

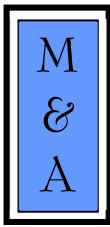
**Evergreen Park and Recreation District
Evergreen, Colorado**

**Financial Statements
December 31, 2023**

**Evergreen Park and Recreation District
Financial Report
December 31, 2023**

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MCMAHAN AND ASSOCIATES, L.L.C.

Certified Public Accountants and Consultants

CHAPEL SQUARE, BLDG C
245 CHAPEL PLACE, SUITE 300
P.O. Box 5850, AVON, CO 81620

WEB SITE: WWW.MCMAHANCPA.COM
MAIN OFFICE: (970) 845-8800
FACSIMILE: (970) 845-8108
E-MAIL: MCMAHAN@MCMAHANCPA.COM

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

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, 2023, which collectively comprise the District'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, 2023 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.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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.

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

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

Member: American Institute of Certified Public Accountants

PAUL J. BACKES, CPA, CGMA
MICHAEL N. JENKINS, CA, CPA, CGMA
MATTHEW D. MILLER, CPA

AVON: (970) 845-8800
ASPEN: (970) 544-3996
FRISCO: (970) 668-3481

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

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 auditing standards generally accepted in the United States of America 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 auditing standards generally accepted in the United States of America, 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

Accounting principles generally accepted in the United States of America 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 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.

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

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 comparisons in Section F, and the Schedule of Expenditures of Federal Awards as required by *Title 2 U.S. Code of Federal Regulations, Part 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* included in Section G are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The individual fund budgetary comparisons, and the Schedule of Expenditures of Federal Awards 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 auditing standards generally accepted in the United States of America. In our opinion, the information in Sections F and G are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the statistical items on page F2 but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

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

Other Reporting Required by Government Auditing Standards

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

McMahan and Associates, L.L.C.

McMahan and Associates, L.L.C.
Avon, Colorado
September 27, 2024

MANAGEMENT'S DISCUSSION AND ANALYSIS

Evergreen Park and Recreation District

Management's Discussion and Analysis

December 31, 2023

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, 2023.

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	
	2023	2022
Assets:		
Current and other assets	12,213,932	10,370,103
Capital assets	28,341,861	23,970,190
Total Assets	<u>40,555,793</u>	<u>34,340,293</u>
Liabilities & Deferred Inflows:		
Current liabilities	1,463,874	1,040,060
Deferred inflows	4,515,924	3,624,653
Long-term liabilities	2,356,173	3,420,896
Total Liab & Def Inflows	<u>8,335,971</u>	<u>8,085,609</u>
Net Position:		
Net investment in capital assets	26,094,218	20,626,646
Restricted	1,368,855	981,094
Unrestricted	4,756,749	4,646,944
Total Net Position	<u>32,219,822</u>	<u>26,254,684</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 2023, capital assets accounted for 81% 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**

	Governmental Activities	
	2023	2022
Revenues:		
Program revenues:		
Charges for services:		
General administration	77,475	119,959
Wulf recreation center	459,338	369,218
Buchanan recreation center	988,704	868,189
Lakehouse	1,609,405	1,756,345
Parks and fields	91,303	110,125
Recreation and other programs	1,621,491	1,677,884
Special event	26,283	51,347
Operating grants & contributions	114,367	31,598
Capital grants & contributions	5,186,385	149,274
General revenues:		
Property taxes	3,569,399	3,495,807
Other taxes	262,450	247,024
Interest and other revenue	448,800	111,046
Total Revenues	14,455,400	8,987,816
Expenses:		
General administration	1,914,271	1,464,256
Wulf recreation center	1,071,610	1,005,736
Buchanan recreation center	1,562,954	1,348,082
Lakehouse	913,766	864,906
Parks and fields	1,506,276	1,267,341
Recreation and other programs	1,483,568	1,277,968
Grant revenue	37,817	36,334
Total Expenses	8,490,262	7,264,623
Change in Net Position	5,965,138	1,723,193
Net Position - Beginning	26,254,684	24,531,491
Net Position - Ending	32,219,822	26,254,684

Governmental activities: Net position of the governmental activities increased \$5,965,138 during 2023. This increase is largely due to a significant influx of grant revenue for capital projects.

