utilities	117,596	126,111	(8,515)
Administrative	14,100	12,592	1,508
Other expenses	43,000	62,645	(19,645)
<b>Total Wulf Recreation Center</b>	<u>809,369</u>	<u>843,148</u>	<u>(33,779)</u>
<b>Buchanan Recreation Center:</b>			
Payroll	663,317	709,869	(46,552)
Programs	11,050	7,910	3,140
Repairs and maintenance	165,319	183,565	(18,246)
Utilities	108,064	157,551	(49,487)
Administrative	12,912	11,807	1,105
Other expenses	31,224	38,830	(7,606)
<b>Total Buchanan Recreation Center</b>	<u>991,886</u>	<u>1,109,532</u>	<u>(117,646)</u>
<b>Lakehouse:</b>			
Payroll	547,346	550,368	(3,022)
Programs	50,250	30,531	19,719
Repairs and maintenance	64,300	83,945	(19,645)
Utilities	34,820	28,759	6,061
Administrative	12,050	8,695	3,355
Other expenses	52,550	70,208	(17,658)
<b>Total Lakehouse</b>	<u>761,316</u>	<u>772,506</u>	<u>(11,190)</u>

The accompanying notes are an integral part of these financial statements

**Evergreen Park and Recreation District**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual**  
**General Fund**  
**For the Year Ended December 31, 2022**

	<u>Original &amp; Final Budget</u>	<u>Actual</u>	<u>Final Budget Variance Positive (Negative)</u>
<b>Expenditures (continued):</b>			
<b>Parks and Fields:</b>			
Payroll	622,874	515,091	107,783
Repairs and maintenance	109,882	189,355	(79,473)
Utilities	35,796	61,282	(25,486)
Administrative	4,596	2,298	2,298
Other expenses	25,100	26,305	(1,205)
<b>Total Parks and Fields</b>	<u>798,248</u>	<u>794,331</u>	<u>3,917</u>
<b>Recreation and Other Programs</b>			
Athletic programs	237,451	201,913	35,538
Children's programs	453,720	269,124	184,596
Gymnastics programs	384,511	394,439	(9,928)
Recreation programs	220,755	240,992	(20,237)
Special populations programs	153,296	171,499	(18,203)
<b>Total Recreation and other programs</b>	<u>1,449,733</u>	<u>1,277,967</u>	<u>171,766</u>
<b>Special Events</b>	22,678	36,334	(13,656)
<b>Capital Outlay</b>	5,338,527	420,820	4,917,707
<b>Debt Service</b>			
Lease principal	-	70,367	(70,367)
Lease interest	-	4,517	(4,517)
<b>Total Debt Service</b>	<u>-</u>	<u>74,884</u>	<u>(74,884)</u>
<b>Total Expenditures</b>	<u>11,937,793</u>	<u>6,672,216</u>	<u>5,265,577</u>
<b>Excess of Revenues Over Expenditures</b>	(663,028)	1,355,853	2,018,881
<b>Other Financing Sources (Uses):</b>			
Transfers in	447,501	-	(447,501)
Transfer (out)	(447,501)	-	447,501
<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Change in Fund Balance</b>	(663,028)	1,355,853	2,018,881
<b>Fund Balance - Beginning (restated)</b>		<u>3,975,548</u>	
<b>Fund Balance - Ending</b>		<u><u>5,331,401</u></u>	

The accompanying notes are an integral part of these financial statements

**SUPPLEMENTARY INFORMATION**

**Evergreen Park and Recreation District**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual**  
**Debt Service Fund**  
**For the Year Ended December 31, 2022**

	<u>Original &amp; Final Budget</u>	<u>Actual</u>	<u>Final Budget Variance Positive (Negative)</u>
<b>Revenues:</b>			
Property tax for debt service	966,859	959,747	(7,112)
<b>Total Revenues</b>	<u>966,859</u>	<u>959,747</u>	<u>(7,112)</u>
<b>Expenditures:</b>			
Debt Service:			
Principal	920,000	920,000	-
Interest	156,600	156,600	-
Other expenses	300	-	300
<b>Total Expenditures</b>	<u>1,076,900</u>	<u>1,076,600</u>	<u>300</u>
<b>Change in Fund Balance</b>	(110,041)	(116,853)	(6,812)
<b>Fund Balance - Beginning</b>		<u>550,709</u>	
<b>Fund Balance - Ending</b>		<u><u>433,856</u></u>	

The accompanying notes are an integral part of these financial statements

**Evergreen Park and Recreation District  
Ad Valorem Property Tax Data  
For the Year Ended December 31, 2022**

The following tables set forth a history of ad valorem property tax levies and tax collections for the District.

History of Assessed Valuations and Mill Levies for the District

Levy/ Collection Year	Assessed Valuation	Percent Change	General Fund Levy	Debt Service Levy	Special Abatement Levy	Total Mill Levy
2012/2013	412,866,832	-0.8%	4.328	2.901	0.042	7.271
2013/2014	397,643,902	-3.7%	4.328	3.018	0.039	7.385
2014/2015	396,029,090	-0.4%	4.328	3.032	0.028	7.388
2015/2016	441,389,899	11.5%	4.328	2.428	0.026	6.782
2016/2017	437,608,907	-0.9%	4.328	2.449	0.013	6.790
2017/2018	490,387,709	12.1%	4.328	2.198	0.013	6.539
2018/2019	477,532,047	-2.6%	4.328	2.516	0.013	6.857
2019/2020	530,956,124	11.2%	4.328	2.516	0.013	6.857
2020/2021	531,612,076	0.1%	4.328	2.516	0.013	6.857
2021/2022	585,975,393	10.2%	4.328	1.650	0.032	6.010
2022/2023	572,375,131	-2.3%	4.328	1.888	0.030	6.246

Source: State of Colorado, Department of Local Affairs, Division of Property Taxation, Annual Reports, 2012-2022.

Property Tax Collections for the District

Levy/ Collection Year	Property Taxes Levied <sup>(1)</sup>	Current Tax Collections <sup>(2)</sup>	Collection Rate
2012/2013	3,001,955	2,986,406	99.48%
2013/2014	2,936,600	2,922,633	99.52%
2014/2015	2,925,863	2,918,208	99.74%
2015/2016	2,993,506	2,910,675	97.23%
2016/2017	2,971,364	2,893,085	97.37%
2017/2018	3,206,645	3,121,261	97.34%
2018/2019	3,274,437	3,235,676	98.82%
2019/2020	3,640,766	3,529,119	96.93%
2020/2021	3,645,264	3,537,136	97.03%
2021/2022	3,521,712	3,495,735	99.26%
2022/2023 <sup>(3)</sup>	3,575,055	3,446,299	96.40%

(1) Levies do not reflect abatements or other adjustments.

(2) The Jefferson County Treasurer's collection fees have not been deducted from these amounts, nor do they include delinquent tax collections or interest collected on current taxes.

(3) Collections distributed through June 30, 2023.

Sources: State of Colorado, Department of Local Affairs, Division of Property Taxation, Annual Reports, 2012-2022; and Jefferson County Treasurer's Office.

The accompanying notes are an integral part of these financial statements