

**EVERGREEN METROPOLITAN DISTRICT**  
**Jefferson County, Colorado**

**FINANCIAL STATEMENTS AND**  
**SUPPLEMENTARY INFORMATION**

**YEAR ENDED DECEMBER 31, 2023**

**EVERGREEN METROPOLITAN DISTRICT  
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## INDEPENDENT AUDITOR'S REPORT

Board of Directors  
Evergreen Metropolitan District  
Evergreen, Colorado

### **Opinion**

We have audited the accompanying financial statements of the business-type activities of Evergreen Metropolitan District, as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise Evergreen Metropolitan District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the business-type activities of Evergreen Metropolitan District, as of December 31, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinion**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Evergreen Metropolitan 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.

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

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

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

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

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Evergreen Metropolitan 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 Evergreen Metropolitan District's ability to continue as a going concern for a reasonable period of time.

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

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages IV through VIII 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.

*Supplementary Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Evergreen Metropolitan District's basic financial statements. The budgetary comparison schedules and other supplementary information as listed in the table of contents (collectively, the Supplementary Information) are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Supplementary Information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. 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 Supplementary Information is fairly stated in all material respects in relation to the basic financial statements as a whole.

*Watson Coon Ryan, LLC*

CENTENNIAL, COLORADO  
JULY 24, 2024

**EVERGREEN METROPOLITAN DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEARS ENDED DECEMBER 31, 2023**

The management of Evergreen Metropolitan District (the District) offers the 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, 2023.

**Financial Highlights**

- The District's total net position decreased by \$54,876, \$289,178 decrease from water and \$234,302 increase from wastewater.
- Compared to the prior year, the District's revenues for water increased \$262,738 (6.52%) and revenues for wastewater increased \$378,900 (15.35%).
- The District's expenses, inclusive of depreciation expense, increased \$470,051 (10.54%) and \$182,892 (6.72%) for water and wastewater, respectively.
- The District's total debt outstanding as of December 31, 2023 was \$3,464,305, which consists of a 2009 loan from the Water Pollution Control Revolving Fund (\$579,496), and a 2021 loan from the Drinking Water Revolving Fund (\$2,884,809). See Note 6 (Long-Term Obligations) for additional detail of the loans.

**Overview of the Financial Statements**

Management's discussions and analysis is intended to serve as an introduction to the District's basic financial statements. The basic financial statements are comprised of financial statements and notes to financial statements. This report also contains other supplemental information and continuing disclosure annual financial information in addition to the basic financial statements themselves.

The financial statements of the District are presented as a special purpose government engaged only in business type activities – providing water and sewer utility services.

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

The statement of revenues, expenses, and changes in net position presents information that reflects how the District's net position changed during the past year. All changes in the net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenue and expenses are reported in the statement for some items that will only result in cash flows in future fiscal periods.

The statement of cash flows reports the District's cash flows from operating, noncapital financing, capital, and investing activities.

The notes to financial statements provide additional information that is essential to a full understanding of the data provided in the basic financial statements.

The supplementary information contained in this report provides a schedule of revenues, expenses, and change in net position, budget and actual information, and debt service requirements.

**EVERGREEN METROPOLITAN DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEARS ENDED DECEMBER 31, 2023**

The District's net position decreased \$289,178 for water and increased \$234,302 for wastewater in 2023. The main reason for the decrease in net position under water is from the receipts of system development fees reported in capital contributions due to the timing of development. The increase in net position under wastewater is mainly due to interest income earning. The restricted component of net position, which includes assets that are restricted for use, consists of the operation and maintenance reserve imposed pursuant to the 2021 loan agreement with the Colorado Water Resources and Power Development Authority (see Note 6 Long-Term Obligations for additional detail). As noted earlier, change in net position may serve over time as a useful indicator of the District's financial position.

As of December 31, 2023, assets exceeded total liabilities by \$35,814,968 and \$17,303,559 for water and wastewater, respectively.

**Review of Change in Net Position**

Year Ending December 31,	Water		Wastewater	
	2023	2022	2023	2022
<b>REVENUES</b>				
Operating Revenue	\$ 3,963,805	\$ 3,885,121	\$ 2,524,002	\$ 2,369,728
Nonoperating Revenue	330,318	146,264	324,042	99,416
Total Revenues	<u>4,294,123</u>	<u>4,031,385</u>	<u>2,848,044</u>	<u>2,469,144</u>
<b>EXPENSES</b>				
Operating Expenses	2,628,617	2,248,481	1,948,076	1,794,717
General and Administrative	634,519	637,907	317,595	303,276
Depreciation	1,599,540	1,439,414	626,930	590,307
Non-Operating Expenses	65,870	132,693	12,642	34,051
Total Expenses	<u>4,928,546</u>	<u>4,458,495</u>	<u>2,905,243</u>	<u>2,722,351</u>
<b>INCOME (LOSS) BEFORE CONTRIBUTIONS</b>	(634,423)	(427,110)	(57,199)	(253,207)
<b>CAPITAL CONTRIBUTIONS</b>	345,245	592,266	291,501	567,700
<b>CHANGE IN NET POSITION</b>	(289,178)	165,156	234,302	314,493
Net Position - Beginning of Year	<u>36,104,146</u>	<u>35,938,990</u>	<u>17,069,257</u>	<u>16,754,764</u>
<b>NET POSITION - END OF YEAR</b>	<u>\$ 35,814,968</u>	<u>\$ 36,104,146</u>	<u>\$ 17,303,559</u>	<u>\$ 17,069,257</u>

**EVERGREEN METROPOLITAN DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEARS ENDED DECEMBER 31, 2023**

Water operating revenue increased by \$78,684 due to the increase in sales and services to customers and other districts. The rate increases to customers and other districts included an increase in the usage rates for 2023.

Wastewater operating revenue increased by \$154,274 due to the wastewater base rate increase per equivalent tap per month. Revenue from system development fees, inclusions and cost recovery, contractual payments, proceeds of sale of assets, interest income, grants and other non-operating revenue decreased \$247,021 and \$276,199 for water and wastewater, respectively. The main factor for the decrease in system development fees collected in 2023 as compared to 2022 is due to the timing of development.

Operating expenses increased by \$380,136 and \$153,359 for water and wastewater, respectively, in conjunction with the increases in revenues. General and administrative, depreciation and other non-operating expenses increased \$89,915 for water and decreased \$29,533 for wastewater.

**Review of Change in Net Position**

Year Ending December 31,	Water		Wastewater	
	2023	2022	2023	2022
<b>REVENUES</b>				
Operating Revenue	\$ 3,963,805	\$ 3,885,121	\$ 2,524,002	\$ 2,369,728
Nonoperating Revenue	330,318	146,264	324,042	99,416
Total Revenues	4,294,123	4,031,385	2,848,044	2,469,144
<b>EXPENSES</b>				
Operating Expenses	2,628,617	2,248,481	1,948,076	1,794,717
General and Administrative	634,519	637,907	317,595	303,276
Depreciation	1,599,540	1,439,414	626,930	590,307
Non-Operating Expenses	65,870	132,693	12,642	34,051
Total Expenses	4,928,546	4,458,495	2,905,243	2,722,351
<b>INCOME (LOSS) BEFORE CONTRIBUTIONS</b>	(634,423)	(427,110)	(57,199)	(253,207)
<b>CAPITAL CONTRIBUTIONS</b>	345,245	592,266	291,501	567,700
<b>CHANGE IN NET POSITION</b>	(289,178)	165,156	234,302	314,493
Net Position - Beginning of Year	36,104,146	35,938,990	17,069,257	16,754,764
<b>NET POSITION - END OF YEAR</b>	\$ 35,814,968	\$ 36,104,146	\$ 17,303,559	\$ 17,069,257

**EVERGREEN METROPOLITAN DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEARS ENDED DECEMBER 31, 2023**

**Budgetary Highlights**

The District prepares its budget on the modified accrual basis of accounting to recognize the fiscal impact of debt issuance, sale of assets and debt repayments, as well as capital outlay in addition to operations and nonoperating revenue and contributions. This budgetary accounting is required by state statutes.

For water, actual revenue of the District was lower than the original budgeted revenue by \$1,003,710 mainly due to the receipts of system development and inclusion fees which were impacted by the timing of the development. Total actual expenditures were \$2,660,748 less than the original appropriation, which is due to a lower amount spent for capital expenditures, mainly due to timing of the anticipated capital projects. These bigger capital projects include Lookout Mountain Interconnect, Dam Outlet Structure Improvements, Water Main Extensions, Sediment Removal and Sediment Basin, and Main Replacements.

For wastewater, actual revenue of the District was lower than the budgeted revenue by \$59,689 mainly due to receipts in system development fees and higher interest income earned on investments. Total actual expenditures were \$1,897,195 less than the original appropriation, mainly due to timing of the anticipated capital projects which include the Sewer Line Replacement, Tanoa S Upgrade, El Pinal Phase 2, and Centrifugal Blowers.

