

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

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

**YEAR ENDED DECEMBER 31, 2024**

**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, 2024, 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, 2024, 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 23, 2025

**EVERGREEN METROPOLITAN DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEARS ENDED DECEMBER 31, 2024**

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, 2024.

**Financial Highlights**

- The District's total net position increased by \$896,312, the majority of this increase is due to water sales and capital contributions.
- Compared to the prior year, the District's total revenues, consisting of operating and nonoperating, increased by \$899,366 (12.59%); water sales increased by \$557,925 (15.20%) and wastewater treatment charges increased by \$124,200 (7.04%).
- The District's expenses, inclusive of depreciation expense, increased \$187,170 (2.39%).
- The District's total debt outstanding as of December 31, 2024 was \$3,297,524, which consists of a 2009 loan from the Water Pollution Control Revolving Fund (\$487,654), and a 2021 loan from the Drinking Water Revolving Fund (\$2,809,870). 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, 2024**

The District's net position increased \$896,312 in 2024. The main reasons for this increase in net position is from the receipts of system development fees reported in capital contributions due to timing of development and higher water sales during the year. 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, 2024, total assets exceeded total liabilities by \$54,014,839.

**Statement of Net Position**

<b>Year Ending December 31,</b>	<u><b>2024</b></u>	<u><b>2023</b></u>
<b>ASSETS</b>		
Current Assets	\$ 13,827,143	\$ 13,339,584
Other Assets	1,813,763	1,998,085
Capital Assets, Net	43,989,667	43,521,125
Total Assets	<u>59,630,573</u>	<u>58,858,794</u>
<b>LIABILITIES</b>		
Current Liabilities	1,057,394	876,080
Other Liabilities	180,000	186,000
Deferred Inflow of Resources	978,096	1,046,394
Long-Term Liabilities	3,400,244	3,631,793
Total Liabilities	<u>5,615,734</u>	<u>5,740,267</u>
<b>NET POSITION</b>		
Net Position Invested in Capital Assets	40,419,100	40,056,820
Restricted Net Position	1,536,343	783,998
Unrestricted Net Position	<u>12,059,396</u>	<u>12,277,709</u>
Total Net Position	<u><u>\$ 54,014,839</u></u>	<u><u>\$ 53,118,527</u></u>

**EVERGREEN METROPOLITAN DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEARS ENDED DECEMBER 31, 2024**

Operating revenue increased by \$834,317 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 water usage rates and wastewater base rate increase per equivalent tap per month for 2024.

Revenue from system development fees, inclusions and cost recovery, contractual payments, proceeds of sale of assets, interest income, grants, insurance proceeds, and other non-operating revenues increased by \$304,041. The main factor for the increase in system development fees collected in 2024 as compared to 2023 is due to timing of development.

Operating expenses decreased by \$64,278. General and administrative, depreciation and other non-operating expenses increased \$251,448.

**Review of Change in Net Position**

<b>Year Ending December 31,</b>	<b>2024</b>	<b>2023</b>
<b>REVENUES</b>		
Operating Revenue	\$ 7,322,124	\$ 6,487,807
Nonoperating Revenue	719,409	654,360
Total Revenues	<u>8,041,533</u>	<u>7,142,167</u>
<b>EXPENSES</b>		
Operating Expenses	4,512,415	4,576,693
General and Administrative	1,117,038	952,114
Depreciation	2,316,474	2,226,470
Non-Operating Expenses	75,032	78,512
Total Expenses	<u>8,020,959</u>	<u>7,833,789</u>
<b>INCOME (LOSS) BEFORE CONTRIBUTIONS</b>	20,574	(691,622)
<b>CAPITAL CONTRIBUTIONS</b>	875,738	636,746
<b>CHANGE IN NET POSITION</b>	896,312	(54,876)
Net Position - Beginning of Year	<u>53,118,527</u>	<u>53,173,403</u>
<b>NET POSITION - END OF YEAR</b>	<u>\$ 54,014,839</u>	<u>\$ 53,118,527</u>

**EVERGREEN METROPOLITAN DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEARS ENDED DECEMBER 31, 2024**

**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.

Total actual revenues of the District was lower than the original budgeted total revenues by \$722,771, mainly due to the receipts of system development and inclusion fees which were impacted by timing of the development. Total actual expenditures were \$2,542,137 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 Replacements, and Sewer Main Replacements.