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 \$490,277 during 2023, primarily due to increases to charges for services and increased interest income.

The fund balance of the Debt Service Fund increased \$18,639 during 2023, due to an influx of interest income.

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 \$5,821,678. Of this balance, \$150,377 is nonspendable, \$386,000 is restricted for emergencies as required by TABOR, \$530,360 is restricted for conservation trust projects, and the remaining \$4,754,941 is unassigned.

Budget variances: There were no budget amendments during 2023. 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 increased by \$4,371,671, 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, 2023**

	Governmental Activities
Assets:	
Cash and cash equivalents - Unrestricted	4,490,016
Cash restricted for park land escrow	225,610
Receivables, net	2,865,261
Deposits and prepaid expenses	150,377
Property taxes receivable	4,482,668
Capital assets, net	28,341,861
Total Assets	40,555,793
Liabilities:	
Accounts payable and other liabilities	697,048
Accrued salaries and payroll liabilities	92,813
Park land escrow	225,610
Accrued interest payable	6,783
Unearned revenue	441,620
Accrued compensated absences:	
Due within one year	35,815
Due in more than one year	72,715
Leases:	
Due within one year	11,261
General obligation bonds:	
Due within one year	1,000,000
Due in more than one year	1,236,382
Total Liabilities	3,820,047
Deferred Inflow of Resources:	
Property taxes	4,482,668
Gain on bond refunding	33,256
Total Deferred Inflow of Resources	4,515,924
Net Position:	
Net investment in capital assets	26,094,218
Restricted for emergencies	386,000
Restricted for conservation trust projects	530,360
Restricted for debt service	452,495
Unrestricted	4,756,749
Total Net Position	32,219,822

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, 2023

	Expenses	Program Revenues			Net (Expense) Revenue and Change in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Functions/Programs:					
Governmental activities:					
General administration	1,914,271	77,475	19,573	5,029,000	3,211,777
Wulf recreation center	1,071,610	459,338	-	-	(612,272)
Buchanan recreation center	1,562,954	988,704	-	-	(574,250)
Lakehouse	913,766	1,609,405	-	-	695,639
Parks and fields	1,506,276	91,303	-	-	(1,414,973)
Recreation and other programs	1,483,568	1,621,491	94,794	157,385	390,102
Special event	37,817	26,283	-	-	(11,534)
Total Governmental Activities	8,490,262	4,873,999	114,367	5,186,385	1,684,489
General Revenues:					
Property taxes					3,569,399
Specific ownership taxes					255,814
Delinquent taxes and interest					6,636
Investment income					154,693
Insurance refund					77,341
Miscellaneous					216,766
Total General Revenues					4,280,649
Change in Net Position					5,965,138
Net Position - Beginning					26,254,684
Net Position - Ending					32,219,822

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, 2023**

	General Fund	Debt Service Fund	Total Governmental Funds
Assets:			
Cash and cash equivalents	4,037,521	452,495	4,490,016
Cash restricted for park land escrow	225,610	-	225,610
Accounts receivable	2,865,261	-	2,865,261
Property taxes receivable	3,400,993	1,081,675	4,482,668
Prepaid expenses	150,377	-	150,377
Total Assets	10,679,762	1,534,170	12,213,932
Liabilities:			
Accounts payable and other liabilities	697,048	-	697,048
Accrued salaries and payroll liabilities	92,813	-	92,813
Park land escrow	225,610	-	225,610
Unearned revenue	441,620	-	441,620
Total Liabilities	1,457,091	-	1,457,091
Deferred Inflow of Resources:			
Unavailable property tax revenue	3,400,993	1,081,675	4,482,668
Total Deferred Inflow of Resources	3,400,993	1,081,675	4,482,668
Fund Balances:			
Nonspendable	150,377	-	150,377
Restricted for emergencies	386,000	-	386,000
Restricted for conservation trust projects	530,360	-	530,360
Restricted for debt service	-	452,495	452,495
Unassigned	4,754,941	-	4,754,941
Total Fund Balances	5,821,678	452,495	6,274,173

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.

28,341,861

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.

