Evergreen Park and Recreation District
Evergreen, Colorado

Financial Statements
December 31, 2025

Evergreen Park and Recreation District
Financial Report
December 31, 2025

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McMahan and Associates, L.L.C.
Certified Public Accountants and Consultants
Web Site: www.McMahanCPA.com Main Office: (970) 845-8800

INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of Evergreen Park and Recreation District (the "District"), as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the Table of Contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of Evergreen Park and Recreation District, as of December 31, 2025 and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP").

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

Responsibilities of Management for the Financial Statements (continued)

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Required Supplementary Information (continued)

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

Supplementary Information

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

The individual fund budgetary comparison schedule and Statistical tables are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with U.S. GAAS. In our opinion, the information in Section F is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

McMahan and Associates, L.L.C.

McMahan and Associates, L.L.C.
Avon, Colorado
August 26, 2026

MANAGEMENT’S DISCUSSION AND ANALYSIS

Evergreen Park and Recreation District

Management's Discussion and Analysis
December 31, 2025

As management of the Evergreen Park and Recreation District ("District"), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended December 31, 2025.

Financial Highlights

- The District's total net position increased by $1,536,772 in 2025.

- District assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $35,687,527 as of December 31, 2025. Of this amount, $5,779,344 is unrestricted and may be used to meet the District's ongoing obligations to citizens in accordance with the District's fund designation and fiscal policies.

Overview of the Financial Statements

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

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

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

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

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

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

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

Overview of the Financial Statements (continued)

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

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

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

Government-wide Financial Analysis

Evergreen Park and Recreation District's
Net Position

	Governmental Activities	
	2025	**2024**
Assets:		
Current and other assets	30,446,492	12,754,964
Capital assets	29,046,127	28,971,165
Total Assets	59,492,619	41,726,129
Liabilities & Deferred Inflows:		
Current liabilities	2,390,847	1,777,182
Deferred inflows	4,642,617	4,510,420
Long-term liabilities	16,771,628	1,287,772
Total Liab & Def Inflows	23,805,092	7,575,374
Net Position:		
Net investment in capital assets	28,615,017	27,835,475
Restricted	1,293,166	1,102,063
Unrestricted	5,779,344	5,213,217
Total Net Position	35,687,527	34,150,755

The largest portion of the District's net position is reflected as net investment in capital assets (i.e. land, buildings, machinery, and equipment, net of related debt). At the end of 2025, capital assets accounted for 80% of the total net position. The District uses capital assets to provide services to its citizens. Accordingly, these assets are not an available source for payment of future spending. The District also has a portion of its net position restricted for use in the event of an emergency and for future parks and recreation projects. The District has significant restricted cash associated with its 2025 certificates of participation ("COP") issuance, as discussed later in this section.

Evergreen Park and Recreation District's
Change in Net Position

	Governmental Activities	
	2025	**2024**
Revenues:		
Program revenues:		
Charges for services:		
General administration	174,548	86,909
Wulf recreation center	527,469	424,173
Buchanan recreation center	1,114,304	952,234
Lakehouse	1,788,884	1,884,583
Parks and fields	173,048	132,789
Recreation and other programs	1,814,434	1,741,126
Special event	39,409	50,908
Operating grants & contributions	9,321	67,631
Capital grants & contributions	631,080	185,128
General revenues:		
Property taxes	4,390,164	4,561,629
Other taxes	399,088	294,846
Interest and other revenue	911,114	345,878
Total Revenues	11,972,863	10,727,834
Expenses:		
General administration	2,896,274	1,839,934
Wulf recreation center	949,311	1,110,059
Buchanan recreation center	1,860,073	1,675,350
Lakehouse	1,014,036	1,023,103
Parks and fields	1,766,877	1,654,099
Recreation and other programs	1,780,584	1,458,135
Special event expense	168,936	36,221
Total Expenses	10,436,091	8,796,901
Change in Net Position	1,536,772	1,930,933
Net Position - Beginning	34,150,755	32,219,822
Net Position - Ending	35,687,527	34,150,755

Governmental activities: Net position of the governmental activities increased $1,536,772 during 2025. This increase is largely due to an increase in program revenue and capital grants and contributions. The increase in expenses aligns with increased operational costs associated with expanded operations, including increased staffing and higher salaries, one-time debt issuance cost associated with the District's 2025 COP issuance, as well as a general inflationary impact.

