EVERGREEN METROPOLITAN DISTRICT
Jefferson County, Colorado

FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

YEAR ENDED DECEMBER 31, 2025

EVERGREEN METROPOLITAN DISTRICT
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YEAR ENDED DECEMBER 31, 2025

WATSON COON RYAN
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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Evergreen Metropolitan District
Evergreen, Colorado

Opinion

We have audited the financial statements of business-type activities of Evergreen Metropolitan District as of and for the year ended December 31, 2025, 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's, as of December 31, 2025, 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

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 Evergreen Metropolitan District's ability to continue as a going concern for twelve months beyond the financial statement issuance date, including any currently known information that may raise substantial doubt shortly thereafter.

6025 SOUTH QUEBEC STREET, #260, CENTENNIAL, COLORADO 80111
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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 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 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.

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. The 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
JUNE 24, 2026

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, 2025.

Financial Highlights

- The District's total net position increased by $619,939, 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 $13,846 (0.16%); water sales increased by $80,079 (1.89%) and wastewater treatment charges increased by $119,485 (6.33%).
- The District's expenses, inclusive of depreciation expense, increased $148,658 (1.85%).
- The District's total debt outstanding as of December 31, 2025 was $3,127,201, which consists of a 2009 loan from the Water Pollution Control Revolving Fund ($393,966), and a 2021 loan from the Drinking Water Revolving Fund ($2,733,235). 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.

The District's net position increased $619,939 in 2025. The main reasons for this increase in net position is from the receipts of system development fees reported in nonoperating revenues 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, 2025, total assets exceeded total liabilities by $54,634,778.

Statement of Net Position

Year Ending December 31,	**2025**	**2024**
ASSETS		
Current Assets	$ 13,824,475	$ 13,827,143
Other Assets	1,625,859	1,813,763
Capital Assets, Net	44,451,777	43,989,667
Total Assets	59,902,111	59,630,573
LIABILITIES		
Current Liabilities	889,989	1,057,394
Other Liabilities	174,000	180,000
Deferred Inflow of Resources	909,801	978,096
Long-Term Liabilities	3,293,543	3,400,244
Total Liabilities	5,267,333	5,615,734
NET POSITION		
Net Position Invested in Capital Assets	41,324,576	40,419,100
Restricted Net Position	1,592,215	1,536,343
Unrestricted Net Position	11,717,987	12,059,396
Total Net Position	$ 54,634,778	$ 54,014,839

Operating revenue increased by $225,705 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 2025.

Revenue from system development fees, inclusions and cost recovery, contractual payments, proceeds of sale of assets, interest income, grants, insurance proceeds, and other nonoperating revenues decreased by $353,420. The main factor for the decrease in system development fees collected in 2025 as compared to 2024 is due to timing of development.

Operating expenses decreased by $208,665. General and administrative, deprecation and other nonoperating expenses increased $357,323.

Review of Change in Net Position

Year Ending December 31,	2025	2024
REVENUES		
Operating Revenue	$ 7,547,829	$ 7,322,124
Nonoperating Revenue	1,172,050	1,383,909
Total Revenues	8,719,879	8,706,033
EXPENSES		
Operating Expenses	4,303,750	4,512,415
General and Administrative	1,360,595	1,117,038
Depreciation	2,433,795	2,316,474
Non-Operating Expenses	71,477	75,032
Total Expenses	8,169,617	8,020,959
INCOME (LOSS) BEFORE CONTRIBUTIONS	550,262	685,074
CAPITAL CONTRIBUTIONS	69,677	211,238
CHANGE IN NET POSITION	619,939	896,312
Net Position - Beginning of Year	54,014,839	53,118,527
NET POSITION - END OF YEAR	$ 54,634,778	$ 54,014,839

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 $1,237,750, mainly due to the receipts of system development and inclusion fees which were impacted by timing of the development. Total actual expenditures were $4,898,597 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 Chemical Building, Water Main Replacements, BioSolids Dewatering, Building Improvements and Trucks and Equipment.