**Capital Assets Activity**

The activity related to capital assets is as follows:

	Water		Wastewater	
	2023	2022	2023	2022
Source of Supply	\$ 2,565,526	\$ 2,208,497	\$ -	\$ -
Land and Right of Way	227,456	244,575	26,236	33,573
Construction in Progress	2,992,799	6,262,437	-	295,429
Operating System	20,524,398	17,421,083	9,726,113	9,555,208
Buildings and Improvements	1,065,058	1,063,029	243,501	233,712
Equipment and Vehicles	552,646	562,105	265,066	323,639
Facilities Owned by Other Districts	5,332,326	5,705,547	-	-
Total Capital Assets, Net	<u>\$ 33,260,209</u>	<u>\$ 33,467,273</u>	<u>\$ 10,260,916</u>	<u>\$ 10,441,561</u>

Additional information on the District's capital assets can be found in Note 5 of this report.

**Long-Term Debt**

All scheduled payments of principal and interest on the District's outstanding debt were paid as required during 2023.

Additional detail on the District's debt is in Note 6 of this report.

**EVERGREEN METROPOLITAN DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEARS ENDED DECEMBER 31, 2023**

**Economic Factors and Next Year's Budgets and Rates**

For 2024, the District has budgeted operating revenue for water and wastewater of \$4,369,210 and \$2,980,120, respectively, which are \$216,483 and \$222,033 higher compared with 2023 budgeted figures.

The water revenue increase consists of rate increases to customers and other districts with more tiers added to usage rate structure.

The wastewater revenue increase consists of the monthly base rate increase, from \$54.50 to \$58.00 per equivalent tap per month.

2024 operating expenses are budgeted at \$3,662,320 for water and \$2,483,050 for wastewater, which are \$526,330 and \$216,550 higher compared with 2023 budget amounts. The main factor for these increases is related to the current general market condition of rising costs of labor and supply.

**Request for Information**

This report is designed to provide a general overview of the District's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to:

Evergreen Metropolitan District  
30920 Stagecoach Blvd.,  
Evergreen, Colorado 80439

## **BASIC FINANCIAL STATEMENTS**

**EVERGREEN METROPOLITAN DISTRICT  
STATEMENT OF NET POSITION  
DECEMBER 31, 2023**

	Water	Wastewater	Total
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and Cash Equivalents	\$ 4,021,907	\$ 7,822,953	\$ 11,844,860
Cash and Cash Equivalents - Restricted	783,998	-	783,998
Accounts Receivable	487,148	215,307	702,455
Accrued Interest Receivable	1,982	-	1,982
Prepaid Expenses	4,402	1,887	6,289
Total Current Assets	5,299,437	8,040,147	13,339,584
<b>OTHER ASSETS</b>			
Other Intangible, Net	899,411	-	899,411
Tower Lease Receivable	1,098,674	-	1,098,674
Total Other Assets	1,998,085	-	1,998,085
<b>CAPITAL ASSETS, NET</b>			
	33,260,209	10,260,916	43,521,125
Total Assets	\$ 40,557,731	\$ 18,301,063	\$ 58,858,794
<b>LIABILITIES AND NET POSITION</b>			
<b>CURRENT LIABILITIES</b>			
Accounts Payable and Accrued Expenses	\$ 433,717	\$ 255,718	\$ 689,435
Accrued Interest Payable	10,748	1,856	12,604
Loan Payable - Current Portion	74,939	91,842	166,781
Open Space Agreement - Current Portion	6,000	-	6,000
Deferred Revenue	1,260	-	1,260
Total Current Liabilities	526,664	349,416	876,080
<b>OTHER LIABILITIES</b>			
Unearned Revenue - Open Space Agreement	186,000	-	186,000
Total Other Liabilities	186,000	-	186,000
<b>Deferred Inflow of Resources</b>			
Tower Lease	1,046,394	-	1,046,394
Total Deferred Inflow of Resources	1,046,394	-	1,046,394
<b>LONG-TERM OBLIGATIONS</b>			
Loan Payable, Net of Current	2,809,870	487,654	3,297,524
Accrued Employee Benefits Payable	173,835	160,434	334,269
Total Long-Term Obligations	2,983,705	648,088	3,631,793
<b>NET POSITION</b>			
Net Investment in Capital Assets	30,375,400	9,681,420	40,056,820
Restricted	783,998	-	783,998
Unrestricted	4,655,570	7,622,139	12,277,709
Total Net Position	35,814,968	17,303,559	53,118,527
Total Liabilities and Net Position	\$ 40,557,731	\$ 18,301,063	\$ 58,858,794

See accompanying Notes to Basic Financial Statements.

**EVERGREEN METROPOLITAN DISTRICT  
STATEMENT OF REVENUES, EXPENSES, AND CHANGE IN NET POSITION  
YEAR ENDED DECEMBER 31, 2023**

	<u>Water</u>	<u>Wastewater</u>	<u>Total</u>
<b>OPERATIONS</b>			
Service Revenues	\$ 3,963,805	\$ 2,524,002	\$ 6,487,807
Direct Expenses	<u>2,628,617</u>	<u>1,948,076</u>	<u>4,576,693</u>
<b>GROSS PROFIT FROM OPERATIONS</b>	1,335,188	575,926	1,911,114
<b>GENERAL AND ADMINISTRATIVE EXPENSES</b>			
General and Administrative	634,519	317,595	952,114
Depreciation and Amortization	<u>1,599,540</u>	<u>626,930</u>	<u>2,226,470</u>
<b>NET LOSS FROM OPERATIONS</b>	(898,871)	(368,599)	(1,267,470)
<b>NONOPERATING REVENUES</b>	330,318	324,042	654,360
<b>NONOPERATING EXPENSES</b>	<u>65,870</u>	<u>12,642</u>	<u>78,512</u>
<b>LOSS BEFORE CONTRIBUTIONS</b>	(634,423)	(57,199)	(691,622)
<b>CAPITAL CONTRIBUTIONS</b>	<u>345,245</u>	<u>291,501</u>	<u>636,746</u>
<b>CHANGE IN NET POSITION</b>	(289,178)	234,302	(54,876)
Net Position - Beginning of Year	<u>36,104,146</u>	<u>17,069,257</u>	<u>53,173,403</u>
<b>NET POSITION - END OF YEAR</b>	<u><u>\$ 35,814,968</u></u>	<u><u>\$ 17,303,559</u></u>	<u><u>\$ 53,118,527</u></u>

See accompanying Notes to Basic Financial Statements.

**EVERGREEN METROPOLITAN DISTRICT  
STATEMENT OF CASH FLOWS  
YEAR ENDED DECEMBER 31, 2023**

	Water	Wastewater	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from Customers	\$ 3,670,190	\$ 1,816,986	\$ 5,487,176
Receipts for Sales and Services (Customers and Other Districts)	194,523	555,919	750,442
Receipts from Water Fund	-	143,880	143,880
Other Receipts	30,794	7,217	38,011
Payments to Suppliers	(878,991)	(455,427)	(1,334,418)
Payments to Employees and Related Expenses	(1,879,280)	(1,419,267)	(3,298,647)
Net Cash Provided by Operating Activities	1,137,236	649,208	1,786,444
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Proceeds from Sale of Assets	17,769	7,687	25,456
Acquisition of Property, Plant, and Equipment	(1,274,156)	(453,624)	(1,727,780)
Loan Proceeds	10,000	-	10,000
Receipts from Leases	68,299	-	68,299
Contractual Payments Received	38,995	-	38,995
System Development Fees Received	149,000	236,500	385,500
Inclusion Fees and Cost Recovery Payments Received	67,027	5,053	72,080
Other Grants and Receipts	119,254	54,271	173,525
Loan Interest and Administrative Fees	(65,870)	(12,642)	(78,512)
Loan Principal Reduction	(73,281)	(90,032)	(163,313)
Net Cash Used by Capital and Related Financing Activities	(942,963)	(252,787)	(1,195,750)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Net Investment Income Received	269,424	319,070	588,494
Net Cash Provided by Investing Activities	269,424	319,070	588,494
<b>NET INCREASE IN CASH, CASH EQUIVALENTS AND RESTRICTED CASH</b>	463,697	715,491	1,179,188
Cash, Cash Equivalents and Restricted Cash - Beginning of Year	4,342,208	7,107,462	11,449,670
<b>CASH, CASH EQUIVALENTS AND RESTRICTED CASH - END OF YEAR</b>	\$ 4,805,905	\$ 7,822,953	\$ 12,628,858
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>			
Loss from Operations	\$ (898,871)	\$ (368,599)	\$ (1,267,470)
Adjustments to Reconcile Loss from Operations to Net Cash Provided by Operating Activities:			
Depreciation and Amortization	1,599,540	626,930	2,226,470
Decrease (Increase) in Prepaid Expenses	62,997	45,623	108,620
Decrease (Increase) in Accounts Receivable	201,958	228,365	430,323
Increased (Decrease) in Developer Funds	(3,250)	(3,026)	(6,276)
Increase (Decrease) in Accounts Payable and Accrued Expenses	196,647	84,583	281,230
Increase (Decrease) in Accrued Employee Benefits Payable	46,513	35,332	81,845
Increased (Decrease) in Deferred Inflow of Resources	(68,298)	-	(68,298)
Net Cash Provided by Operating Activities	\$ 1,137,236	\$ 649,208	\$ 1,786,444

See accompanying Notes to Basic Financial Statements.