Financial Analysis of the District's Funds

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

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

Financial Analysis of the District's Funds (Continued)

The fund balance of the General Fund increased $17,380,524 during 2025, primarily due to proceeds from the COP issuance to fund capital projects.

The fund balance of the Debt Service Fund decreased $390,326 during 2025, in line with the overlap of the final year of general obligation debt service requirements and the addition of new lease-purchase obligations discussed further below

As of the end of the current fiscal year, the District's General Fund reported an ending fund balance of $23,389,139. Of this balance, $256,238 is nonspendable, $331,000 is restricted for emergencies as required by TABOR, $873,667 is restricted for conservation trust projects, and the remaining $21,928,234 is unassigned.

Budget variances: There were no budget amendments during 2025. For the year ended December 31, 2025, the Debt Service Fund has a budget overage due to unbudgeted interest expenditures related to the mid-year COP issuance. Details of variances by department can be seen on page E1 – E3 of this report for the General Fund and page F1 for the Debt Service Fund.

Capital assets: The District's capital assets increased by $74,962, due to capital asset additions net of depreciation. Additional information as well as a detailed classification of the District's net capital assets can be found in the Notes to the Financial Statements in section D of this report.

Long-term debts: The District continued to make scheduled payments on all of its long-term debts. The District made its final payment on the Series 2015 general obligation debt in 2025. In 2025, the District issued new Certificates of Participation with a principal value of $16,040,000. Additional discussion of long-term debts may be found in the Notes to the Financial Statements in section D of this report.

Next Year's Budget:

The District's 2026 budget anticipates $8,976,903 of general operating expenditures and $939,694 of capital outlay expenditures from the General Fund.

Request for Information

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

GOVERNMENT-WIDE FINANCIAL STATEMENTS

Evergreen Park and Recreation District
Statement of Net Position
December 31, 2025

	Governmental Activities
Assets:	
Cash and cash equivalents - unrestricted	8,302,135
Cash - restricted	16,663,354
Receivables, net of allowance of $0	582,148
Deposits and prepaid expenses	256,238
Property taxes receivable	4,642,617
Capital assets, net of accumulated depreciation	29,046,127
Total Assets	59,492,619
Liabilities:	
Accounts payable and other liabilities	511,522
Accrued salaries and payroll liabilities	191,162
Park land escrow	243,112
Accrued interest payable	64,610
Unearned revenue	1,380,441
Accrued compensated absences:	
Due within one year	52,875
Due in more than one year	105,755
Certificates of participation, net of unamortized premium:	
Due within one year	485,000
Due in more than one year	16,127,998
Total Liabilities	19,162,475
Deferred Inflows of Resources:	
Property taxes	4,642,617
Total Deferred Inflows of Resources	4,642,617
Net Position:	
Net investment in capital assets	28,615,017
Restricted for emergencies	331,000
Restricted for conservation trust projects	873,667
Restricted for debt service	88,499
Unrestricted	5,779,344
Total Net Position	35,687,527

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

Evergreen Park and Recreation District
Statement of Activities
For the Year Ended December 31, 2025