**Capital Assets Activity**

The activity related to capital assets is as follows:

	<u>2024</u>	<u>2023</u>
Source of Supply	\$ 2,565,526	\$ 2,565,526
Land and Right of Way	253,692	253,692
Construction in Progress	928,968	2,992,799
Operating System	32,707,977	30,250,511
Buildings and Improvements	1,605,330	1,308,559
Equipment and Vehicles	968,603	817,712
Facilities Owned by Other Districts	4,959,571	5,332,326
Total Capital Assets, Net	<u>\$ 43,989,667</u>	<u>\$ 43,521,125</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 2024.

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, 2024**

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

For 2025, the District has budgeted a total revenue of \$10,008,439, which is \$365,859 higher compared with the 2024 budgeted amount.

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 \$58.00 to \$61.50 per equivalent tap per month.

2025 total expenditures are budgeted at \$13,501,763, which is \$2,433,990 higher compared with the 2024 budget amount. The main factor for these increases is related to the anticipated capital projects during 2025.

**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, 2024**

**ASSETS**

**CURRENT ASSETS**

Cash and Cash Equivalents	\$ 11,536,827
Cash and Cash Equivalents - Restricted	1,536,343
Accounts Receivable	737,973
Accrued Interest Receivable	1,922
Prepaid Expenses	14,078
Total Current Assets	13,827,143

**OTHER ASSETS**

Other Intangible, Net	749,512
Tower Lease Receivable	1,064,251
Total Other Assets	1,813,763

**CAPITAL ASSETS, NET**

	43,989,667
Total Assets	\$ 59,630,573

**LIABILITIES AND NET POSITION**

**CURRENT LIABILITIES**

Accounts Payable and Accrued Expenses	\$ 869,057
Accrued Interest Payable	12,014
Loan Payable - Current Portion	170,323
Open Space Agreement - Current Portion	6,000
Total Current Liabilities	1,057,394

**OTHER LIABILITIES**

Unearned Revenue - Open Space Agreement	180,000
Total Other Liabilities	180,000

**DEFERRED INFLOW OF RESOURCES**

Tower Lease	978,096
Total Deferred Inflow of Resources	978,096

**LONG-TERM OBLIGATIONS**

Loan Payable, Net of Current	3,127,201
Accrued Employee Benefits Payable	273,043
Total Long-Term Obligations	3,400,244

**NET POSITION**

Net Investment in Capital Assets	40,419,100
Restricted	1,536,343
Unrestricted	12,059,396
Total Net Position	54,014,839

	\$ 59,630,573
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See accompanying Notes to Basic Financial Statements.

**EVERGREEN METROPOLITAN DISTRICT  
STATEMENT OF REVENUES, EXPENSES, AND CHANGE IN NET POSITION  
YEAR ENDED DECEMBER 31, 2024**

<b>OPERATIONS</b>	
Service Revenues	\$ 7,322,124
Direct Expenses	<u>4,512,415</u>
<b>GROSS PROFIT FROM OPERATIONS</b>	2,809,709
<b>GENERAL AND ADMINISTRATIVE EXPENSES</b>	
General and Administrative	1,117,038
Depreciation and Amortization	<u>2,316,474</u>
<b>NET LOSS FROM OPERATIONS</b>	(623,803)
<b>NONOPERATING REVENUES</b>	719,409
<b>NONOPERATING EXPENSES</b>	<u>75,032</u>
<b>INCOME BEFORE CONTRIBUTIONS</b>	20,574
<b>CAPITAL CONTRIBUTIONS</b>	<u>875,738</u>
<b>CHANGE IN NET POSITION</b>	896,312
Net Position - Beginning of Year	<u>53,118,527</u>
<b>NET POSITION - END OF YEAR</b>	<u><u>\$ 54,014,839</u></u>

See accompanying Notes to Basic Financial Statements.