Capital Assets Activity

The activity related to capital assets is as follows:

	2025	2024
Source of Supply	$ 2,553,795	$ 2,565,526
Land and Right of Way	253,692	253,692
Construction in Progress	1,001,773	928,968
Operating System	32,807,298	32,707,977
Buildings and Improvements	1,666,083	1,605,330
Equipment and Vehicles	1,582,320	968,603
Facilities Owned by Other Districts	4,586,816	4,959,571
Total Capital Assets, Net	$ 44,451,777	$ 43,989,667

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 2025.

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

Economic Factors and Next Year's Budgets and Rates

For 2026, the District has budgeted a total revenue of $11,041,120, which is $1,032,681 higher compared with the 2025 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 is consistent with 2025 collections.

2026 total expenditures are budgeted at $15,589,836, which is $2,088,073 higher compared with the 2025 budget amount. The main factor for these increases is related to the anticipated capital projects during 2026.

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, 2025

ASSETS	
CURRENT ASSETS	
Cash and Cash Equivalents	$ 11,390,254
Cash and Cash Equivalents - Restricted	1,592,215
Accounts Receivable	836,890
Accrued Interest Receivable	1,854
Prepaid Expenses	3,262
Total Current Assets	13,824,475
OTHER ASSETS	
Other Intangible, Net	599,613
Tower Lease Receivable	1,026,246
Total Other Assets	1,625,859
CAPITAL ASSETS, NET	44,451,777
Total Assets	$ 59,902,111
LIABILITIES AND NET POSITION	
CURRENT LIABILITIES	
Accounts Payable and Accrued Expenses	$ 698,638
Accrued Interest Payable	11,411
Loan Payable - Current Portion	173,940
Open Space Agreement - Current Portion	6,000
Total Current Liabilities	889,989
OTHER LIABILITIES	
Unearned Revenue - Open Space Agreement	174,000
Total Other Liabilities	174,000
DEFERRED INFLOW OF RESOURCES	
Tower Lease	909,801
Total Deferred Inflow of Resources	909,801
LONG-TERM OBLIGATIONS	
Loan Payable, Net of Current	2,953,261
Accrued Employee Benefits Payable	340,282
Total Long-Term Obligations	3,293,543
NET POSITION	
Net Investment in Capital Assets	41,324,576
Restricted	1,592,215
Unrestricted	11,717,987
Total Net Position	54,634,778
Total Liabilities and Net Position	$ 59,902,111

See accompanying Notes to Basic Financial Statements.

EVERGREEN METROPOLITAN DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND CHANGE IN NET POSITION
YEAR ENDED DECEMBER 31, 2025

OPERATIONS	
Service Revenues	$ 7,547,829
Direct Expenses	4,303,750
GROSS PROFIT FROM OPERATIONS	3,244,079
GENERAL AND ADMINISTRATIVE EXPENSES	
General and Administrative	1,360,595
Depreciation and Amortization	2,433,795
NET LOSS FROM OPERATIONS	(550,311)
NONOPERATING REVENUES	1,172,050
NONOPERATING EXPENSES	71,477
INCOME BEFORE CONTRIBUTIONS	550,262
CAPITAL CONTRIBUTIONS	69,677
CHANGE IN NET POSITION	619,939
Net Position - Beginning of Year	54,014,839
NET POSITION - END OF YEAR	$ 54,634,778

See accompanying Notes to Basic Financial Statements.