		Program Revenues			Net (Expense) Revenue and Change in Net Position
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Functions/Programs:					
Governmental activities:					
General administration	2,896,274	174,548	4,321	45,170	(2,672,235)
Wulf recreation center	949,311	527,469	-	-	(421,842)
Buchanan recreation center	1,860,073	1,114,304	5,000	-	(740,769)
Lakehouse	1,014,036	1,788,884	-	-	774,848
Parks and fields	1,766,877	173,048	-	417,709	(1,176,120)
Recreation and other programs	1,780,584	1,814,434	-	168,201	202,051
Special events	168,936	39,409	-	-	(129,527)
Total Governmental Activities	10,436,091	5,632,096	9,321	631,080	(4,163,594)

General Revenues:	
Property taxes	4,390,164
Specific ownership taxes	304,615
Delinquent taxes and interest	94,473
Investment income	713,745
Insurance refund	187,307
Miscellaneous	10,062
Total General Revenues	5,700,366
Change in Net Position	1,536,772
Net Position - Beginning	34,150,755
Net Position - Ending	35,687,527

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

FUND FINANCIAL STATEMENTS

Evergreen Park and Recreation District
Balance Sheet
Governmental Funds
December 31, 2025

	General Fund	Debt Service Fund	Total Governmental Funds
Assets:			
Cash and cash equivalents - unrestricted	8,213,636	88,499	8,302,135
Cash - restricted	16,663,354	-	16,663,354
Accounts receivable, net of allowance of $0	582,148	-	582,148
Property taxes receivable	3,292,617	1,350,000	4,642,617
Prepaid expenses	256,238	-	256,238
Total Assets	29,007,993	1,438,499	30,446,492
Liabilities:			
Accounts payable and other liabilities	511,522	-	511,522
Accrued salaries and payroll liabilities	191,162	-	191,162
Park land escrow	243,112	-	243,112
Unearned revenue	1,380,441	-	1,380,441
Total Liabilities	2,326,237	-	2,326,237
Deferred Inflow of Resources:			
Unavailable property tax revenue	3,292,617	1,350,000	4,642,617
Total Deferred Inflow of Resources	3,292,617	1,350,000	4,642,617
Fund Balances:			
Nonspendable	256,238	-	256,238
Restricted for emergencies	331,000	-	331,000
Restricted for conservation trust projects	873,667	-	873,667
Restricted for debt service	-	88,499	88,499
Unassigned	21,928,234	-	21,928,234
Total Fund Balances	23,389,139	88,499	23,477,638
Amounts reported for Governmental Activities in the Statement of Net Position are different because:			
Capital assets, net of accumulated depreciation, used in governmental activities are not financial resources and, therefore, are not reported in the funds.			29,046,127
Long-term liabilities and debt-related deferred inflows, including accrued compensated absences, are not due and payable in the current period and, therefore, are not reported in the funds.			(16,836,238)
Net Position of Governmental Activities			35,687,527

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

Evergreen Park and Recreation District
Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Funds
For the Year Ended December 31, 2025

	General Fund	Debt Service Fund	Total Governmental Funds
Revenues:			
Property and other taxes	3,703,500	1,085,753	4,789,253
Intergovernmental and donations	505,909	-	505,909
Federal grants	25,170	-	25,170
State and local grants	109,321	-	109,321
Charges for services:			
Wulf recreation center	527,469	-	527,469
Buchanan recreation center	1,114,304	-	1,114,304
Lakehouse	1,788,884	-	1,788,884
Parks and fields	173,048	-	173,048
Recreation and other programs	1,814,434	-	1,814,434
Special events and festivals	39,409	-	39,409
Rental income	174,548	-	174,548
Investment income	688,852	24,893	713,745
Miscellaneous	10,062	-	10,062
Total Revenues	10,674,910	1,110,646	11,785,556
Expenditures:			
General government	2,218,884	-	2,218,884
Wulf recreation center	793,255	-	793,255
Buchanan recreation center	1,566,850	-	1,566,850
Lakehouse	897,563	-	897,563
Parks and fields	1,049,034	-	1,049,034
Recreation and other programs	1,727,369	-	1,727,369
Special events	86,782	-	86,782
Capital outlay	1,574,286	-	1,574,286
Debt issuance costs	232,387	-	232,387
Debt service	-	1,500,972	1,500,972
Total Expenditures	10,146,410	1,500,972	11,647,382
Excess (Deficiency) of Revenues Over Expenditures	528,500	(390,326)	138,174
Other Financing Sources (Uses):			
Proceeds from debt issuance	16,040,000	-	16,040,000
Premium on debt issuance	624,716	-	624,716
Insurance recoveries	187,308	-	187,308
Total Other Financing Sources (Uses)	16,852,024	-	16,852,024
Change in Fund Balance	17,380,524	(390,326)	16,990,198
Fund Balance - Beginning	6,008,615	478,825	6,487,440
Fund Balance - Ending	23,389,139	88,499	23,477,638