**EVERGREEN METROPOLITAN DISTRICT  
STATEMENT OF CASH FLOWS  
YEAR ENDED DECEMBER 31, 2024**

**CASH FLOWS FROM OPERATING ACTIVITIES**

Receipts from Customers	\$ 6,169,359
Receipts for Sales and Services (Customers and Other Districts)	836,723
Receipts from Water Department	153,120
Other Receipts	162,922
Payments to Suppliers	(2,315,286)
Payments to Employees and Related Expenses	(3,308,636)
Net Cash Provided by Operating Activities	<u>1,698,202</u>

**CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES**

Proceeds from Sale of Assets	15,355
Acquisition of Property, Plant, and Equipment	(2,635,118)
Receipts from Leases	69,334
Contractual Payments Received	6,572
System Development Fees Received	664,500
Inclusion Fees Received	61,541
Other Grants and Receipts	171,847
Loan Interest and Administrative Fees	(75,032)
Loan Principal Reduction	(166,781)
Net Cash Used by Capital and Related Financing Activities	<u>(1,887,782)</u>

**CASH FLOWS FROM INVESTING ACTIVITIES**

Net Investment Income Received	<u>633,892</u>
Net Cash Provided by Investing Activities	<u>633,892</u>

**NET INCREASE IN CASH, CASH EQUIVALENTS AND RESTRICTED CASH**

444,312

Cash, Cash Equivalents and Restricted Cash - Beginning of Year

12,628,858

**CASH, CASH EQUIVALENTS AND RESTRICTED CASH - END OF YEAR**

\$ 13,073,170

**RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES**

Loss from Operations	\$ (623,803)
Adjustments to Reconcile Loss from Operations to Net Cash Provided by Operating Activities	
Depreciation and Amortization	2,316,474
Decrease (Increase) in Prepaid Expenses	(7,789)
Decrease (Increase) in Accounts Receivable	(35,518)
Increase (Decrease) in Deferred Revenue	(1,260)
Increase (Decrease) in Accounts Payable and Accrued Expenses	179,622
Increase (Decrease) in Accrued Employee Benefits Payable	(61,226)
Increased (Decrease) in Deferred Inflow of Resources	(68,298)
Net Cash Provided by Operating Activities	<u><u>\$ 1,698,202</u></u>

See accompanying Notes to Basic Financial Statements.

**EVERGREEN METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**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, 2024**

**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.

In June 2022, the GASB issued Statement No. 101, *Compensated Absences*. This guidance requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. Leave is attributable to services already rendered when an employee has performed the services required to earn the leave. Leave that accumulates is carried forward from the reporting period in which it is earned to a future reporting period during which it may be used for time off or otherwise paid or settled. In estimating the leave that is more likely than not to be used or otherwise paid or settled, a government should consider relevant factors such as employment policies related to compensated absences and historical information about the use or payment of compensated absences. However, leave that is more likely than not to be settled through conversion to defined benefit postemployment benefits should not be included in a liability for compensated absences. The District adopted the standard effective January 1, 2024. The impact of the adoption was not considered material to the financial statements.

**EVERGREEN METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

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

**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.

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.

**EVERGREEN METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

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

**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.

**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**

The District allows employees to accumulate up to one full year's worth of vacation time, based on their years of service with the District, as well as up to one full year of sick leave. Employees may also earn up to 80 hours of Paid Time Off (PTO) per year. At the end of the year, used vacation, sick leave, and PTO are paid out in accordance with the District's end-of-year payout policies.

**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.

**EVERGREEN METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

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

**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).

**NOTE 3 CASH AND INVESTMENTS**

Cash and investments as of December 31, 2024 are classified in the accompanying financial statements as follows:

Statement of Net Position:

Cash and Cash Equivalents	\$ 11,536,827
Cash and Cash Equivalents - Restricted	1,536,343
Total Cash and Investments	<u><u>\$ 13,073,170</u></u>

Cash and cash equivalents as of December 31, 2024 consist of the following:

Deposits with Financial Institutions	\$ 875,243
Cash on Hand	200
Investments	12,197,727
Total Cash and Cash Equivalents	<u><u>\$ 13,073,170</u></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.