(2,396,212)

Net Position of Governmental Activities

32,219,822

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, 2023

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
Revenues:			
Property and other taxes	2,752,914	1,078,935	3,831,849
Intergovernmental and donations	1,058,385	-	1,058,385
Federal grants	3,522,794	-	3,522,794
State and local grants	719,573	-	719,573
Charges for services:			
Wulf recreation center	459,338	-	459,338
Buchanan recreation center	988,704	-	988,704
Lakehouse	1,609,405	-	1,609,405
Parks and fields	91,303	-	91,303
Recreation and other programs	1,621,491	-	1,621,491
Special events and festivals	26,283	-	26,283
Rental income	77,475	-	77,475
Investment income	134,889	19,804	154,693
Miscellaneous	216,766	-	216,766
Total Revenues	<u>13,279,320</u>	<u>1,098,739</u>	<u>14,378,059</u>
Expenditures:			
General government	1,678,947	-	1,678,947
Wulf recreation center	935,294	-	935,294
Buchanan recreation center	1,344,333	-	1,344,333
Lakehouse	852,411	-	852,411
Parks and fields	853,921	-	853,921
Recreation and other programs	1,483,568	-	1,483,568
Special events	13,018	-	13,018
Capital outlay	5,668,199	-	5,668,199
Debt service	36,693	1,080,100	1,116,793
Total Expenditures	<u>12,866,384</u>	<u>1,080,100</u>	<u>13,946,484</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>412,936</u>	<u>18,639</u>	<u>431,575</u>
Other Financing Sources (Uses):			
Insurance recoveries	77,341	-	77,341
Total Other Financing Sources (Uses)	<u>77,341</u>	<u>-</u>	<u>77,341</u>
Change in Fund Balance	490,277	18,639	508,916
Fund Balance - Beginning	<u>5,331,401</u>	<u>433,856</u>	<u>5,765,257</u>
Fund Balance - Ending	<u><u>5,821,678</u></u>	<u><u>452,495</u></u>	<u><u>6,274,173</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, 2023**

**Net Change in Fund Balance of
the Governmental Fund** 508,916

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	(1,174,804)	
Capital outlay	5,546,475	4,371,671

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	960,000	
Lease principal payments	35,209	
Amortization and interest accrual	120,519	1,115,728

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.

(31,177)

Change in Net Position of Governmental Activities

5,965,138

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, 2023

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, 2023
(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, 2023
(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, 2023, 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, 2023 are recorded as prepaid expenses.

Evergreen Park and Recreation District
Notes to the Financial Statements
December 31, 2023
(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:

<u>Asset</u>	<u>Years</u>
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, 2023
(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, 2023
(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, 2023.

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, 2023
(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 \$28,341,861 difference is related to property and equipment of \$44,223,928 plus less accumulated depreciation and amortization of \$15,882,067.

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 \$2,396,212 difference are bonds payable of \$2,236,382, accrued interest payable of \$6,783, accrued compensated absences of \$108,530, leases payable of \$11,261 and \$33,256 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 2023 budget year:

- (1) For the 2023 budget, prior to August 25, 2022, 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, 2022 only once by a single notification to the District.
- (2) On or before October 15, 2022, 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 2023 budget, prior to December 15, 2022, 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, 2023
(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 2022 were collected in 2023 and taxes certified in 2023 will be collected in 2024. 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, 2023
(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, 2023.

The District has restricted a portion of its December 31, 2023 year-end fund balance in the General Fund for emergencies as required under TABOR in the amount of \$386,000, 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 \$4,715,626 at December 31, 2023.

Evergreen Park and Recreation District
Notes to the Financial Statements
December 31, 2023
(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, 2023, the District has the following recurring fair value measurements:

<u>Investments Measured at Net Asset Value</u>	<u>Total</u>
Colotrust	2,914,422

The District has the following deposits and investments for all funds, with the following maturities at December 31, 2023:

<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>	1,575,594	1,575,594	-
Government investment pools	<i>AAAm</i>	2,914,422	2,914,422	-
Held by agent	<i>Not rated</i>	225,610	225,610	-
		<u>4,715,626</u>	<u>4,715,626</u>	<u>-</u>

Financial Statement Captions:

Cash and cash equivalents - Unrestricted	4,490,016
Cash and cash equivalents - Restricted	225,610
	<u>4,715,626</u>