**EVERGREEN METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

**NOTE 1 DEFINITION OF REPORTING ENTITY**

Evergreen Metropolitan District (the District), a quasi-municipal corporation and political subdivision of the state of Colorado was organized by order and decree of the District Court for Jefferson County and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Section 1, Colorado Revised Statutes). The District provides water and sanitation services and facilities within the jurisdictional boundaries of the District in Jefferson and Clear Creek counties of Colorado and in other areas in conjunction with other districts. The District derives its revenues principally from water and sewer service charges. The District entered into a cooperative agreement in 1980 with the City and County of Denver in which the District has the responsibility for the operation and maintenance of the Evergreen Lake and Evergreen Dam. The initial term of this agreement is 50 years and contains a provision for additional renewal period of 25 years upon mutual agreement by both parties.

The District follows the Governmental Accounting Standards Board (GASB) accounting pronouncements which provide guidance for determining which governmental activities, organizations and functions should be included within the financial reporting entity. GASB pronouncements set forth the financial accountability of a governmental organization's elected governing body as the basic criterion for including a possible component governmental organization in a primary government's legal entity. Financial accountability includes, but is not limited to, appointment of a voting majority of the organization's governing body, ability to impose its will on the organization, a potential for the organization to provide specific financial benefits or burdens, and fiscal dependency.

The District is not financially accountable for any other organization, nor is the District a component unit of any other primary governmental entity.

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The more significant accounting policies of the District are described as follows:

The accounting policies of the District conform to generally accepted accounting principles as applicable to governmental units accounted for as a proprietary enterprise fund. The enterprise fund is used since the District's powers are related to those operated in a manner similar to a private utility system where net income and capital maintenance are appropriate determinations of accountability.

**Basis of Accounting**

The District's records are maintained on the accrual basis of accounting. Revenue is recognized when earned and expenses are recognized when the liability is incurred. Depreciation is computed and recorded as an operating expense. Expenditures for capital assets are shown as increases in assets and redemption of bonds and loans is recorded as a reduction in liabilities. Tap fees and contributed assets from developers are recorded as capital contributions when received.

**EVERGREEN METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Operating Revenues and Expenses**

The District distinguishes between operating revenues and expenses and nonoperating items in the statements of revenues, expenses and change in net position. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the District's purpose of providing water and sanitation services to its customers. Operating revenues consist of charges to customers for service provided. Operating expenses include the cost of service, administrative expenses, and depreciation of capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses or capital contributions.

**Adoption of New Accounting Standards**

In June 2017, the Governmental Accounting Standards Board (GASB) issued 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 as 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 asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources.

The District adopted the requirements of the guidance effective January 1, 2022, and has elected to apply the provisions of this standard to the beginning of the period of adoption.

**Leases**

The District determines if an arrangement is a lease at inception. Leases are included in lease receivables and deferred inflows of resources in the statement of net position.

Lease receivables represent the District's claim to receive lease payments over the lease term, as specified in the contract, in an exchange or exchange-like transaction. Lease receivables are recognized at commencement date based on the present value of expected lease payments over the lease term, reduced by any provision for estimated uncollectible amounts. Interest revenue is recognized ratably over the contract term.

Deferred inflows of resources related to leases are recognized at the commencement date based on the initial measurement of the lease receivable, plus any payments received from the lessee at or before the commencement of the lease term that relate to future periods, less any lease incentives paid to, or on behalf of, the lessee at or before the commencement of the lease term. The deferred inflows related to leases are recognized as lease revenue in a systematic and rational manner over the lease term.

Amounts to be received under residual value guarantees that are not fixed in substance are recognized as a receivable and an inflow of resources if (a) a guarantee payment is required and (b) the amount can be reasonably estimated. Amounts received for the exercise price of a purchase option or penalty for lease termination are recognized as a receivable and an inflow of resources when those options are exercised.

**EVERGREEN METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Leases (Continued)**

The District has elected to recognize payments received for short-term leases with a lease term of 12 months or less as revenue as the payments are received. These leases are not included as lease receivables or deferred inflows on the statement of net position.

The individual lease contracts do not provide information about the discount rate implicit in the lease. Therefore, the District has elected to use their incremental borrowing rate to calculate the present value of expected lease payments.

**Budgets**

In accordance with the State Budget Law, the District's Board of Directors holds public hearings in the fall each year to approve the budget and appropriate the funds for the ensuing year. The appropriation is at the total fund expenditures and other financing uses level and lapses at year end. The District's Board of Directors can modify the budget by line item within the total appropriation without notification. The appropriation can only be modified upon completion of notification and publication requirements. The budget includes each fund on its basis of accounting unless otherwise indicated.

**Cash Equivalents**

For purposes of the statement of cash flows, the District considers cash deposits and highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash equivalents.

**Capital Assets**

Capital assets, which include source of supply, land and right of way, plant and buildings, distribution and collection systems, and machinery and equipment, are reported by the District. Capital assets are defined by the District as assets within an initial, individual cost of more than \$2,500. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition 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 the life of the asset are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable.

Depreciation expense has been computed using the straight-line method over the estimated economic useful lives of the assets ranging from 5 to 50 years.

**EVERGREEN METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Tap Fees and Contributed Lines**

Tap fees are recorded as capital contribution when received. Lines contributed to the District by Developers are recorded as capital contributions and additions to the systems at acquisition value when received. The District is then responsible for the maintenance and operations of the lines.

**Compensated Absences**

Accumulated unpaid vacation and sick pay is recorded when earned.

**Equity**

**Net Position**

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

**Estimates**

The presentation of financial statements in conformity with generally accepted accounting principles require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Other Intangibles**

The District completed a dredge project in 1991 at a cost of \$782,144. The District began amortizing the cost of this project, in 1992, on a straight-line basis over the then remaining life of the cooperative agreement with the City and County of Denver (38 years).

The District completed a dredge project in 2016 to remove sediment from the 2013 flood event at a cost of \$1,681,135. The District began amortizing the cost of this project, in 2017, on a straight-line basis over then then remaining life of the cooperative agreement with the City and County of Denver (13 years).

**EVERGREEN METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

**NOTE 3 CASH AND INVESTMENTS**

Cash and investments as of December 31, 2023 are classified in the accompanying financial statements as follows:

	<u>Water</u>	<u>Wastewater</u>	<u>Total</u>
Statement of Net Position:			
Cash and Cash Equivalents	\$ 4,021,907	\$ 7,822,953	\$ 11,844,860
Cash and Cash Equivalents - Restricted	783,998	-	783,998
Total Cash and Investments	<u>\$ 4,805,905</u>	<u>\$ 7,822,953</u>	<u>\$ 12,628,858</u>

Cash and cash equivalents as of December 31, 2023 consist of the following:

	<u>Water</u>	<u>Wastewater</u>	<u>Total</u>
Deposits with Financial Institutions	\$ 397,118	\$ 267,674	\$ 664,792
Cash on Hand	200	-	200
Investments	4,408,587	7,555,279	11,963,866
Total Cash and Cash Equivalents	<u>\$ 4,805,905</u>	<u>\$ 7,822,953</u>	<u>\$ 12,628,858</u>

**Deposits with Financial Institutions**

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 regulators. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The pool for all the uninsured public deposits as a group is to be maintained by another institution or held in trust. The market value of the collateral must be at least 102% of the aggregate uninsured deposits.

The State Commissioners for banks and financial services are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools.

At December 31, 2023 the District had the following deposits with financial institutions:

	<u>Bank Balance</u>	<u>Carrying Balance</u>
Insured Deposits	\$ 658,953	\$ 430,936
Deposits Collateralized in Single Institution Pools	118,480	233,856
Total Deposits with Financial Institutions	<u>\$ 777,434</u>	<u>\$ 664,792</u>

**EVERGREEN METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

**NOTE 3 CASH AND INVESTMENTS (CONTINUED)**

**Investments**

The District generally limits its concentration of investments to those noted with an asterisk (\*) below, which are believed to have minimal credit risk, minimal interest rate risk, and no foreign currency risk. Additionally, the District is not subject to concentration risk disclosure requirements for investments that are in the possession of another party.

Colorado revised statutes limit investment maturities to five years or less unless formally approved by the Board of Directors, such actions are generally associated with a debt service reserve or sinking fund requirements.