EVERGREEN METROPOLITAN DISTRICT
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2025

CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from Customers	$ 6,369,005
Receipts for Sales and Services (Customers and Other Districts)	912,500
Receipts from Water Department	162,307
Other Receipts	104,017
Payments to Suppliers	(2,462,507)
Payments to Employees and Related Expenses	(3,461,414)
Net Cash Provided by Operating Activities	1,623,908
CASH FLOWS FROM NONCAPITAL AND RELATED FINANCING ACTIVITIES	
System Development Fees Received	511,000
Net Cash Provided by Noncapital and Related Financing Activities	511,000
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Proceeds from Sale of Assets	69,770
Acquisition of Property, Plant, and Equipment	(2,744,563)
Contractual Payments Received	28,706
Inclusion Fees Received	4,794
Other Grants and Receipts	89,939
Loan Interest and Administrative Fees	(71,477)
Loan Principal Reduction	(170,323)
Net Cash Used by Capital and Related Financing Activities	(2,793,154)
CASH FLOWS FROM INVESTING ACTIVITIES	
Net Investment Income Received	567,545
Net Cash Provided by Investing Activities	567,545
NET DECREASE IN CASH, CASH EQUIVALENTS AND RESTRICTED CASH	(90,701)
Cash, Cash Equivalents and Restricted Cash - Beginning of Year	13,073,170
CASH, CASH EQUIVALENTS AND RESTRICTED CASH - END OF YEAR	$ 12,982,469
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES	
Loss from Operations	$ (550,311)
Adjustments to Reconcile Loss from Operations to Net Cash Provided by Operating Activities	
Depreciation and Amortization	2,433,795
Decrease (Increase) in Prepaid Expenses	10,816
Decrease (Increase) in Accounts Receivable	(98,917)
Increase (Decrease) in Accounts Payable and Accrued Expenses	(170,419)
Increase (Decrease) in Accrued Employee Benefits Payable	67,239
Increased (Decrease) in Deferred Inflow of Resources	(68,295)
Net Cash Provided by Operating Activities	$ 1,623,908

See accompanying Notes to Basic Financial Statements.

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.

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.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Adoption of New Accounting Standards (Continued)

In December 2023, the GASB issued Statement No. 102, Certain Risk Disclosures (Statement 102). Statement 102 requires note disclosure when (a) a concentration or constraint is known prior to issuance of the financial statements, (b) it makes the reporting unit vulnerable to the risk of a substantial impact, and (c) an event associated with the concentration or constraint has occurred, has begun to occur, or is more likely than not to begin to occur within 12 months of issuance.

The District adopted the requirements of the guidance effective January 1, 2025, and has elected to apply the provisions of this standard to the beginning of the period of adoption. Management performed the analysis required under Statement 102 and did not identify any concentrations or constraints that require disclosure.

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.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budgets

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

Cash Equivalents

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

Capital Assets

Capital assets, which include source of supply, land and right of way, plant and buildings, distribution and collection systems, and machinery and equipment, are reported by the District. Capital assets are defined by the District as assets within an initial, individual cost of more than $2,500. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable.

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

Tap Fees and Contributed Lines

Tap fees are recorded as nonoperating revenue 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.

Accounts Receivable

In the financial statements, receivables are reported at their gross value and, when appropriate, are reduced by the estimated portion that is expected to be uncollectible.

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.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Equity

Net Position

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

Estimates

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

Other Intangibles

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

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

NOTE 3 CASH AND INVESTMENTS

Cash and investments as of December 31, 2025 are classified in the accompanying financial statements as follows:

Statement of Net Position:	
Cash and Cash Equivalents	$ 11,390,254
Cash and Cash Equivalents - Restricted	1,592,215
Total Cash and Investments	$ 12,982,469

Cash and cash equivalents as of December 31, 2025 consist of the following:

Deposits with Financial Institutions	$ 1,255,022
Cash on Hand	200
Investments	11,727,247
Total Cash and Cash Equivalents	$ 12,982,469

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Deposits with Financial Institutions

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulators. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The pool for all the uninsured public deposits as a group is to be maintained by another institution or held in trust. The market value of the collateral must be at least 102% of the aggregate uninsured deposits.