Deposits recorded in the General Fund include \$225,610 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, 2023
(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, 2023 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental Activities:				
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	7,666,995	5,367,691	-	13,034,686
Buildings and improvements	17,610,485	163,439	-	17,773,924
Machinery and equipment	1,654,755	15,345	-	1,670,100
Lease assets	481,871	-	-	481,871
Vehicles	269,102	-	-	269,102
Total capital assets depreciated and amortized	27,683,208	5,546,475	-	33,229,683
Less accumulated depreciation and amortization for:				
Land improvements	(4,511,183)	(652,305)	-	(5,163,488)
Buildings and improvements	(8,069,691)	(438,273)	-	(8,507,964)
Machinery and equipment	(1,478,201)	(42,428)	-	(1,520,629)
Lease assets	(439,989)	(31,788)	-	(471,777)
Vehicles	(208,199)	(10,010)	-	(218,209)
Total accumulated depreciation and amortization	(14,707,263)	(1,174,804)	-	(15,882,067)
Total capital assets depreciated and amortized, net	12,975,945	4,371,671	-	17,347,616
Governmental Activities Capital Assets, Net	<u>23,970,190</u>	<u>4,371,671</u>	<u>-</u>	<u>28,341,861</u>

Evergreen Park and Recreation District
Notes to the Financial Statements
December 31, 2023
(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	109,240
Wulf Center	135,353
Buchanan Center	217,052
Lakehouse	60,854
Parks and Fields	652,305
Total Depreciation and Amortization - Governmental Activities	<u><u>1,174,804</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, 2023 were as follows:

	Principal	Interest	Total
2024	1,000,000	81,400	1,081,400
2025	1,035,000	41,400	1,076,400
Total	<u><u>2,035,000</u></u>	<u><u>122,800</u></u>	<u><u>2,157,800</u></u>

At December 31, 2023 the District had no authorized but unissued debt.

Evergreen Park and Recreation District
Notes to the Financial Statements
December 31, 2023
(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 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:

	Principal	Interest	Total
2024	11,261	209	11,470
Total	11,261	209	11,470

Evergreen Park and Recreation District
Notes to the Financial Statements
December 31, 2023
(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, 2023 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	2,995,000	-	(960,000)	2,035,000	1,000,000
2015 Bond Premium	302,074	-	(100,692)	201,382	-
Leases	46,470	-	(35,209)	11,261	11,261
Accrued compensated absences	77,352	56,962	(25,784)	108,530	35,815
Long-term Liabilities	<u>3,420,896</u>	<u>56,962</u>	<u>(1,121,685)</u>	<u>2,356,173</u>	<u>1,047,076</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 \$157,385 of Colorado lottery funds during 2023 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, 2023
(continued)

V. Other Information (continued)

C. Retirement Plans

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

The District is a member of Colorado Retirement Association (“CRA”). CRA was established to provide retirement benefits to employees of Colorado local governments. As a member, the District participates in the CRA 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 CRA 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 2023, the District recognized \$84,716 of expense under this plan. During 2023, the District had \$2,068 of forfeitures, which were used to offset plan expenses. For 2023, the District's employees' covered payroll was \$2,823,867. The District had no liability to the Plan at December 31, 2023.

2. Deferred Compensation Plan – Section 457

The District also participates in the CRA 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 CRA 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 2023 and had no liability to the 457 Plan at December 31, 2023.

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, 2023
(With Comparative Amounts for 2022)