Colorado statutes specify investment instruments meeting defined rating and risk criteria in which local governments may invest which include:

- . Obligations of the United States, certain U.S. government agency securities, and securities of the World Bank
- . General obligation and revenue bonds of U.S. local government entities
- . Certain certificates of participation
- . Certain securities lending agreements
- . Bankers' acceptances of certain banks
- . Commercial paper
- . Written repurchase agreements and certain reverse repurchase agreements collateralized by certain authorized securities
- . Certain money market funds
- . Guaranteed investment contracts
- \* Local government investment pools

As of December 31, 2023, the District had the following investments:

<u>Investment</u>	<u>Maturity</u>	<u>Amount</u>
Colorado Surplus Asset Fund Trust (CSAFE)	Weighted-Average Under 60 Days	\$ 1,454,928
Colorado Liquid Asset Trust (COLOTRUST)	Weighted-Average Under 60 Days	10,508,938
Total		<u>\$ 11,963,866</u>

**COLOTRUST**

The District invested in the Colorado Local Government Liquid Asset Trust (COLOTRUST) (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. The Trust currently offers three portfolios – COLOTRUST PRIME, COLOTRUST PLUS+, and COLOTRUST EDGE.

COLOTRUST PRIME and COLOTRUST PLUS+, which operate similarly to a money market fund and each share is equal in value to \$1.00, offer daily liquidity. Both portfolios may invest in U.S. Treasury securities and repurchase agreements collateralized by U.S. Treasury securities. COLOTRUST PLUS+ may also invest in certain obligations of U.S. government agencies, highest rated commercial paper, and any security allowed under CRS 24-75-601.

**EVERGREEN METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

**NOTE 3 CASH AND INVESTMENTS (CONTINUED)**

**COLOTRUST (Continued)**

COLOTRUST EDGE, a variable net asset value (NAV) Local Government Investment Pool, offers weekly liquidity and is managed to approximate a \$10.00 transactional share price. COLOTRUST EDGE may invest in securities authorized by CRS 24-75-601, including U.S. Treasury securities, repurchase agreements collateralized by U.S. Treasury securities, certain obligations of U.S. government agencies, highest rated commercial paper, and any security allowed under CRS 24-75-601.

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 is rated AAAM by Standard & Poor's. COLOTRUST records its investments at fair value and the District records its investment in COLOTRUST at net asset value as determined by fair value. There are no unfunded commitments, the redemption frequency is daily or weekly, and there is no redemption notice period.

**CSAFE**

The District invested in the Colorado Surplus Asset Fund Trust (CSAFE) (the Trust), which is an investment vehicle established by state statute for local government entities to pool surplus assets. The State Securities Commissioner administers and enforces all state statutes governing the Trust. The Trust currently offers two portfolios – CSAFE CASH FUND and CSAFE CORE.

CSAFE CASH FUND operations similar to a money market fund, with each share valued at \$1.00. CSAFE may invest in U.S. Treasury securities, repurchase agreements collateralized by U.S. Treasury securities, certain money market funds and highest rated commercial paper, any security allowed under CRS 24-75-601.

CSAFE CORE, a variable net asset value (NAV) Local Government Investment Pool, offers weekly liquidity and is managed to approximate a \$2.00 transactional share price. CSAFE CORE may invest in securities authorized by CRS 24-75-601, including U.S. Treasury securities, repurchase agreements collateralized by U.S. Treasury securities, certain obligations of U.S. government agencies, highest rated commercial paper, and any security allowed under CRS 24-75-601.

A designated custodial bank serves as custodian for CSAFE's portfolio pursuant to a custodian agreement. The custodian acts as safekeeping agent for CSAFE's investment portfolio and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by CSAFE. CSAFE is rated AAAMmf by Fitch Ratings. CSAFE records its investments at amortized cost and the District records its investments in CSAFE using the amortized cost method. There are no unfunded commitments, the redemption frequency is daily and there is no redemption notice period.

**EVERGREEN METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

**NOTE 4 LEASES RECEIVABLES**

The District, acting as lessor, entered into the following lease agreements with various cellular companies (as lessees) for the operation of the lessees' communications facilities.

- Property at 4647 Forest Hill Road – entered into with Verizon Wireless (Verizon) and commenced in June 2011. The lease agreement has an initial lease term of five years and automatically be extended for four additional five-year terms and continue unless notified by either party. The incremental borrowing rate at the commencement of the agreement was 3.25%.
- Property at 4647 Forest Hill Road – entered into with SBA 2012 TC Assets, LLC (SBA) and amended in March 2014. The agreement was amended to include three additional five-year terms starting in March 2027. The incremental borrowing rate at the commencement of the agreement was 4.75%.
- Property at 4647 Forest Hill Road – entered into with New Cingular Wireless PCS, LLC (AT&T) and amended in March 2014. The lease agreement has an initial lease term of five years and automatically be extended for four additional five-year terms and continue unless notified by either party. The incremental borrowing rate at the commencement of the agreement was 3.25%.
- Property at 4671 County Road 73 – entered into with New Cingular Wireless PCS, LLC (AT&T) and commenced in June 2014. The lease agreement has an initial lease term of five years and automatically be extended for four additional five-year terms and continue unless notified by either party. The incremental borrowing rate at the commencement of the agreement was 3.25%.

Total future minimum lease payments to be received under lease agreements are as follows:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 34,423	\$ 39,424	\$ 73,847
2025	38,005	38,061	76,066
2026	41,099	36,732	77,831
2027	47,185	35,223	82,408
2028	49,452	33,620	83,072
2029-2033	335,690	136,179	471,869
2034-2038	432,677	66,070	498,747
2039-2042	120,143	7,966	128,109
Total	<u>\$ 1,098,674</u>	<u>\$ 393,275</u>	<u>\$ 1,491,949</u>

**EVERGREEN METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

**NOTE 5 CAPITAL ASSETS**

An analysis of the changes in water capital assets for the year ended December 31, 2023 follows:

	Balance December 31, 2022	Additions	Retirements	Balance December 31, 2023
Capital Assets, Not Being Depreciated:				
Source of Supply	\$ 2,208,497	\$ 357,029	\$ -	\$ 2,565,526
Land and Right of Way	244,575	-	(17,119)	227,456
Construction in Progress	6,262,437	322,223	(3,591,861)	2,992,799
Total Capital Assets, Not Being Depreciated	8,715,509	679,252	(3,608,980)	5,785,781
Capital Assets, Being Depreciated:				
Infrastructure	18,245,680	541,937	-	18,787,617
Water Treatment Plant	15,715,172	3,407,349	-	19,122,521
Buildings and Improvements	2,112,358	69,709	-	2,182,067
General Equipment	1,566,868	85,090	(7,800)	1,644,158
Transportation Equipment	477,431	74,224	-	551,655
Maps	148,360	-	-	148,360
GIS Project	30,171	-	-	30,171
Facilities Owned by Other Districts	16,837,898	-	-	16,837,898
Total Capital Assets, Being Depreciated	55,133,938	4,178,309	(7,800)	59,304,447
Less Accumulated Depreciation For:				
Infrastructure	(9,736,051)	(367,748)	-	(10,103,799)
Water Treatment Plant	(6,805,725)	(476,216)	-	(7,281,941)
Buildings and Improvements	(1,049,329)	(67,680)	-	(1,117,009)
General Equipment	(1,165,690)	(108,170)	7,800	(1,266,060)
Transportation Equipment	(316,503)	(62,610)	-	(379,113)
Maps	(146,353)	-	-	(146,353)
GIS Project	(30,172)	-	-	(30,172)
Facilities Owned by Other Districts	(11,132,351)	(373,221)	-	(11,505,572)
Total Accumulated Depreciation	(30,382,174)	(1,455,645)	7,800	(31,830,019)
Capital Assets, Net	<u>\$ 33,467,273</u>	<u>\$ 3,401,916</u>	<u>\$ (3,608,980)</u>	<u>\$ 33,260,209</u>

Depreciation expense for the year ended December 31, 2023 was \$1,455,645.