**EVERGREEN METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

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

**Deposits with Financial Institutions (Continued)**

At December 31, 2024 the District had the following deposits with financial institutions:

	Bank Balance	Carrying Balance
Insured Deposits	\$ 500,000	\$ 500,000
Deposits Collateralized in Single Institution Pools	854,263	375,243
Total Deposits with Financial Institutions	\$ 1,354,263	\$ 875,243

**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, 2024, the District had the following investments:

Investment	Maturity	Amount
Colorado Surplus Asset Fund Trust (CSAFE)	Weighted-Average Under 60 Days	\$ 1,118,447
Colorado Liquid Asset Trust (COLOTRUST)	Weighted-Average Under 60 Days	11,079,280
Total		\$ 12,197,727

**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.

**EVERGREEN METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

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

**COLOTRUST (Continued)**

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.

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.

**EVERGREEN METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

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

**CSAFE (Continued)**

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 AAmmf 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.

**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%.

**EVERGREEN METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**NOTE 4 LEASES RECEIVABLES (CONTINUED)**

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>
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	56,909	31,707	88,616
2030-2034	365,645	123,947	489,592
2035-2039	395,195	50,792	445,987
2040-2042	70,761	3,769	74,530
Total	<u>\$ 1,064,251</u>	<u>\$ 353,851</u>	<u>\$ 1,418,102</u>

**EVERGREEN METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**NOTE 5 CAPITAL ASSETS**

An analysis of the changes in capital assets for the year ended December 31, 2024 follows:

	Balance December 31, 2023	Additions	Retirements	Balance December 31, 2024
Capital Assets, Not Being Depreciated:				
Source of Supply	\$ 2,565,526	\$ -	\$ -	\$ 2,565,526
Land and Right of Way - Water	227,456	-	-	227,456
Land and Right of Way - Wastewater	26,236	-	-	26,236
Construction in Progress - Water	2,992,799	76,315	(2,140,146)	928,968
Total Capital Assets, Not Being Depreciated	5,812,017	76,315	(2,140,146)	3,748,186
Capital Assets, Being Depreciated:				
Water Infrastructure	18,787,617	2,532,736	-	21,320,353
Wastewater Infrastructure	13,635,629	932,792	-	14,568,421
Water Treatment Plant	19,122,521	261,274	-	19,383,795
Wastewater Treatment Plant	9,193,589	154,996	-	9,348,585
Buildings and Improvements	2,853,726	385,759	-	3,239,485
General Equipment	2,756,402	431,391	-	3,187,793
Transportation Equipment	1,195,956	-	(17,742)	1,178,214
Maps	177,571	-	-	177,571
GIS Project	71,939	-	-	71,939
Facilities Owned by Other Districts	16,837,898	-	-	16,837,898
Total Capital Assets, Being Depreciated	84,632,848	4,698,948	(17,742)	89,314,054
Less Accumulated Depreciation For:				
Water Infrastructure	(10,103,799)	(427,487)	-	(10,531,286)
Wastewater Infrastructure	(8,254,792)	(285,679)	-	(8,540,471)
Water Treatment Plant	(7,281,941)	(476,160)	-	(7,758,101)
Wastewater Treatment Plant	(4,848,313)	(235,006)	-	(5,083,319)
Buildings and Improvements	(1,545,167)	(88,988)	-	(1,634,155)
General Equipment	(2,210,206)	(191,373)	-	(2,401,579)
Transportation Equipment	(926,448)	(89,127)	17,742	(997,833)
Maps	(175,563)	-	-	(175,563)
GIS Project	(71,939)	-	-	(71,939)
Facilities Owned by Other Districts	(11,505,572)	(372,755)	-	(11,878,327)
Total Accumulated Depreciation	(46,923,740)	(2,166,575)	17,742	(49,072,573)
Capital Assets, Net	<u>\$ 43,521,125</u>	<u>\$ 2,608,688</u>	<u>\$ (2,140,146)</u>	<u>\$ 43,989,667</u>

Depreciation and amortization expense for the year ended December 31, 2024 was \$2,316,474, which includes \$2,166,575 depreciation expense and \$149,899 amortization expense.