	2023		Final Budget Variance Positive (Negative)	2022
	Original & Final Budget	Actual		Actual
Revenues:				
Property and other taxes	2,663,961	2,752,914	88,953	2,783,084
Intergovernmental and donations	1,060,000	1,058,385	(1,615)	186,073
Federal grants	3,428,000	3,522,794	94,794	31,598
State and local grants	850,000	719,573	(130,427)	-
Charges for services:				
Wulf Recreation Center:				
Daily admissions and facility revenue	316,257	369,826	53,569	297,294
Aquatics programs	101,371	86,216	(15,155)	65,752
Concessions and merchandise	3,480	2,565	(915)	4,345
Program and instruction	-	731	731	1,826
Total Wulf Recreation Center	421,108	459,338	38,230	369,217
Buchanan Recreation Center:				
Daily admissions and facility revenue	737,895	808,565	70,670	705,046
Aquatics programs	107,199	102,954	(4,245)	93,571
Concessions and merchandise	4,560	5,125	565	6,682
Program and instruction	61,122	72,060	10,938	62,890
Total Buchanan Recreation Center	910,776	988,704	77,928	868,189
Lakehouse:				
Facility rentals	544,250	767,553	223,303	750,988
Boating rentals and classes	464,000	411,008	(52,992)	450,725
Skating and hockey revenue	344,850	401,148	56,298	495,465
Concessions and merchandise	8,750	10,034	1,284	10,402
Special events	34,500	19,662	(14,838)	48,765
Total Lakehouse	1,396,350	1,609,405	213,055	1,756,345
Parks and Fields	135,000	91,303	(43,697)	110,125
Recreation and other programs:				
Athletic programs	331,885	264,599	(67,286)	269,406
Children programs	419,877	386,827	(33,050)	404,577
Gymnastics programs	508,280	502,670	(5,610)	500,089
Recreation programs	334,958	325,613	(9,345)	314,225
Special population programs	155,000	141,782	(13,218)	189,588
Total Recreation and other programs	1,750,000	1,621,491	(128,509)	1,677,885
Special events and festivals	34,000	26,283	(7,717)	51,347
Rental and marketing income	100,367	77,475	(22,892)	119,959
Total Charges for Services	4,747,601	4,873,999	126,398	4,953,067
Investment income	60,000	134,889	74,889	43,762
Miscellaneous income	9,325	216,766	207,441	30,485
Total Revenues	12,818,887	13,279,320	460,433	8,028,069

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, 2023
(With Comparative Amounts for 2022)

	<u>2023</u>		<u>Final Budget Variance Positive (Negative)</u>	<u>2022</u>
	<u>Original & Final Budget</u>	<u>Actual</u>		<u>Actual</u>
Expenditures:				
General:				
Payroll	1,089,924	977,447	112,477	712,722
Repairs and maintenance	63,166	40,280	22,886	10,951
Utilities	12,720	24,079	(11,359)	11,780
Administrative	65,728	40,729	24,999	43,513
County treasurer fees	60,000	53,641	6,359	52,532
Insurance	216,500	205,892	10,608	192,383
Professional fees	227,897	141,408	86,489	270,574
Other expenses	222,360	195,471	26,889	48,239
Total General	<u>1,958,295</u>	<u>1,678,947</u>	<u>279,348</u>	<u>1,342,694</u>
Wulf Recreation Center:				
Payroll	535,275	609,293	(74,018)	499,475
Programs	1,080	158	922	589
Repairs and maintenance	111,066	113,980	(2,914)	141,736
Utilities	131,472	125,450	6,022	126,111
Administrative	15,096	20,501	(5,405)	12,592
Other expenses	73,110	65,912	7,198	62,645
Total Wulf Recreation Center	<u>867,099</u>	<u>935,294</u>	<u>(68,195)</u>	<u>843,148</u>
Buchanan Recreation Center:				
Payroll	847,770	947,207	(99,437)	709,869
Programs	9,470	3,217	6,253	7,910
Repairs and maintenance	134,143	189,747	(55,604)	183,565
Utilities	153,188	143,040	10,148	157,551
Administrative	12,478	14,875	(2,397)	11,807
Other expenses	44,420	46,247	(1,827)	38,830
Total Buchanan Recreation Center	<u>1,201,469</u>	<u>1,344,333</u>	<u>(142,864)</u>	<u>1,109,532</u>
Lakehouse:				
Payroll	684,238	609,992	74,246	550,368
Programs	47,550	47,706	(156)	30,531
Repairs and maintenance	70,850	79,922	(9,072)	83,945
Utilities	37,650	36,631	1,019	28,759
Administrative	10,265	12,504	(2,239)	8,695
Other expenses	58,500	65,656	(7,156)	70,208
Total Lakehouse	<u>909,053</u>	<u>852,411</u>	<u>56,642</u>	<u>772,506</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, 2023
(With Comparative Amounts for 2022)