**EVERGREEN METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

**NOTE 5 CAPITAL ASSETS (CONTINUED)**

An analysis of the changes in wastewater capital assets for the year ended December 31, 2023 follows:

	Balance December 31, 2022	Additions	Retirements/ Reclassi- fications	Balance December 31, 2023
Capital Assets, Not Being Depreciated:				
Land and Right of Way	\$ 33,573	\$ -	\$ (7,337)	\$ 26,236
Construction in Progress	295,429	-	(295,429)	-
Total Capital Assets, Not Being Depreciated	329,002	-	(302,766)	26,236
Capital Assets, Being Depreciated:				
Infrastructure	12,999,073	636,556	-	13,635,629
Wastewater Treatment Plant	9,165,992	27,597	-	9,193,589
Buildings and Improvements	647,720	23,939	-	671,659
General Equipment	1,074,204	42,240	(4,200)	1,112,244
Transportation Equipment	625,582	18,719	-	644,301
Maps	29,211	-	-	29,211
GIS Project	41,768	-	-	41,768
Total Capital Assets, Being Depreciated	24,583,550	749,051	(4,200)	25,328,401
Less Accumulated Depreciation For:				
Infrastructure	(7,981,991)	(272,801)	-	(8,254,792)
Wastewater Treatment Plant	(4,627,866)	(220,447)	-	(4,848,313)
Buildings and Improvements	(414,008)	(14,150)	-	(428,158)
General Equipment	(875,021)	(73,325)	4,200	(944,146)
Transportation Equipment	(501,128)	(46,207)	-	(547,335)
Maps	(29,210)	-	-	(29,210)
GIS Project	(41,767)	-	-	(41,767)
Total Accumulated Depreciation	(14,470,991)	(626,930)	4,200	(15,093,721)
Capital Assets, Net	<u>\$ 10,441,561</u>	<u>\$ 122,121</u>	<u>\$ (302,766)</u>	<u>\$ 10,260,916</u>

Depreciation expense for the year ended December 31, 2023 was \$626,930.

**EVERGREEN METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

**NOTE 6 LONG-TERM OBLIGATIONS**

The following is an analysis of the changes in the District’s long-term obligations for the year ended December 31, 2023:

	Balance December 31, 2022	Additions	Reductions	Balance December 31, 2023	Amounts Due Within One Year
<b>Notes/Loans From Direct Borrowings and Placements</b>					
Water:					
CWRPDA Loan (2021) - D21F040					
Drinking Water Revolving Fund	\$ 2,948,090	\$ 10,000	\$ 73,281	\$ 2,884,809	\$ 74,939
Subtotal - Water	2,948,090	10,000	73,281	2,884,809	74,939
Wastewater:					
CWRPDA Loan (2009) - F09F040					
Water Pollution Control					
Revolving Fund	669,528	-	90,032	579,496	91,842
Subtotal - Wastewater	669,528	-	90,032	579,496	91,842
<b>Total Long-Term Obligations</b>	<b>\$ 3,617,618</b>	<b>\$ 10,000</b>	<b>\$ 163,313</b>	<b>\$ 3,464,305</b>	<b>\$ 166,781</b>

The detail of the District’s long-term obligations is as follows:

**Water Pollution Control Revolving Fund – 2009 Loan**

The District obtained a loan totaling \$2,000,000 from the CWRPDA through the Water Pollution Control Revolving Fund Program for the purpose of removing and replacing the twin tee roof, concrete block wall and blower room roof of the District’s secondary wastewater treatment plant. The loan agreement between the District and CWRPDA, dated July 24, 2009, has an interest rate of 2.00% for 20 years. The 2009 Loan is payable semi-annually on May 1 and November 1.

**Drinking Water Revolving Fund – 2021 Loan**

On May 18, 2021 the Districted entered into a loan agreement with the CWRPDA to obtain a \$3,000,000 loan through the State of Colorado Drink Water Revolving Fund Program for the purposes of constructing a new high service pump station, improvements to the existing treatment plant including demolition of the solids pump station, installation of a new water main connection to the distribution system, and installation of a parallel water main to serve the south end of the system. The 2021 Loan has a 30-year term with an effective interest rate of 2.25% and is payable semi-annually on May 1 and November 1, beginning May 1, 2022. Pursuant to the loan agreement, the District shall maintain an operation and maintenance reserve in an amount equal to three months of operation and maintenance expenses, excluding depreciation, of the water fund’s annual budget for the current fiscal year.

**EVERGREEN METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

**NOTE 6 LONG-TERM OBLIGATIONS (CONTINUED)**

The District's 2009 Loan principal and interest will mature as follows:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 91,842	\$ 11,133	\$ 102,975
2025	93,688	9,287	102,975
2026	95,571	7,404	102,975
2027	97,492	5,483	102,975
2028	99,452	3,523	102,975
2029	101,451	1,524	102,975
Total	<u>\$ 579,496</u>	<u>\$ 38,354</u>	<u>\$ 617,850</u>

The District's 2021 Loan principal and interest will mature as follows:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 74,939	\$ 64,489	\$ 139,428
2025	76,635	62,793	139,428
2026	78,369	61,059	139,428
2027	80,142	59,286	139,428
2028	81,955	57,473	139,428
2029-2033	438,445	258,696	697,141
2034-2038	490,345	206,797	697,142
2039-2043	548,386	148,755	697,141
2044-2048	613,298	83,843	697,141
2049-2051	402,295	15,988	418,283
Total	<u>\$ 2,884,809</u>	<u>\$ 1,019,179</u>	<u>\$ 3,903,988</u>

**NOTE 7 NET POSITION**

The District has net position consisting of three components – net investment in capital assets, restricted, and unrestricted.

The net investment in capital assets component of net position consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. As of December 31, 2023, the District had the following net investment in capital assets, calculated as follows:

	<u>Water</u>	<u>Wastewater</u>	<u>Total</u>
Net Investment in Capital Assets:			
Capital Assets, Net	\$ 33,260,209	\$ 10,260,916	\$ 43,521,125
Current Portion of Long-Term Obligations	(74,939)	(91,842)	(166,781)
Noncurrent Portion of Long-Term Obligations	<u>(2,809,870)</u>	<u>(487,654)</u>	<u>(3,297,524)</u>
Total	<u>\$ 30,375,400</u>	<u>\$ 9,681,420</u>	<u>\$ 40,056,820</u>

**EVERGREEN METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

**NOTE 7 NET POSITION (CONTINUED)**

Restricted assets include net position that are restricted for use either externally imposed by creditors, grantors, contributors, or laws and regulations of other governments or imposed by law through constitutional provisions or enabling legislation. The District had a restricted net position of \$783,998 as of December 31, 2023 for the operation and maintenance reserve as required by the 2021 loan from the Drink Water Revolving Fund.

The unrestricted net position as of December 31, 2023 for water and wastewater were \$4,655,570 and \$7,622,139, respectively.

**NOTE 8 EMPLOYEE BENEFIT PLAN**

**Deferred Compensation Plan**

The District has a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The Public Employees Benefit Service Corporation administers this plan. Participation in the plan is optional for all employees. The plan allows employees the ability to defer a portion of their salary until future years. The deferred compensation is not available to the employee until termination, retirement, death or unforeseen emergencies.

**Defined Contribution Plan**

The District provides pension benefits for all of its regularly employed employees through the District Money Purchase Plan, a defined contribution plan. In this defined contribution plan, benefits depend solely on amounts contributed by the District to the plan plus investment earnings. The District is required to make annual contributions equal to 8% of the annual base compensation, not including overtime or bonuses, of each eligible participant. Eligible participants become 100% vested after completing three years of service.

District contributions and investment earnings forfeited by employees who leave employment before becoming fully vested are used to reduce the District's current-period contribution requirement. The plan is not reported as part of the District's financial statements because the District does not exercise oversight responsibilities or have significant influence on the financial operations of the plan.

**EVERGREEN METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

**NOTE 9 AGREEMENTS**

**Water Distribution Agreements**

The District has entered into separate water distribution and service agreements with the following water and sanitation or metropolitan districts: Kittredge Sanitation and Water District (KSWD) and West Jefferson County Metropolitan District (WJCMD). These agreements transfer the title of certain water assets located within the boundaries of those districts. The agreements also contain a reversionary clause whereby title to all of the referenced water facilities would revert back to the District should the agreement be terminated. The District charges each of the contracting districts water service charges equivalent to the District's existing water rates.

The consolidation of El Rancho Metropolitan District (ERMD) and the WJCMD was approved by a majority of the electors voting at the Special Consolidation Elections held on October 8, 2013. The name of the Consolidated District is WJCMD and became effective as of January 1, 2014. The Districts entered into an amendment of the Water Agreement between ERMD and the District that imposes responsibility for the operation, maintenance, repair and replacement of the water distribution system in the ERMD service boundary area upon the District to the same extent as provided under the Water Agreement between WJCMD and the District.

**Water Distribution and Wastewater Service Agreement**

The District has entered into a water distribution and service agreement with WJCMD to provide water and waste water service based on the agreed upon fee schedule. Under the terms of the agreement, the District provides complete management of the water system for WJCMD, including maintenance, administrative services, collection of revenue and the issuance of water taps. Furthermore, the District's management and administrative services to WJCMD include operating, pretreatment, locates, billing, collection, accounting, general management, administrative functions, and administrative operating expenses. WJCMD does not derive any revenues in excess of expenditures from the water system because the fees charged to WJCMD's customers equals the fees charged by the District for services rendered.