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

At December 31, 2025 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	875,042	755,022
Total Deposits with Financial Institutions	$ 1,375,042	$ 1,255,022

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

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Investments (Continued)

As of December 31, 2025, the District had the following investments:

Investment	Maturity	Amount
Colorado Surplus Asset Fund Trust (CSAFE)	Weighted-Average Under 60 Days	$ 1,014,017
Colorado Liquid Asset Trust (COLOTRUST)	Weighted-Average Under 60 Days	10,713,230
Total		$ 11,727,247

COLOTRUST

The District invested in the Colorado Local Government Liquid Asset Trust (COLOTRUST) (the Trust), an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all state statutes governing the Trust. The Trust currently offers three portfolios – COLOTRUST PRIME, COLOTRUST PLUS+, and COLOTRUST EDGE.

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

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.

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

CSAFE (Continued)

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

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

A designated custodial bank serves as custodian for CSAFE's portfolio pursuant to a custodian agreement. The custodian acts as safekeeping agent for CSAFE's investment portfolio and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by CSAFE.

CSAFE is rated AAAmmf by Fitch Ratings. CSAFE records its investments at amortized cost and the District records its investments in CSAFE using the amortized cost method. There are no unfunded commitments, the redemption frequency is daily and there is no redemption notice period.

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%.

NOTE 4 LEASES RECEIVABLES (CONTINUED)

- Property at 4671 County Road 73 – entered into with New Cingular Wireless PCS, LLC (AT&T) and commenced in June 2014. The lease agreement has an initial lease term of five years and automatically be extended for four additional five-year terms and continue unless notified by either party. The incremental borrowing rate at the commencement of the agreement was 3.25%.

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

Year Ending December 31,	Principal	Interest	Total
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	61,652	29,628	91,280
2031-2035	397,242	110,606	507,848
2036-2040	333,718	37,131	370,849
2041-2042	38,989	1,143	40,132
Total	$ 1,026,246	$ 315,790	$ 1,342,036

NOTE 5 CAPITAL ASSETS

An analysis of the changes in capital assets for the year ended December 31, 2025 follows:

	Balance December 31, 2024	Additions	Retirements	Balance December 31, 2025
Capital Assets, Not Being Depreciated:				
Source of Supply	$ 2,565,526	$ -	$ (11,731)	$ 2,553,795
Land and Right of Way - Water	227,456	-	-	227,456
Land and Right of Way - Wastewater	26,236	-	-	26,236
Construction in Progress - Water	928,968	99,375	(26,570)	1,001,773
Total Capital Assets, Not Being Depreciated	3,748,186	99,375	(38,301)	3,809,260
Capital Assets, Being Depreciated:				
Water Infrastructure	21,320,353	656,695	-	21,977,048
Wastewater Infrastructure	14,568,421	34,580	-	14,603,001
Water Treatment Plant	19,383,795	427,327	-	19,811,122
Wastewater Treatment Plant	9,348,585	499,191	-	9,847,776
Buildings and Improvements	3,239,485	163,055	-	3,402,540
General Equipment	3,187,793	300,158	-	3,487,951
Transportation Equipment	1,178,214	603,926	(160,925)	1,621,215
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	89,314,054	2,684,932	(160,925)	91,838,061
Less Accumulated Depreciation For:				
Water Infrastructure	(10,531,286)	(487,554)	-	(11,018,840)
Wastewater Infrastructure	(8,540,471)	(307,829)	-	(8,848,300)
Water Treatment Plant	(7,758,101)	(486,603)	-	(8,244,704)
Wastewater Treatment Plant	(5,083,319)	(236,486)	-	(5,319,805)
Buildings and Improvements	(1,634,155)	(102,302)	-	(1,736,457)
General Equipment	(2,401,579)	(231,399)	-	(2,632,978)
Transportation Equipment	(997,833)	(58,968)	160,925	(895,876)
Maps	(175,563)	-	-	(175,563)
GIS Project	(71,939)	-	-	(71,939)
Facilities Owned by Other Districts	(11,878,327)	(372,755)	-	(12,251,082)
Total Accumulated Depreciation	(49,072,573)	(2,283,896)	160,925	(51,195,544)
Capital Assets, Net	$ 43,989,667	$ 500,411	$ (38,301)	$ 44,451,777

Depreciation and amortization expense for the year ended December 31, 2025 was $2,433,795, which includes $2,283,896 depreciation expense and $149,899 amortization expense.