	<u>2023</u>		<u>Final Budget Variance Positive (Negative)</u>	<u>2022</u>
	<u>Original & Final Budget</u>	<u>Actual</u>		<u>Actual</u>
Expenditures (continued):				
Parks and Fields:				
Payroll	620,861	597,477	23,384	515,091
Repairs and maintenance	133,082	171,176	(38,094)	189,355
Utilities	37,194	52,282	(15,088)	61,282
Administrative	4,864	4,394	470	2,298
Other expenses	24,000	28,592	(4,592)	26,305
Total Parks and Fields	<u>820,001</u>	<u>853,921</u>	<u>(33,920)</u>	<u>794,331</u>
Recreation and Other Programs				
Athletic programs	221,837	217,597	4,240	201,913
Children's programs	339,100	407,149	(68,049)	269,124
Gymnastics programs	391,722	435,115	(43,393)	394,439
Recreation programs	263,485	233,885	29,600	240,992
Special populations programs	148,324	189,822	(41,498)	171,499
Total Recreation and other programs	<u>1,364,468</u>	<u>1,483,568</u>	<u>(119,100)</u>	<u>1,277,967</u>
Capital Outlay	6,623,400	5,668,199	955,201	420,820
Debt Service				
Lease principal	-	35,209	(35,209)	70,367
Lease interest	-	1,484	(1,484)	4,517
Total Debt Service	<u>-</u>	<u>36,693</u>	<u>(36,693)</u>	<u>-</u>
Total Expenditures	<u>13,743,785</u>	<u>12,866,384</u>	<u>877,401</u>	<u>6,672,216</u>
Excess of Revenues Over Expenditures	(924,898)	412,936	1,337,834	1,355,853
Other Financing Sources (Uses):				
Transfers in	360,502	-	(360,502)	-
Transfer (out)	(360,502)	-	360,502	-
Insurance recoveries	-	77,341	77,341	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>77,341</u>	<u>77,341</u>	<u>-</u>
Change in Fund Balance	(924,898)	490,277	1,415,175	1,355,853
Fund Balance - Beginning		<u>5,331,401</u>		<u>3,975,548</u>
Fund Balance - Ending		<u><u>5,821,678</u></u>		<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, 2023
(With Comparative Amounts for 2022)

	2023		Final Budget Variance Positive (Negative)	2022
	Original & Final Budget	Actual		Actual
Revenues:				
Property tax for debt service	1,080,300	1,078,935	(1,365)	959,747
Investment income	-	19,804	19,804	
Total Revenues	1,080,300	1,098,739	18,439	959,747
Expenditures:				
Debt Service:				
Principal	960,000	960,000	-	920,000
Interest	119,800	119,800	-	156,600
Other expenses	800	300	500	-
Total Expenditures	1,080,600	1,080,100	500	1,076,600
Change in Fund Balance	(300)	18,639	18,939	(116,853)
Fund Balance - Beginning		433,856		550,709
Fund Balance - Ending		452,495		433,856

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, 2023**

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 ⁽¹⁾	Current Tax Collections ⁽²⁾	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 ⁽³⁾	3,575,055	3,446,299	96.40%

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

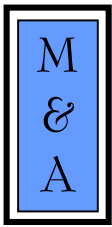
(2) The Jefferson County Treasurer's collection fees have not been deducted from these amounts, nor do they include delinquent tax collections or interest collected on current taxes.

(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

STATUTORY INFORMATION



MCMAHAN AND ASSOCIATES, L.L.C.

Certified Public Accountants and Consultants

CHAPEL SQUARE, BLDG C
245 CHAPEL PLACE, SUITE 300
P.O. Box 5850, AVON, CO 81620

WEB SITE: WWW.MCMAHANCPA.COM
MAIN OFFICE: (970) 845-8800
FACSIMILE: (970) 845-8108
E-MAIL: MCMAHAN@MCMAHANCPA.COM

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

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the 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, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated .

Internal Control Over Financial Reporting

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

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

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

Member: American Institute of Certified Public Accountants

PAUL J. BACKES, CPA, CGMA
MICHAEL N. JENKINS, CA, CPA, CGMA
MATTHEW D. MILLER, CPA

AVON: (970) 845-8800
ASPEN: (970) 544-3996
FRISCO: (970) 668-3481

INDEPENDENT AUDITOR'S REPORT
To the Board of Directors
Evergreen Park and Recreation District

Compliance and Other Matters

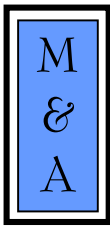
As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect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

Purpose of this Report

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

McMahan and Associates, L.L.C.