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

Evergreen Park and Recreation District
Reconciliation of the Statement of Revenues, Expenditures
and Changes in Fund Balance of the Governmental Funds
To the Statement of Activities
For the Year Ended December 31, 2025

Net Change in Fund Balance of the Governmental Funds		16,990,198
Amounts reported for Governmental Activities in the Statement of Activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation and amortization expense. This is the amount by which current year depreciation was exceeded by capital outlay.		
Depreciation and amortization	(1,255,005)	
Capital outlay	1,329,967	74,962
The issuance of long-term debt (e.g., bonds, notes, and leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.		
Debt issuance	(16,664,716)	
Bond principal payments	1,035,000	
Amortization and interest accrual	107,876	(15,521,840)
Compensated absences do not require the use of current financial resources and therefore, are not reported as expenditures in the fund. This represents the change in compensated absences during the year.		(6,548)
Change in Net Position of Governmental Activities		1,536,772

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

NOTES TO THE FINANCIAL STATEMENTS

Evergreen Park and Recreation District
Notes to the Financial Statements
December 31, 2025

I. Summary of Significant Accounting Policies

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

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

A. Reporting Entity

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

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

B. Government-wide and Fund Financial Statements

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

1. Government-wide Financial Statements

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

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

I. Summary of Significant Accounting Policies (continued)

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

2. Fund Financial Statements

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

The District reports the following major governmental funds:

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

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

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

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

1. Long-term Economic Focus and Accrual Basis

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

2. Current Financial Focus and Modified Accrual Basis

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

I. Summary of Significant Accounting Policies (continued)

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

3. Financial Statement Presentation

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

D. Financial Statement Accounts

1. Cash, Cash Equivalents and Investments

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

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

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

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

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

2. Receivables

Receivables are reported net of an allowance for uncollectible accounts. However, no allowance was established at December 31, 2025, as the District considered all receivables to be collectible.

3. Property Taxes

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

4. Prepaid Expenses

Payments in excess of $5,000 made to vendors for services that will benefit periods beyond December 31, 2025 are recorded as prepaid expenses.

I. Summary of Significant Accounting Policies (continued)

D. Financial Statement Accounts (continued)

5. Capital Assets

Capital assets, which include land, land improvements, buildings, equipment and vehicles, are reported in the government-wide financial statements. Capital assets are defined by the District as assets with an initial cost of $15,000 or more and an estimated useful life in excess of one year. Such assets are recorded at historical cost. Donated capital assets are recorded at estimated fair value at the date of donation.

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

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

Asset	Years
Land Improvements	10 - 40
Buildings	15 - 50
Machinery and Equipment	5 - 20
Vehicles	5 - 15

6. Compensated Absences

The District offers multiple forms of compensated absences as an employee benefit to certain, qualifying, District employees. Certain District employees earn vacation benefits. These employees may accumulate earned, but unused vacation benefits. Full-time employees earn vacation pay as follows, and qualifying part-time employees earn 50% as follows:

0 – 5 years	120 hours earned per year pro rata as hours are worked
5+ - 10 Years	160 hours earned per year pro rata as hours are worked
10+ Years	200 hours earned per year pro rata as hours are worked

Employees may accumulate and roll over up to 100% of their annual earning rate. Once this maximum balance is reached, no additional time will be earned until the accrued balance drops below the maximum balance allowed. All earned, but unused vacation pay is paid upon termination.