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, 2025:

	Balance December 31, 2024	Additions	Reductions	Balance December 31, 2025	Amounts Due Within One Year
Notes/Loans From Direct Borrowings and Placements					
Water:					
CWRPDA Loan (2021) - D21F040					
Drinking Water Revolving Fund	$ 2,809,870	$ -	$ 76,635	$ 2,733,235	$ 78,369
Subtotal - Water	2,809,870	-	76,635	2,733,235	78,369
Wastewater:					
CWRPDA Loan (2009) - F09F040					
Water Pollution Control					
Revolving Fund	487,654	-	93,688	393,966	95,571
Subtotal - Wastewater	487,654	-	93,688	393,966	95,571
Other Obligations					
Accrued Employee Benefits Payable	273,043	67,239	-	340,282	-
Subtotal - Other Obligations	273,043	67,239	-	340,282	-
Total Long-Term Obligations	$ 3,570,567	$ 67,239	$ 170,323	$ 3,467,483	$ 173,940

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 District entered into a loan agreement with the CWRPDA to obtain a $3,000,000 loan through the State of Colorado Drinking 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 annual 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.

NOTE 6 LONG-TERM OBLIGATIONS (CONTINUED)

Drinking Water Revolving Fund – 2025 Loan

On December 15, 2025, the District entered into a loan agreement with the CWRPDA to obtain a $3,000,000 loan through the State of Colorado Drinking Water Revolving Fund Program for the purposes of funding the upgrades and repairs to the existing water treatment plant. The loan proceeds will start to be drawn in 2026 as the eligible project costs are incurred. The 2025 Loan has a 30-year term with an effective annual interest rate of 3.50% and is payable semi-annually on May 1 and November 1, beginning May 1, 2026. 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.

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

Year Ending December 31,	Principal	Interest	Total
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	$ 393,966	$ 17,934	$ 411,900

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

Year Ending December 31,	Principal	Interest	Total
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	85,706	53,722	139,428
2031-2035	458,510	238,630	697,140
2036-2040	512,786	184,356	697,142
2041-2045	573,483	123,659	697,142
2046-2050	641,365	55,775	697,140
2051	137,109	2,318	139,427
Total	$ 2,733,235	$ 891,897	$ 3,625,132

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, 2025, the District had the following net investment in capital assets, calculated as follows:

Net Investment in Capital Assets:	
Capital Assets, Net	$ 44,451,777
Current Portion of Long-Term Obligations	(173,940)
Noncurrent Portion of Long-Term Obligations	(2,953,261)
Total	$ 41,324,576

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 $1,592,215 as of December 31, 2025 for the operation and maintenance reserve as required by the 2021 loan from the Drinking Water Revolving Fund.

The District’s unrestricted net position as of December 31, 2025 was $11,717,987.

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.

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 form 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, 2025, 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.

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, 2025. 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.

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.

NOTE 12 SUBSEQUENT EVENTS

The District approved the Pre-Consolidation Agreement and Resolution Initiating Consolidation with Kittredge Sanitation and Water District on March 25, 2026. The Court will set the anticipated election date for October 2026. Once the election is passed, the consolidation will take place in January 2027.