McMahan and Associates, L.L.C.
Avon, Colorado
September 27, 2024



MCMAHAN AND ASSOCIATES, L.L.C.

Certified Public Accountants and Consultants

CHAPEL SQUARE, BLDG C
245 CHAPEL PLACE, SUITE 300
P.O. Box 5850, AVON, CO 81620

WEB SITE: WWW.MCMAHANCPA.COM
MAIN OFFICE: (970) 845-8800
FACSIMILE: (970) 845-8108
E-MAIL: MCMAHAN@MCMAHANCPA.COM

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

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

Report on Compliance for Each Major Program

We have audited the Evergreen Park and Recreation District's (the "District") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended December 31, 2023. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the District's federal programs.

Member: American Institute of Certified Public Accountants

PAUL J. BACKES, CPA, CGMA
MICHAEL N. JENKINS, CA, CPA, CGMA
MATTHEW D. MILLER, CPA

AVON: (970) 845-8800
ASPEN: (970) 544-3996
FRISCO: (970) 668-3481

INDEPENDENT AUDITOR's REPORT
To the Board of Directors
Evergreen Park and Recreation District

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

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

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

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

**INDEPENDENT AUDITOR'S REPORT
To the Board of Directors
Evergreen Park and Recreation District**

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

McMahan and Associates, L.L.C.

**McMahan and Associates, L.L.C.
Avon, Colorado
September 27, 2024**

Evergreen Park and Recreation District, Colorado
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended December 31, 2023

Part I – Summary of Auditor’s Results

Financial Statements:

Type of auditor’s report issued	Unmodified
Internal control over financial reporting:	
Material weakness identified	None noted
Significant deficiency identified	None noted
Noncompliance material to financial statements noted	None noted

Federal Awards:

Internal control over major programs:	
Material weakness identified	None noted
Significant deficiency identified	None noted
Type of auditor’s report issued on compliance for major programs	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Title 2 U.S. Code of Federal Regulations Part 200	No
Major programs:	
Highway Planning and Construction	ALN 20.205
Dollar threshold used to identify Type A from Type B programs:	\$750,000
Identified as low-risk auditee	No

Part II – Findings Related to Financial Statements

Findings related to financial statements as required by <i>Government Auditing Standards</i>	None noted
Auditor-assigned reference number	Not applicable

Part III – Findings Related to Federal Awards

Internal control findings	None noted
Compliance findings	None noted
Questioned costs	None noted
Auditor-assigned reference number	Not applicable

**Evergreen Park and Recreation District
SCHEDULE OF PRIOR AUDIT FINDINGS AND QUESTIONED COSTS
For the Year Ended December 31, 2023**

Note: There were no findings for the fiscal year ended December 31, 2022.

**Evergreen Park and Recreation District
Schedule of Expenditures of Federal Awards
For the Year Ended December 2023**

<u>Program Title</u>	<u>Federal Assistance Listing Number</u>	<u>Grant/ Project Code</u>	<u>Expenditures</u>
U.S. Department of Transportation:			
Passed through Colorado Department of Transportation:			
Highway Planning and Construction	20.205	TAP C110-045	3,428,000
Total U.S. Department of Transportation			<u>3,428,000</u>
Department of the Treasury:			
Passed through Colorado Department of Local Affairs:			
COVID-19 - American Rescue Plan Act	21.027	N/A	94,794
Total Federal Financial Awards			<u>\$ 3,522,794</u>

Notes to the Schedule of Expenditures of Federal Awards For the Year Ended December 31, 2023.

Note 1. Basis of Presentation:

The Schedule of Expenditures of Federal Awards includes the federal grant activity of Evergreen Park and Recreation District (the "District") and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards ("Uniform Guidance")*. Therefore some amounts presented in this schedule may differ from amounts presented in or used in the preparation of the general purpose financial statements.

Note 2. Pass Through Sub recipients:

The District had no sub recipients as of December 31, 2023.

Note 3. Indirect Facilities and Administration Costs

The District does not use the 10% de minimis cost rate allowed in Title 2 U.S. Code of Federal Regulations (CFR) Part 200.414, Indirect (F&A) costs.