Employees accrue sick time per hours worked. Sick time does not vest, and is not paid upon termination. Full-time employees are granted four personal days per year. Any unused personal days expire at year-end, they do not vest and are not paid upon termination.

The District estimates how much of the leave is more likely than not to be used as paid leave and recognizes that portion as a liability for compensated absences. The estimated liability for accrued leave is recorded in the governmental activities column in the government-wide financial statements.

I. Summary of Significant Accounting Policies (continued)

D. Financial Statement Accounts (continued)

7. Long-term Obligations and Leases

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

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

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

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

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

> Discount rate: The District uses the interest rate charged by the lessor as the discount rate to discount the expected lease payments to present value. When the interest rate charged by the lessor is not provided, the District uses its incremental rate of borrowing.
>
> Lease Term: The lease term includes the noncancellable portion of the lease and extended term(s) that this District is reasonably certain to exercise.
>
> Lease Payments: Lease payments included in the measurement of the lease liability are composed of fixed increasing payments, and purchase option price that the District is reasonably certain to exercise.

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

Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the Statement of Net Position. The District has no outstanding leases at December 31, 2025.

I. Summary of Significant Accounting Policies (continued)

D. Financial Statement Accounts (continued)

8. Fund Balance

The District classifies governmental fund balances as follows:

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

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

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

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

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

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

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

9. Deferred Outflows and Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for "deferred outflows of resources." Deferred outflows of resources represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District does not have any items that qualify for reporting in this category at December 31, 2025.

I. Summary of Significant Accounting Policies (continued)

D. Financial Statement Accounts (continued)

9. Deferred Outflows and Inflows of Resources (continued)

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

E. Other Significant Policies

1. Use of Estimates

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

II. Reconciliation of Government-wide and Fund Financial Statements

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

The governmental funds Balance Sheet includes reconciliation between *fund balance – governmental funds* and *net position of governmental activities* as reported in the government-wide Statement of Net Position. One element of that reconciliation explains “Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.” This $29,046,127 difference is related to property and equipment of $46,207,252 less accumulated depreciation and amortization of $17,161,125.

Another element of the reconciliations explains “Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.” The details of the $16,836,238 difference are bonds payable of $16,612,998, accrued interest payable of $64,610, and accrued compensated absences of $158,630.

III. Stewardship, Compliance, and Accountability

A. Budgets and Budgetary Accounting

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

As required by Colorado statutes, the District follows required timetables in preparing, approving, and enacting its budget for the ensuing year. The following is a summary of the budget calendar for the 2025 budget year:

(1) For the 2025 budget, prior to August 25, 2024, the County Assessor sent to the District a certified assessed valuation of all taxable property within the District's boundaries. The County Assessor may change the assessed valuation on or before December 10, 2024 only once by a single notification to the District.

(2) On or before October 15, 2024, the District's accountant submitted to the District's Board of Directors a recommended budget which detailed the necessary property taxes needed along with other available revenues to meet the District's operating requirements.

(3) For the 2025 budget, prior to December 15, 2024, the District computed and certified to the County Commissioners a rate of a levy that derived the necessary property taxes as computed in the proposed budget.

(4) After a required publication of "Notice of Proposed Budget" and a public hearing, the District adopted the proposed budget and an appropriating resolution, which legally appropriated expenditures for the upcoming year.

(5) After adoption of the budget resolution, the District may make the following changes: (a) it may transfer appropriated monies between funds or between spending agencies within a fund, as determined by the original appropriation level; (b) it may approve supplemental appropriations to the extent of revenues in excess of the estimated in the budget; (c) it may approve emergency appropriations; and (d) it may approve the reduction of appropriations for which originally estimated revenues are insufficient.