SUPPLEMENTARY INFORMATION

EVERGREEN METROPOLITAN DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN NET POSITION
YEAR ENDED DECEMBER 31, 2025

OPERATIONS	
Revenues:	
Water Sales	$ 4,308,194
Wastewater Treatment Charges	2,006,939
Pretreatment Revenue	53,872
Tap Purchase Agreements	2,010
Late Charges and Service Charges	45,748
Services to Public	6,113
Services to Districts	826,696
Services to Water Department	162,307
Connections and Inspections	31,933
Tower Leases Revenue	69,554
Miscellaneous	34,463
Total Revenues	7,547,829
Direct Expenses:	
Water Treatment & Transmission	1,443,435
Wastewater Treatment & Lift Stations	1,451,252
Water Resources	417,663
Collection and Distribution	890,965
Other Operating	100,435
Total Direct Expenses	4,303,750
GROSS PROFIT FROM OPERATIONS	3,244,079
GENERAL AND ADMINISTRATIVE EXPENSES	
Audit	13,000
Accounting	53,226
Depreciation and Amortization	2,433,795
Insurance	203,647
Legal	96,120
Engineering	7,797
Office and Operating	10,429
Safety	10,866
Utilities	54,190
Outside Services and Fees	219,711
Repairs and Maintenance	5,270
Directors' Fees and Payroll Taxes	12,057
Payroll Services	8,935
Miscellaneous	6,945
Subscriptions, Meetings and Outreach	115,563
Travel, Education and Training	31,018
Elections	1,321
Employee Expense	510,500
Total General and Administrative Expenses	3,794,390
NET LOSS FROM OPERATIONS	(550,311)

EVERGREEN METROPOLITAN DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN NET POSITION (CONTINUED)
YEAR ENDED DECEMBER 31, 2025

NONOPERATING REVENUES	
Interest Income	$ 567,545
System Development Fees	511,000
Grants	23,735
Proceeds from Sale of Assets	69,770
Total Nonoperating Revenues	1,172,050
NONOPERATING EXPENSES	
Loan Interest and Administrative Fees	71,477
Total Nonoperating Expenses	71,477
LOSS BEFORE CONTRIBUTIONS	550,262
CAPITAL CONTRIBUTIONS	
Inclusions	4,794
Contractual Payments	28,706
Miscellaneous	36,177
Total Capital Contributions	69,677
CHANGE IN NET POSITION	$ 619,939

EVERGREEN METROPOLITAN DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUNDS AVAILABLE – BUDGET AND ACTUAL (BUDGETARY BASIS)
YEAR ENDED DECEMBER 31, 2025

	Original and Final Budget	Actual	Variance
OPERATING REVENUES			
Water Sales	$ 4,036,000	$ 4,308,194	$ 272,194
Wastewater Treatment Charges	1,998,000	2,006,939	8,939
Pretreatment Revenue	58,000	53,872	(4,128)
Tap Purchase Agreements	3,000	2,010	(990)
Late Charges and Service Charges	36,000	45,748	9,748
Services to Public	5,000	6,113	1,113
Services to Districts (Water)	168,000	-	(168,000)
Services to Districts (Wastewater)	675,400	826,696	151,296
Services to Water Department	162,360	162,307	(53)
Connections and Inspections (Water)	27,000	27,339	339
Connections and Inspections (Wastewater)	3,500	4,594	1,094
Interest Income	450,000	529,550	79,550
Tower Leases Revenue	77,579	77,326	(253)
Miscellaneous	30,000	28,463	(1,537)
Total Operating Revenues	7,729,839	8,079,151	349,312
OPERATING EXPENDITURES			
Water Treatment & Transmission			
Chemicals	95,000	85,154	9,846
Supplies and Maintenance	113,000	62,331	50,669
Gas and Electric	255,000	245,682	9,318
Laboratory	30,000	29,954	46
Wastewater Treatment Services	162,360	162,307	53
Employee Expense	960,000	835,527	124,473
Wastewater Treatment & Lift Stations			
Chemicals	37,000	-	37,000
Supplies and Maintenance	111,000	52,777	58,223
Gas and Electric	160,000	105,582	54,418
Laboratory	17,000	13,798	3,202
Landfill and Sludge Disposal	209,000	207,178	1,822
Employee Expense	1,130,000	1,057,269	72,731
Water Resources			
Water Rights & Sources of Supply	147,000	89,890	57,110
Supplies and Maintenance	50,000	349	49,651
New Service Supplies	11,500	17,509	(6,009)
Bear Creek Watershed Dues	22,000	20,989	1,011
CDH Discharge Permit	5,000	4,853	147
Employee Expense	260,000	276,503	(16,503)
Collection and Distribution			
Supplies and Maintenance	24,000	46,987	(22,987)
Gas and Electric	11,000	9,529	1,471
Distribution Expense	200,000	86,946	113,054
Collection Expense	10,000	8,696	1,304
Employee Expense	790,000	720,429	69,571