**El Rancho Prepaid Water Taps**

As part of the merger between WJCMD and ERMD effective January 1, 2014, the District administers the sale and resulting reimbursement to the Developer for 120 prepaid water taps. For each of the taps sold, the Developer receives \$12,000 and the District retains the remainder. As of December 31, 2023, the District has reimbursed the Developer for 45 taps. There is no termination date with respect to the sharing of revenue from the sale of prepaid water taps within the ERMD service boundary.

**EVERGREEN METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

**NOTE 9 AGREEMENTS (CONTINUED)**

**Lease Agreement**

During March of 1981, the District entered into an agreement with the County of Jefferson, state of Colorado. The agreement calls for the District to grant to the County the right to provide recreational facilities and programs at Evergreen Lake. The terms call for the County to pay the District \$6,000 per year for 75 years. This amount was paid in a lump sum of \$450,000 and is being taking into income over the 75-year period on a straight-line basis (\$6,000 per year). The District has agreed not to raise the level of the lake without taking appropriate measures to protect existing improvements and to prevent the reduction of the usable land area. The agreement also requires that the District refund to the County a prorata portion of the prepaid fees for the unexpired portion of the term should the agreement be terminated by the parties.

**NOTE 10 RISK MANAGEMENT**

The District is exposed to various risks of loss related to torts; thefts of, damage to, or destruction of assets; errors or omissions; injuries to employees; or acts of God.

The District is a member of the Colorado Special Districts Property and Liability Pool (the Pool) as of December 31, 2023. The Pool is an organization created by intergovernmental agreement to provide property, liability, public officials' liability, boiler and machinery, and workers' compensation coverage to its members. Settled claims have not exceeded this coverage in any of the past three fiscal years.

The District pays annual premiums to the Pool for liability, property, public officials' liability, and workers' compensation coverage. In the event aggregated losses incurred by the Pool exceed amounts recoverable from reinsurance contracts and funds accumulated by the Pool, the Pool may require additional contributions from the Pool members. Any excess funds which the Pool determines are not needed for purposes of the Pool may be returned to the members pursuant to a distribution formula.

**EVERGREEN METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

**NOTE 11 TAX, SPENDING, AND DEBT LIMITATIONS**

Article X, Section 20 of the Colorado Constitution, commonly known as the Taxpayer's Bill of Rights (TABOR), contains tax, spending, revenue, and debt limitations which apply to the state of Colorado and all local governments.

Enterprises, defined as government-owned businesses authorized to issue revenue bonds and receiving less than 10% of annual revenue in grants from all state and local governments combined, are excluded from the provisions of TABOR. The District believes a significant portion of its operations qualifies for this exclusion.

Spending and revenue limits are determined based on the prior year's Fiscal Year Spending adjusted for allowable increases based upon inflation and local growth. Fiscal Year Spending is generally defined as expenditures plus reserve increases with certain exceptions. Revenue in excess of the Fiscal Year Spending limit must be refunded unless the voters approve retention of such revenue.

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of Fiscal Year Spending (excluding bonded debt service). Local governments are not allowed to use the emergency reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases.

On May 2, 2000, the District's voters authorized the District to collect, retain and spend each year all revenue from all sources without regard to any limitations under TABOR and any other law.

The District believes it is in compliance with the provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of the provisions, including the interpretation of how to calculate Fiscal Year Spending limits and qualifications as an Enterprise will require judicial interpretation.

## **SUPPLEMENTARY INFORMATION**

**EVERGREEN METROPOLITAN DISTRICT  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN NET POSITION  
YEAR ENDED DECEMBER 31, 2023**

	<u>Water</u>	<u>Wastewater</u>	<u>Total</u>
<b>OPERATIONS</b>			
Revenues:			
Water Sales	\$ 3,648,931	\$ -	\$ 3,648,931
Water Sales to Hidden Valley	21,259	-	21,259
Wastewater Treatment Charges	-	1,763,254	1,763,254
Pretreatment Revenue	-	53,732	53,732
Tap Purchase Agreements	2,715	-	2,715
Late Charges and Service Charges	24,293	820	25,113
Services to Developers/Public	16,464	-	16,464
Services to Districts	143,925	552,037	695,962
Services to Water Department	-	143,880	143,880
Connections and Inspections	7,126	3,062	10,188
Tower Leases Revenue	68,299	-	68,299
Miscellaneous	30,793	7,217	38,010
Total Revenues	<u>3,963,805</u>	<u>2,524,002</u>	<u>6,487,807</u>
Direct Expenses:			
Source of Supply	85,416	-	85,416
Treatment Plant	1,298,938	1,274,270	2,573,208
Transmission and Distribution	141,059	-	141,059
New Services, Environmental and Pretreatment	196,360	107,126	303,486
Collection and Distribution	664,677	278,699	943,376
Customer Service / Meter Reading & Billing	242,167	58,326	300,493
Lift Stations	-	36,422	36,422
Sludge Processing	-	193,233	193,233
Total Direct Expenses	<u>2,628,617</u>	<u>1,948,076</u>	<u>4,576,693</u>
<b>GROSS PROFIT FROM OPERATIONS</b>	1,335,188	575,926	1,911,114
<b>GENERAL AND ADMINISTRATIVE EXPENSES</b>			
Audit	8,750	3,750	12,500
Accounting	29,809	12,775	42,584
Depreciation and Amortization	1,599,540	626,930	2,226,470
Insurance	81,752	56,326	138,078
Legal	52,373	26,044	78,417
General Office	29,211	12,520	41,731
Outside Services	65,010	47,706	112,716
Repairs and Maintenance	7,531	3,227	10,758
Dues, Subscriptions and Training	15,137	6,723	21,860
Directors' Fees and Payroll Taxes	9,136	3,915	13,051
Miscellaneous	357	271	628
Travel, Meetings and Conferences	9,304	3,990	13,294
Elections	391	167	558
Engineering	1,097	1,162	2,259
Employee Expense	324,661	139,019	463,680
Total General and Administrative Expenses	<u>2,234,059</u>	<u>944,525</u>	<u>3,178,584</u>
<b>NET LOSS FROM OPERATIONS</b>	(898,871)	(368,599)	(1,267,470)

**EVERGREEN METROPOLITAN DISTRICT  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN NET POSITION (CONTINUED)  
YEAR ENDED DECEMBER 31, 2023**

	Water	Wastewater	Total
<b>NONOPERATING REVENUES</b>			
Interest Income	\$ 309,743	\$ 319,070	\$ 628,813
Grants	16,007	4,622	20,629
Proceeds from Water Meter Recycling	3,918	-	3,918
Proceeds from Sale of Assets	650	350	1,000
Total Nonoperating Revenues	330,318	324,042	654,360
<b>NONOPERATING EXPENSES</b>			
Loan Interest and Administrative Fees	65,870	12,642	78,512
Total Nonoperating Expenses	65,870	12,642	78,512
<b>LOSS BEFORE CONTRIBUTIONS</b>	(634,423)	(57,199)	(691,622)
<b>CAPITAL CONTRIBUTIONS</b>			
System Development Fees	149,000	236,500	385,500
Inclusions and Cost Recovery	67,027	5,053	72,080
Contractual Payments	38,995	-	38,995
Miscellaneous	90,223	49,948	140,171
Total Capital Contributions	345,245	291,501	636,746
<b>CHANGE IN NET POSITION</b>	\$ (289,178)	\$ 234,302	\$ (54,876)

**EVERGREEN METROPOLITAN DISTRICT**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUNDS AVAILABLE –**  
**BUDGET AND ACTUAL (BUDGETARY BASIS) – WATER**  
**YEAR ENDED DECEMBER 31, 2023**

	Original and Final Budget	Actual	Variance
<b>WATER OPERATING REVENUE</b>			
Water Sales	\$ 3,698,000	\$ 3,648,931	\$ (49,069)
Water Sales to Hidden Valley	32,000	21,259	(10,741)
Tap Purchase Agreements	3,000	2,715	(285)
Late Charges and Service Charges	25,000	24,293	(707)
Services to Developers/Public	4,500	16,464	11,964
Services to Districts	136,000	143,925	7,925
Connections and Inspections	40,000	7,126	(32,874)
Tower Leases Revenue	69,227	69,227	-
Interest Income	120,000	269,424	149,424
Miscellaneous	25,000	15,649	(9,351)
Total Water Operating Revenue	4,152,727	4,219,013	66,286
<b>WATER OPERATING EXPENSES</b>			
Source of Supply			
Supplies and Maintenance	18,000	21,338	(3,338)
Water Rights Maintenance	70,000	64,078	5,922
Treatment Plant			
Chemicals	85,000	92,504	(7,504)
Supplies and Maintenance	73,000	94,319	(21,319)
Power	118,000	119,276	(1,276)
Truck Expense	17,000	18,215	(1,215)
Laboratory	27,000	31,053	(4,053)
Wastewater Treatment Services	141,240	143,880	(2,640)
Employee Expense	664,000	799,691	(135,691)
Transmission and Distribution			
Supplies and Maintenance	30,000	21,033	8,967
Power (Utilities)	118,000	114,022	3,978
Safety	5,000	6,004	(1,004)
New Services, Environmental and Pretreatment			
Supplies and Maintenance	20,000	14,384	5,616
Truck Expense	3,000	1,993	1,007
Outside Services	3,000	30	2,970
New Service Supplies	14,000	7,578	6,422
Safety	500	226	274
Employee Expense	212,000	172,149	39,851
Collection and Distribution			
Supplies and Maintenance	24,000	19,912	4,088
Telephone (Utilities)	7,000	12,249	(5,249)
Truck Expense	5,500	5,201	299
Equipment Maintenance	22,000	29,560	(7,560)
Distribution Expense	102,000	174,953	(72,953)
Safety	4,500	2,862	1,638
Employee Expense	416,000	418,893	(2,893)