**EVERGREEN METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**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, 2024:

	Balance December 31, 2023	Additions	Reductions	Balance December 31, 2024	Amounts Due Within One Year
<b>Notes/Loans From Direct Borrowings and Placements</b>					
Water:					
CWRPDA Loan (2021) - D21F040					
Drinking Water Revolving Fund	\$ 2,884,809	\$ -	\$ 74,939	\$ 2,809,870	\$ 76,635
Subtotal - Water	2,884,809	-	74,939	2,809,870	76,635
Wastewater:					
CWRPDA Loan (2009) - F09F040					
Water Pollution Control					
Revolving Fund	579,496	-	91,842	487,654	93,688
Subtotal - Wastewater	579,496	-	91,842	487,654	93,688
<b>Other Obligations</b>					
Accrued Employee Benefits Payable	334,269	-	61,226	273,043	-
Subtotal - Other Obligations	334,269	-	61,226	273,043	-
<b>Total Long-Term Obligations</b>	<b>\$ 3,798,574</b>	<b>\$ -</b>	<b>\$ 228,007</b>	<b>\$ 3,570,567</b>	<b>\$ 170,323</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 annual budget for the current fiscal year.

**EVERGREEN METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**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>
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>\$ 487,654</u>	<u>\$ 27,221</u>	<u>\$ 514,875</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>
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	83,810	55,619	139,429
2030-2034	448,365	248,775	697,140
2035-2039	501,440	195,702	697,142
2040-2044	560,794	136,347	697,141
2045-2049	627,175	69,966	697,141
2050-2051	271,185	7,670	278,855
Total	<u>\$ 2,809,870</u>	<u>\$ 954,690</u>	<u>\$ 3,764,560</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, 2024, the District had the following net investment in capital assets, calculated as follows:

Net Investment in Capital Assets:	
Capital Assets, Net	\$ 43,989,667
Current Portion of Long-Term Obligations	(170,323)
Noncurrent Portion of Long-Term Obligations	<u>(3,400,244)</u>
Total	<u>\$ 40,419,100</u>

**EVERGREEN METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**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 \$1,536,343 as of December 31, 2024 for the operation and maintenance reserve as required by the 2021 loan from the Drink Water Revolving Fund.

The District's unrestricted net position as of December 31, 2024 was \$11,786,353.

**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, 2024**

**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, 2024, 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, 2024**

**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 pro-rata 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, 2024. 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, 2024**

**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, 2024**

**OPERATIONS**

Revenues:

Water Sales	\$ 4,228,115
Wastewater Treatment Charges	1,887,454
Pretreatment Revenue	53,790
Tap Purchase Agreements	2,220
Late Charges and Service Charges	46,393
Services to Public	4,081
Services to Districts	762,227
Services to Water Department	153,120
Connections and Inspections	21,802
Tower Leases Revenue	69,334
Miscellaneous	93,588
Total Revenues	7,322,124

Direct Expenses:

Water Treatment & Transmission	1,476,085
Wastewater Treatment & Lift Stations	1,451,830
Water Resources	512,074
Collection and Distribution	878,981
Other Operating	193,445
Total Direct Expenses	4,512,415

**GROSS PROFIT FROM OPERATIONS**

2,809,709

**GENERAL AND ADMINISTRATIVE EXPENSES**

Audit	13,000
Accounting	52,639
Depreciation and Amortization	2,316,474
Insurance	165,542
Legal	98,458
Engineering	470
Office and Operating	36,298
Safety	12,837
Utilities	4,361
Outside Services and Fees	139,118
Repairs and Maintenance	17,802
Directors' Fees and Payroll Taxes	13,042
Payroll Services	8,337
Miscellaneous	5,512
Subscriptions, Meetings and Outreach	55,294
Travel, Education and Training	7,037
Employee Expense	487,291
Total General and Administrative Expenses	3,433,512

**NET LOSS FROM OPERATIONS**

(623,803)

**EVERGREEN METROPOLITAN DISTRICT  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN NET POSITION (CONTINUED)  
YEAR ENDED DECEMBER 31, 2024**