EVERGREEN METROPOLITAN DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUNDS AVAILABLE – BUDGET AND ACTUAL (BUDGETARY BASIS) (CONTINUED)
YEAR ENDED DECEMBER 31, 2025

	Original and Final Budget	Actual	Variance
OPERATING EXPENDITURES (CONTINUED)			
Other Operating			
Truck Expense	$ 97,000	$ 55,218	$ 41,782
Equipment Maintenance Expense	90,000	40,954	49,046
Total Operating Expenditures	4,996,860	4,236,411	760,449
NONOPERATING REVENUES			
Water System Development Fees	742,000	336,750	(405,250)
Wastewater System Development Fees	381,600	174,250	(207,350)
Total Nonoperating Revenues	1,123,600	511,000	(612,600)
GENERAL AND ADMINISTRATIVE			
Audit	13,000	13,000	-
Accounting	55,000	53,226	1,774
Insurance	180,000	199,415	(19,415)
Legal	90,000	96,120	(6,120)
Engineering	5,000	7,797	(2,797)
Office and Operating	27,000	10,429	16,571
Safety	15,000	10,866	4,134
Utilities	48,000	54,190	(6,190)
Outside Services and Fees	155,000	219,711	(64,711)
Repairs and Maintenance	20,000	5,270	14,730
Directors' Fees and Payroll Taxes	14,000	12,057	1,943
Payroll Services	10,000	8,935	1,065
Miscellaneous	5,000	6,945	(1,945)
Subscriptions, Meetings and Outreach	60,000	115,563	(55,563)
Travel, Education and Training	45,000	31,018	13,982
Elections	20,000	1,321	18,679
Employee Expense	610,000	489,651	120,349
Total General and Administrative	1,372,000	1,335,514	36,486
DEBT SERVICE			
CWRPDA 2009 Loan Principal	93,688	93,688	-
CWRPDA 2009 Loan Interest	9,287	9,287	-
CWRPDA 2021 Loan Principal	76,635	76,635	-
CWRPDA 2021 Loan Interest	62,793	62,793	-
Total Debt Service	242,403	242,403	-
CAPITAL REVENUES			
Water & Wastewater Inclusions	40,000	4,794	(35,206)
Development Review	15,000	5,625	(9,375)
Miscellaneous	50,000	36,177	(13,823)
Contractual Payments from Hidden Valley	10,000	28,706	18,706
Proceeds from Sale of Assets	15,000	81,501	66,501
Grants	1,025,000	23,735	(1,001,265)
Total Capital Revenues	1,155,000	180,538	(974,462)

EVERGREEN METROPOLITAN DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUNDS AVAILABLE – BUDGET AND ACTUAL (BUDGETARY BASIS) (CONTINUED)
YEAR ENDED DECEMBER 31, 2025