**EVERGREEN METROPOLITAN DISTRICT  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUNDS AVAILABLE –  
BUDGET AND ACTUAL (BUDGETARY BASIS) – WATER (CONTINUED)  
YEAR ENDED DECEMBER 31, 2023**

	Original and Final Budget	Actual	Variance
<b>WATER OPERATING EXPENSES (CONTINUED)</b>			
Customer Service / Meter Reading & Billing			
Supplies and Maintenance	\$ 14,000	\$ 18,751	\$ (4,751)
Outsourcing/Billing	14,000	13,017	983
Employee Expense	229,000	210,399	18,601
Total Water Operating Expenses	<u>2,456,740</u>	<u>2,627,570</u>	<u>(170,830)</u>
<b>GROSS PROFIT FROM WATER OPERATIONS</b>	1,695,987	1,591,443	(104,544)
<b>WATER CAPITAL REVENUE</b>			
System Development Fees	708,000	149,000	(559,000)
Tap Transfer Fee	6,300	-	(6,300)
Inclusions and Cost Recovery	427,000	67,027	(359,973)
Contractual Payments	14,467	38,995	24,528
Developer Projects	84,000	-	(84,000)
Water Rights Purchases	210,000	-	(210,000)
Development Review	-	5,000	5,000
Proceeds from Water Meter Recycling	8,000	3,918	(4,082)
Proceeds from Sale of Assets	7,000	17,769	10,769
Grants	3,168	16,007	12,839
Miscellaneous	-	90,223	90,223
CWRPDA Loan Proceeds	-	10,000	10,000
Total Water Capital Revenue	<u>1,467,935</u>	<u>397,939</u>	<u>(1,069,996)</u>
<b>WATER GENERAL AND ADMINISTRATIVE EXPENSES</b>			
Audit	8,750	8,750	-
Accounting	49,000	29,809	19,191
Insurance	63,000	81,752	(18,752)
Legal	53,000	52,373	627
General Office	37,000	29,211	7,789
Outside Services	56,000	65,010	(9,010)
Repairs and Maintenance	17,000	7,531	9,469
Dues, Subscriptions and Training	12,000	15,137	(3,137)
Directors' Fees and Payroll Taxes	10,000	9,136	864
Miscellaneous	500	357	143
Travel, Meetings and Conferences	6,000	9,304	(3,304)
Elections	14,000	391	13,609
Engineering	16,000	1,097	14,903
Employee Expense	337,000	324,661	12,339
Total Water General and Administrative Expenses	<u>679,250</u>	<u>634,519</u>	<u>44,731</u>
<b>WATER DEBT SERVICE</b>			
CWRPDA 2021 Loan Principal	73,281	73,281	-
CWRPDA 2021 Loan Interest	66,147	66,147	-
Total Debt Service	<u>139,428</u>	<u>139,428</u>	<u>-</u>

**EVERGREEN METROPOLITAN DISTRICT  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUNDS AVAILABLE –  
BUDGET AND ACTUAL (BUDGETARY BASIS) – WATER (CONTINUED)  
YEAR ENDED DECEMBER 31, 2023**

	Original and Final Budget	Actual	Variance
<b>WATER CAPITAL OUTLAY</b>			
Main Replacements	\$ 250,000	\$ 79,202	\$ 170,798
Sediment Removal and Sediment Basin	200,000	1,934	198,066
Bulk Station Upgrade	25,000	-	25,000
General, Office, Computer Equip. and Software	45,500	13,561	31,939
Administration Building and Improvements	65,250	-	65,250
Chemical Building Expansion	250,000	91,496	158,504
Process Control - Water	10,000	-	10,000
Hydraulic Water Model Analysis	-	35,892	(35,892)
Water Main Extensions	350,000	-	350,000
Transportation Equipment	35,750	75,271	(39,521)
Treatment Plant and General Equipment	73,000	-	73,000
Safety Equipment	10,000	1,940	8,060
C&D Equipment	186,550	35,083	151,467
Fire Hydrant Replacements	20,000	31,375	(11,375)
Standards & Specs - Water	40,000	9,735	30,265
Dam Outlet Structure Improvements	500,000	69,436	430,564
North Lake Trail System	250,000	304,989	(54,989)
Hidden Valley Project	10,000	42,424	(32,424)
Water Rights	210,000	149,040	60,960
Wastewater Taps	80,500	80,500	-
Tank Radio Network Upgrade	18,000	17,406	594
Lookout Mtn Interconnect	1,160,000	84,547	1,075,453
Cyber Security Assessment	10,500	-	10,500
Cellular Meter Project	200,000	125,816	74,184
Development Review	12,000	8,456	3,544
Miscellaneous	50,000	17,100	32,900
Total Water Capital Outlay	<u>4,062,050</u>	<u>1,275,203</u>	<u>2,786,847</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	(1,716,806)	(59,768)	1,657,038
Funds Available - Beginning of Year	<u>4,359,452</u>	<u>4,581,929</u>	<u>222,477</u>
<b>FUNDS AVAILABLE - END OF YEAR</b>	<u>\$ 2,642,646</u>	<u>\$ 4,522,161</u>	<u>\$ 1,879,515</u>

**EVERGREEN METROPOLITAN DISTRICT  
RECONCILIATION OF BUDGETARY BASIS (ACTUAL) TO STATEMENT OF REVENUES,  
EXPENSES, AND CHANGE IN NET POSITION – WATER  
YEAR ENDED DECEMBER 31, 2023**

Revenues (Budgetary Basis)	\$ 4,616,952
Loan Proceeds	(10,000)
Change in Development Review	10,144
Change in Proceeds from Sale of Assets	<u>(17,119)</u>
Total Revenues per Statement of Revenues, Expenses, and Change in Net Position	4,599,977
Expenditures (Budgetary Basis)	4,676,720
Depreciation	1,599,540
Change in Accrued Interest Expense	(277)
Change in Tower Lease Income and Receivable	(39,391)
Capital Outlay	(1,274,156)
Loan Principal	<u>(73,281)</u>
Total Expenses per Statement of Revenues, Expenses, and Change in Net Position	<u>4,889,155</u>
Change in Net Position per Statement of Revenues, Expenses, and Change in Net Position	<u><u>\$ (289,178)</u></u>

**EVERGREEN METROPOLITAN DISTRICT  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUNDS AVAILABLE –  
BUDGET AND ACTUAL (BUDGETARY BASIS) – WASTEWATER  
YEAR ENDED DECEMBER 31, 2023**

	Original and Final Budget	Actual	Variance
<b>WASTEWATER OPERATING REVENUE</b>			
Wastewater Treatment Charges	\$ 1,755,000	\$ 1,763,254	\$ 8,254
Pretreatment Revenue	55,000	53,732	(1,268)
Late Charges and Service Charges	2,000	820	(1,180)
Services to Water Department	141,235	143,880	2,645
Services to Developers/Public	3,000	-	(3,000)
Services to Districts	607,352	552,037	(55,315)
Connections and Inspections	6,500	3,062	(3,438)
Interest Income	186,000	319,070	133,070
Miscellaneous	2,000	2,941	941
Total Wastewater Operating Revenue	2,758,087	2,838,796	80,709
<b>WASTEWATER OPERATING EXPENSES</b>			
Lift Stations			
Supplies and Maintenance	35,000	12,643	22,357
Utilities	25,000	23,779	1,221
Treatment Plant			
Chemicals	50,000	43,157	6,843
Supplies and Maintenance	96,000	86,337	9,663
Power	116,000	129,377	(13,377)
Truck Expense	18,000	28,167	(10,167)
Laboratory	15,000	12,191	2,809
Safety	5,000	1,358	3,642
Employee Expense	946,000	973,683	(27,683)
New Services, Environmental and Pretreatment			
Supplies and Maintenance	7,300	6,168	1,132
Truck Expense	1,400	853	547
New Service Supplies	500	33	467
Safety	250	97	153
Bear Creek Watershed Dues	20,000	19,345	655
CDH Discharge Permit	5,000	4,630	370
Employee Expense	91,000	76,000	15,000
Collection and Distribution			
Supplies and Maintenance	15,000	11,794	3,206
Telephone (Utilities)	4,500	6,701	(2,201)
Truck Expense	4,000	2,750	1,250
Equipment Maintenance	18,000	27,306	(9,306)
Collection Expense	8,000	2,857	5,143
Safety	2,500	1,541	959
Employee Expense	222,000	225,108	(3,108)