<b>NONOPERATING REVENUES</b>	
Interest Income	\$ 673,255
Grants	30,799
Proceeds from Sale of Assets	<u>15,355</u>
Total Nonoperating Revenues	<u>719,409</u>
 <b>NONOPERATING EXPENSES</b>	
Loan Interest and Administrative Fees	<u>75,032</u>
Total Nonoperating Expenses	<u>75,032</u>
 <b>LOSS BEFORE CONTRIBUTIONS</b>	 20,574
 <b>CAPITAL CONTRIBUTIONS</b>	
System Development Fees	664,500
Tap Transfer Fee	9,600
Inclusions	61,541
Contractual Payments	6,572
Miscellaneous	<u>133,525</u>
Total Capital Contributions	<u>875,738</u>
 <b>CHANGE IN NET POSITION</b>	 <u><u>\$ 896,312</u></u>

**EVERGREEN METROPOLITAN DISTRICT  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUNDS AVAILABLE –  
BUDGET AND ACTUAL (BUDGETARY BASIS)  
YEAR ENDED DECEMBER 31, 2024**

	Original and Final Budget	Actual	Variance
<b>OPERATING REVENUES</b>			
Water Sales	\$ 3,830,000	\$ 4,228,115	\$ 398,115
Wastewater Treatment Charges	1,878,000	1,887,454	9,454
Pretreatment Revenue	56,400	53,790	(2,610)
Tap Purchase Agreements	3,000	2,220	(780)
Late Charges and Service Charges	37,000	46,393	9,393
Services to Public	8,000	4,081	(3,919)
Services to Districts (Water)	153,000	148,445	(4,555)
Services to Districts (Wastewater)	633,000	613,782	(19,218)
Services to Water Department	153,120	153,120	-
Connections and Inspections (Water)	47,210	19,412	(27,798)
Connections and Inspections (Wastewater)	1,600	2,390	790
Tower Leases Revenue	71,000	74,882	3,882
Interest Income	450,000	633,892	183,892
Miscellaneous	28,000	93,588	65,588
Total Operating Revenues	7,349,330	7,961,564	612,234
<b>OPERATING EXPENDITURES</b>			
<u>Water Treatment &amp; Transmission</u>			
Chemicals	95,000	93,992	1,008
Supplies and Maintenance	140,000	132,767	7,233
Gas and Electric	252,000	226,188	25,812
Laboratory	38,000	33,941	4,059
Wastewater Treatment Services	153,120	153,120	-
Employee Expense	911,000	836,077	74,923
<u>Wastewater Treatment &amp; Lift Stations</u>			
Chemicals	50,000	38,611	11,389
Supplies and Maintenance	135,000	102,633	32,367
Gas and Electric	152,520	123,255	29,265
Laboratory	17,000	16,661	339
Landfill and Sludge Disposal	198,400	175,161	23,239
Employee Expense	953,000	995,509	(42,509)
<u>Water Resources</u>			
Source of Supply	50,000	49,949	51
Water Rights Maintenance & Engineering	93,000	53,016	39,984
Supplies and Maintenance	37,000	44,711	(7,711)
New Service Supplies	14,500	25,477	(10,977)
Bear Creek Watershed Dues	22,000	21,202	798
CDH Discharge Permit	5,000	4,855	145
Employee Expense	417,000	312,864	104,136
<u>Collection and Distribution</u>			
Supplies and Maintenance	37,000	41,011	(4,011)
Gas and Electric	9,990	14,767	(4,777)
Distribution Expense	200,000	135,276	64,724
Collection Expense	10,000	11,032	(1,032)
Employee Expense	727,000	676,895	50,105

**EVERGREEN METROPOLITAN DISTRICT  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUNDS AVAILABLE –  
BUDGET AND ACTUAL (BUDGETARY BASIS) (CONTINUED)  
YEAR ENDED DECEMBER 31, 2024**