	Original and Final Budget	Actual	Variance
CAPITAL EXPENDITURES			
Water Capital			
Algae Tracker	$ 22,000	$ 11,072	$ 10,928
Chemical Building	480,000	312,862	167,138
Dam Outlet Structure Improvements	850,000	20,409	829,591
Dam Spillway	100,000	67,309	32,691
Distribution System Pressure Monitoring	-	1,890	(1,890)
Fire Hydrant Replacements	35,000	-	35,000
Hidden Valley Project	10,000	11,656	(1,656)
Main Replacements	460,000	596,989	(136,989)
Process Control	130,000	26,298	103,702
Water Rights	25,000	-	25,000
SCADA Upgrade	34,000	52,819	(18,819)
Sediment Basin Geormoph	50,000	22,893	27,107
Travel Vac	35,000	-	35,000
Treatment Plant Equipment	93,000	15,677	77,323
Valve Exercising Skid	90,000	97,836	(7,836)
Wastewater Taps	80,500	80,500	-
Total Water Capital	2,494,500	1,318,210	1,176,290
Wastewater Capital			
Biofilter PVC Airpipe	25,000	-	25,000
BioSolids Dewatering	2,500,000	499,191	2,000,809
Collections System Monitoring	20,000	-	20,000
Effluent Sand Filter Rehab	125,000	-	125,000
Process Control	11,000	15,443	(4,443)
Pump Replacements	380,000	93,593	286,407
Sewer Mains	200,000	19,137	180,863
WWTP Equipment	44,000	12,790	31,210
Total Wastewater Capital	3,305,000	640,154	2,664,846
General Capital			
Building Improvements	162,000	101,033	60,967
Development Review	15,000	13,174	1,826
Douglas Park Site Improvements	35,000	30,364	4,636
Fire Mitigation/Tree Removal	20,000	-	20,000
General Office Improvements	53,000	11,012	41,988
Standards and Specs	-	2,968	(2,968)
Strategic Planning	-	3,871	(3,871)
Capital Miscellaneous	100,000	41,215	58,785
Safety Equipment	-	11,136	(11,136)
Trucks and Equipment	706,000	608,158	97,842
Total General Capital	1,091,000	822,931	268,069
Total Capital Expenditures	6,890,500	2,781,295	4,109,205
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(3,493,324)	175,066	3,668,390
Funds Available - Beginning of Year	10,421,014	11,435,404	1,014,390
FUNDS AVAILABLE - END OF YEAR	$ 6,927,690	$ 11,610,470	$ 4,682,780

EVERGREEN METROPOLITAN DISTRICT
RECONCILIATION OF BUDGETARY BASIS (ACTUAL) TO STATEMENT OF REVENUES, EXPENSES, AND CHANGE IN NET POSITION
YEAR ENDED DECEMBER 31, 2025

Revenues (Budgetary Basis)	$ 8,770,689
Change in Development Review	(5,625)
Change in Proceeds from Sale of Assets	(11,731)
Total Revenues per Statement of Revenues, Expenses, and Change in Net Position	8,753,333
Expenditures (Budgetary Basis)	8,595,623
Depreciation and amortization	2,433,795
Change in Accrued Interest Expense	(603)
Change in Accrued Wages & Employee Benefits	82,036
Change in Unearned Revenue	(6,000)
Change in Tower Lease Income and Receivable	(30,223)
Change in Development Review	(13,174)
Capital Outlay	(2,757,737)
Loan Principal	(170,323)
Total Expenses per Statement of Revenues, Expenses, and Change in Net Position	8,133,394
Change in Net Position per Statement of Revenues, Expenses, and Change in Net Position	$ 619,939

EVERGREEN METROPOLITAN DISTRICT
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY
YEAR ENDED DECEMBER 31, 2025

	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	
Year Ending December 31,	Principal	Interest	Principal	Interest
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	$ 393,966	$ 17,934	$ 2,733,235	$ 891,897

EVERGREEN METROPOLITAN DISTRICT
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY (CONTINUED)
YEAR ENDED DECEMBER 31, 2025

	Total		
Year Ending December 31,	Principal	Interest	Total
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	$ 3,127,201	$ 909,831	$ 4,037,032