**EVERGREEN METROPOLITAN DISTRICT**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUNDS AVAILABLE –**  
**BUDGET AND ACTUAL (BUDGETARY BASIS) – WASTEWATER (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2023**

	Original and Final Budget	Actual	Variance
Sludge Processing			
Biosolids Permit Fee	\$ 400	\$ 271	\$ 129
Landfill Expense/Sludge Disposal	168,000	192,642	(24,642)
Truck Expense	5,000	320	4,680
Customer Service / Meter Reading and Billing			
Supplies and Maintenance	1,900	4,420	(2,520)
Outsourcing/Billing	14,000	13,017	983
Employee Expense	43,000	40,889	2,111
Total Wastewater Operating Expenses	<u>1,937,750</u>	<u>1,947,434</u>	<u>(9,684)</u>
<b>GROSS PROFIT FROM WATER OPERATIONS</b>	820,337	891,362	71,025
<b>WASTEWATER CAPITAL REVENUE</b>			
System Development Fees	439,000	236,500	(202,500)
Tap Transfer Fee	2,100	-	(2,100)
Proceeds from Sale of Assets	3,000	7,687	4,687
Inclusions	-	5,053	5,053
Development Review	-	1,250	1,250
Miscellaneous	-	49,948	49,948
Grants	1,358	4,622	3,264
Total Wastewater Capital Revenue	<u>445,458</u>	<u>305,060</u>	<u>(140,398)</u>
<b>WASTEWATER NONOPERATING EXPENSES</b>			
Audit	3,750	3,750	-
Accounting	21,000	12,775	8,225
Insurance	49,000	56,326	(7,326)
Legal	22,000	26,044	(4,044)
General Office	16,000	12,520	3,480
Outside Services	37,000	44,750	(7,750)
Repairs and Maintenance	8,000	3,227	4,773
Dues, Subscriptions and Training	7,000	6,723	277
Directors' Fees and Payroll Taxes	4,000	3,915	85
Miscellaneous	500	271	229
Payroll services	4,000	2,956	1,044
Travel, Meetings and Conferences	2,500	3,990	(1,490)
Elections	6,000	167	5,833
Engineering	3,000	1,162	1,838
Employee Expense	145,000	139,019	5,981
Total Wastewater Nonoperating Expenses	<u>328,750</u>	<u>317,595</u>	<u>11,155</u>
<b>WATER DEBT SERVICE</b>			
WPCRF Loan Principal	90,032	90,032	-
WPCRF Loan Interest	12,943	12,943	-
Total Debt Service	<u>102,975</u>	<u>102,975</u>	<u>-</u>

**EVERGREEN METROPOLITAN DISTRICT  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUNDS AVAILABLE –  
BUDGET AND ACTUAL (BUDGETARY BASIS) – WASTEWATER (CONTINUED)  
YEAR ENDED DECEMBER 31, 2023**

	Original and Final Budget	Actual	Variance
<b>WASTEWATER CAPITAL OUTLAY</b>			
Sewer Line Replacement	\$ 893,000	\$ 194,847	\$ 698,153
General, Office, Computer Equipment and Software	22,100	7,690	14,410
PLC Upgrades	96,000	68,053	27,947
Administration Building and Improvements	29,750	-	29,750
Tanoa LS Upgrade	350,000	-	350,000
Operations/Administration Maintenance Software	25,000	3,883	21,117
Transportation Equipment	19,250	19,283	(33)
EI Pinal Phase 2	250,000	-	250,000
Backwash Pumps Replacements	30,000	8,558	21,442
Anoxic/Anaerobic Walls	25,000	1,223	23,777
Cyber Security Assessment	4,500	-	4,500
Sewer System Remodeling	12,000	-	12,000
General Equipment	96,250	22,109	74,141
Centrifugal Blowers	355,000	97,994	257,006
Process Control	10,000	79	9,921
Sand Filter Valves	32,000	-	32,000
Biosolids Study	31,740	15,667	16,073
Standards and Specs	18,400	4,172	14,228
Miscellaneous	50,000	10,708	39,292
Total Wastewater Capital Outlay	<u>2,349,990</u>	<u>454,266</u>	<u>1,895,724</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	(1,515,920)	321,586	1,837,506
Funds Available - Beginning of Year	<u>6,185,703</u>	<u>6,197,484</u>	<u>11,781</u>
<b>FUNDS AVAILABLE - END OF YEAR</b>	<u>\$ 4,669,783</u>	<u>\$ 6,519,070</u>	<u>\$ 1,849,287</u>

**EVERGREEN METROPOLITAN DISTRICT  
RECONCILIATION OF BUDGETARY BASIS (ACTUAL) TO STATEMENT OF REVENUES,  
EXPENSES, AND CHANGE IN NET POSITION – WASTEWATER  
YEAR ENDED DECEMBER 31, 2023**

Revenues (Budgetary Basis)	\$ 4,616,952
Loan Proceeds	(10,000)
Change in Development Review	10,144
Change in Proceeds from Sale of Assets	<u>(17,119)</u>
Total Revenues per Statement of Revenues, Expenses, and Change in Net Position	4,599,977
Expenditures (Budgetary Basis)	4,676,720
Depreciation	1,599,540
Change in Accrued Interest Expense	(277)
Change in Tower Lease Income and Receivable	(39,391)
Capital Outlay	(1,274,156)
Loan Principal	<u>(73,281)</u>
Total Expenses per Statement of Revenues, Expenses, and Change in Net Position	<u>4,889,155</u>
Change in Net Position per Statement of Revenues, Expenses, and Change in Net Position	<u><u>\$ (289,178)</u></u>

**EVERGREEN METROPOLITAN DISTRICT  
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY  
YEAR ENDED DECEMBER 31, 2023**

<u>Year Ending December 31,</u>	Loan No. F09F040 Colorado Water Resources and Power Development Authority Water Pollution Control Revolving Fund Direct Loan Program Rate of 2.00% Principal and Interest Payable May 1 and November 1		Loan No. D21F040 Colorado Water Resources and Power Development Authority Drinking Water Revolving Fund Leveraged Loan Program Rate of 2.25% Principal and Interest Payable May 1 and November 1	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
	Principal	Interest	Principal	Interest
2024	\$ 91,842	\$ 11,133	\$ 74,939	\$ 64,489
2025	93,688	9,287	76,635	62,793
2026	95,571	7,404	78,369	61,059
2027	97,492	5,483	80,142	59,286
2028	99,452	3,523	81,955	57,473
2029	101,451	1,524	83,810	55,619
2030	-	-	85,706	53,722
2031	-	-	87,645	51,783
2032	-	-	89,628	49,800
2033	-	-	91,656	47,772
2034	-	-	93,730	45,698
2035	-	-	95,851	43,577
2036	-	-	98,020	41,408
2037	-	-	100,238	39,191
2038	-	-	102,506	36,923
2039	-	-	104,825	34,603
2040	-	-	107,197	32,231
2041	-	-	109,622	29,806
2042	-	-	112,103	27,326
2043	-	-	114,639	24,789
2044	-	-	117,233	22,195
2045	-	-	119,886	19,543
2046	-	-	122,598	16,830
2047	-	-	125,372	14,056
2048	-	-	128,209	11,219
2049	-	-	131,110	8,318
2050	-	-	134,076	5,352
2051	-	-	137,109	2,318
Total	<u>\$ 579,496</u>	<u>\$ 38,354</u>	<u>\$ 2,884,809</u>	<u>\$ 1,019,179</u>

**EVERGREEN METROPOLITAN DISTRICT  
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY  
YEAR ENDED DECEMBER 31, 2023**

<u>Year Ending December 31,</u>	<u>Total</u>	
	<u>Principal</u>	<u>Interest</u>
2024	\$ 166,781	\$ 75,622
2025	170,323	72,080
2026	173,940	68,463
2027	177,634	64,769
2028	181,407	60,996
2029	185,261	57,143
2030	85,706	53,722
2031	87,645	51,783
2032	89,628	49,800
2033	91,656	47,772
2034	93,730	45,698
2035	95,851	43,577
2036	98,020	41,408
2037	100,238	39,191
2038	102,506	36,923
2039	104,825	34,603
2040	107,197	32,231
2041	109,622	29,806
2042	112,103	27,326
2043	114,639	24,789
2044	117,233	22,195
2045	119,886	19,543
2046	122,598	16,830
2047	125,372	14,056
2048	128,209	11,219
2049	131,110	8,318
2050	134,076	5,352
2051	137,109	2,318
Total	<u>\$ 3,464,305</u>	<u>\$ 1,057,533</u>