	Original and Final Budget	Actual	Variance
<b>OPERATING EXPENDITURES (CONTINUED)</b>			
<u>Other Operating</u>			
Truck Expense	\$ 58,900	\$ 125,810	\$ (66,910)
Equipment Maintenance Expense	61,500	67,635	(6,135)
Total Operating Expenditures	<u>4,837,930</u>	<u>4,512,415</u>	<u>325,515</u>
<b>GENERAL AND ADMINISTRATIVE</b>			
Audit	13,000	13,000	-
Accounting	57,000	52,639	4,361
Insurance	152,000	165,542	(13,542)
Legal	86,000	98,458	(12,458)
Engineering	5,000	470	4,530
Office and Operating	29,280	36,298	(7,018)
Safety	18,450	12,837	5,613
Utilities	46,710	4,361	42,349
Outside Services and Fees	132,000	139,118	(7,118)
Repairs and Maintenance	34,000	17,802	16,198
Directors' Fees and Payroll Taxes	14,000	13,042	958
Payroll Services	12,000	8,337	3,663
Miscellaneous	1,000	4,062	(3,062)
Subscriptions, Meetings and Outreach	98,000	55,294	42,706
Travel, Education and Training	-	7,037	(7,037)
Employee Expense	609,000	487,291	121,709
Total General and Administrative	<u>1,307,440</u>	<u>1,115,588</u>	<u>191,852</u>
<b>DEBT SERVICE</b>			
CWRPDA 2009 Loan Principal	91,842	91,842	-
CWRPDA 2009 Loan Interest	11,133	11,133	-
CWRPDA 2021 Loan Principal	74,939	74,939	-
CWRPDA 2021 Loan Interest	64,489	64,489	-
Total Debt Service	<u>242,403</u>	<u>242,403</u>	<u>-</u>
<b>CAPITAL REVENUES</b>			
Water System Development Fees	870,500	388,500	(482,000)
Wastewater System Development Fees	336,000	276,000	(60,000)
Water Inclusions	334,000	37,938	(296,062)
Wastewater Inclusions	10,000	23,603	13,603
Tap Transfer Fees	-	9,600	9,600
Development Review	3,750	36,353	32,603
Miscellaneous	50,000	133,525	83,525
Contractual Payments from Hidden Valley	20,000	6,572	(13,428)
Proceeds from Water Meter Recycling	2,000	-	(2,000)
Proceeds from Sale of Assets	10,000	15,355	5,355
Grants	657,000	30,799	(626,201)
Total Capital Revenues	<u>2,293,250</u>	<u>958,245</u>	<u>(1,335,005)</u>

**EVERGREEN METROPOLITAN DISTRICT  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUNDS AVAILABLE –  
BUDGET AND ACTUAL (BUDGETARY BASIS) (CONTINUED)  
YEAR ENDED DECEMBER 31, 2024**

	Original and Final Budget	Actual	Variance
<b>CAPITAL EXPENDITURES</b>			
<u>Water Capital</u>			
Bulk Station Upgrade	\$ 55,000	\$ 47,461	\$ 7,539
Cellular Meter Project	25,000	23,786	1,214
Chemical Building	150,000	180,774	(30,774)
Dam Outlet Structure Improvements	500,000	40,435	459,565
Dam Spillway	50,000	6,167	43,833
Distribution System Pressure Monitoring	10,000	-	10,000
Fire Hydrant Replacements	30,000	32,809	(2,809)
Hidden Valley Project	20,000	3,143	16,857
Hydraulic Water Model Analysis	-	70,758	(70,758)
Lookout Mountain Interconnect	800,000	26,570	773,430
Main Replacements	370,000	125,401	244,599
Process Control	5,000	5,650	(650)
SCADA Upgrade	65,000	32,213	32,787
Telemetry Radio Network Upgrade	20,000	27,463	(7,463)
Treatment Plan Equipment	103,000	79,439	23,561
Troublesome Gulch Flow Monitoring	-	53,471	(53,471)
Wastewater Taps	80,500	80,500	-
Total Water Capital	2,283,500	836,040	1,447,460
<u>Wastewater Capital</u>			
BioSolids Dewatering	150,000	138,671	11,329
Centrifugal Blower & VFD's - Replacements	530,000	432,485	97,515
El Pinal LS Upgrade	300,000	164,202	135,798
Pump Replacements	30,000	-	30,000
Process Control	-	3,377	(3,377)
Sand Filter Actuator Valves	32,000	31,638	362
Sewer Mains	500,000	271,451	228,549
Tanoa LS Upgrade	50,000	2,682	47,318
WWTP Equipment	85,000	8,251	76,749
Total Wastewater Capital	1,677,000	1,052,757	624,243
<u>General Capital</u>			
Building and Improvements	138,000	347,759	(209,759)
Cyber Security Assessment/Upgrades	80,000	1,450	78,550
Development Review	12,000	18,662	(6,662)
Fire Mitigation/Tree Removal	30,000	38,000	(8,000)
General Office Improvements	98,000	70,068	27,932
Miscellaneous	100,000	47,426	52,574
Standards and Specs	56,000	48,893	7,107
Strategic Planning	20,000	11,319	8,681
Trucks and Equipment	185,500	182,856	2,644
Total General Capital	719,500	766,433	(46,933)
Total Capital Expenditures	4,680,000	2,655,230	2,024,770
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	(1,425,193)	394,173	(3,264,908)
Funds Available - Beginning of Year	10,846,925	11,041,231	194,306
<b>FUNDS AVAILABLE - END OF YEAR</b>	\$ 9,421,732	\$ 11,435,404	\$ (3,070,602)

**EVERGREEN METROPOLITAN DISTRICT  
RECONCILIATION OF BUDGETARY BASIS (ACTUAL) TO STATEMENT OF REVENUES,  
EXPENSES, AND CHANGE IN NET POSITION  
YEAR ENDED DECEMBER 31, 2024**

Revenues (Budgetary Basis)	\$ 8,919,809
Change in Development Review	<u>(36,353)</u>
Total Revenues per Statement of Revenues, Expenses, and Change in Net Position	8,883,456
Expenditures (Budgetary Basis)	8,525,636
Depreciation and amortization	2,316,474
Change in Accrued Interest Expense	(590)
Change in Tower Lease Income and Receivable	(33,815)
Change in Development Review	(18,662)
Capital Outlay	(2,635,118)
Loan Principal	<u>(166,781)</u>
Total Expenses per Statement of Revenues, Expenses, and Change in Net Position	<u>7,987,144</u>
Change in Net Position per Statement of Revenues, Expenses, and Change in Net Position	<u><u>\$ 896,312</u></u>

**EVERGREEN METROPOLITAN DISTRICT  
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY  
YEAR ENDED DECEMBER 31, 2024**

<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>
	2025	\$ 93,688	\$ 9,287	\$ 76,635
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>\$ 487,654</u>	<u>\$ 27,221</u>	<u>\$ 2,809,870</u>	<u>\$ 954,690</u>

**EVERGREEN METROPOLITAN DISTRICT  
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY  
YEAR ENDED DECEMBER 31, 2024**

<u>Year Ending December 31,</u>	Total		
	Principal	Interest	Total
2025	\$ 170,323	\$ 72,080	\$ 242,403
2026	173,940	68,463	242,403
2027	177,634	64,769	242,403
2028	181,407	60,996	242,403
2029	185,261	57,143	242,404
2030	85,706	53,722	139,428
2031	87,645	51,783	139,428
2032	89,628	49,800	139,428
2033	91,656	47,772	139,428
2034	93,730	45,698	139,428
2035	95,851	43,577	139,428
2036	98,020	41,408	139,428
2037	100,238	39,191	139,429
2038	102,506	36,923	139,429
2039	104,825	34,603	139,428
2040	107,197	32,231	139,428
2041	109,622	29,806	139,428
2042	112,103	27,326	139,429
2043	114,639	24,789	139,428
2044	117,233	22,195	139,428
2045	119,886	19,543	139,429
2046	122,598	16,830	139,428
2047	125,372	14,056	139,428
2048	128,209	11,219	139,428
2049	131,110	8,318	139,428
2050	134,076	5,352	139,428
2051	137,109	2,318	139,427
Total	<u>\$ 3,297,524</u>	<u>\$ 981,911</u>	<u>\$ 4,279,435</u>