(6) All appropriations lapse at a year-end.

Taxes levied in one year are collected in the succeeding year. Thus taxes certified in 2024 were collected in 2025 and taxes certified in 2025 will be collected in 2026. Taxes are due on January 1st in the year of collection; however, they may be paid in either one installment (no later than April 30th) or two equal installments (not later than February 28th and June 15th) without interest or penalty. Taxes that are not paid within the prescribed time bear interest at the rate of one percent (1%) per month until paid. Unpaid amounts and the accrued interest thereon become delinquent on June 15th.

III. Stewardship, Compliance, and Accountability (continued)

B. Excess of Expenditures Over Appropriations

For the fiscal year ended December 31, 2025, the District's actual expenditures exceeded legally adopted appropriations in the Debt Service Fund, which may constitute a violation of the Colorado Local Government Budget Law (C.R.S. § 29-1-110). Funds below had expenditures in excess of appropriations which may violate state statutes:

Fund	Final Budget	Actual	Over Budget
Debt Service Fund	$ 1,089,815	$ 1,500,972	$ 411,157

The excess expenditures were driven by unbudgeted initial interest payments following the mid-year issuance of the Series of 2025 Certificates of Participation (COP).

While the COP issuance was approved by the Board of Directors, a formal supplemental budget amendment was not enacted prior to the interest payment date. The district has modified its debt administration procedures to ensure future closing schedules are integrated with timely budget modifications.

C. TABOR Amendment - Revenue and Spending Limitation Amendment

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

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

TABOR also requires local governments to establish emergency reserves to be used for declared emergencies only. Emergencies, as defined by TABOR, exclude economic conditions, revenue shortfalls, or salary or fringe benefit increases. These reserves are required to be 3% or more of fiscal year spending (excluding bonded debt service) for the fiscal year ended December 31, 2025.

The District has restricted a portion of its December 31, 2025 year-end fund balance in the General Fund for emergencies as required under TABOR in the amount of $331,000, which is the approximate required reserve.

III. Stewardship, Compliance, and Accountability (continued)

C. TABOR Amendment - Revenue and Spending Limitation Amendment (continued)

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

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

IV. Detailed Notes on All Funds

A. Deposits and Investments

The District's checking accounts are entirely covered by federal depository insurance ("FDIC") or by collateral held under Colorado's Public Deposit Protection Act ("PDPA"). The FDIC insures the first $250,000 of the District's deposits at each financial institution. Deposit balances over $250,000 are collateralized as required by PDPA. The carrying amount of the District's deposits was $24,965,489 at December 31, 2025.

Fair Value of Investments

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

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

At December 31, 2025, the District has the following recurring fair value measurements:

Investments Measured at Net Asset Value	Total
Colotrust	$ 3,175,568
CSAFE	4,258,147
	$ 7,433,715

IV. Detailed Notes on All Funds (continued)

A. Deposits and Investments (continued)

The District has the following deposits and investments for all funds, with the following maturities at December 31, 2025:

Type	Rating	Carrying Amount	Maturities: Less Than One Year	Maturities: Less Than Five Years
Checking and savings	*Not rated*	$17,288,662	$17,288,662	$ -
Government investment pools	*AAAm*	7,433,715	7,433,715	-
Held by agent	*Not rated*	243,112	243,112	-
		$24,965,489	$24,965,489	$ -

Financial Statement Captions:	
Cash and cash equivalents - Unrestricted	$ 8,302,135
Cash and cash equivalents - Restricted	16,663,354
	$24,965,489

Deposits recorded in the General Fund include $243,112 of Jefferson County Deposit Accounts for Park Purposes. These funds have been set aside for the District but the District has not requested distribution of these funds. These funds have been recorded as unearned revenue as the funds are not available until the District requests the funds and distribution is approved by the County.

The investment pools represent investments in the Colorado Government Liquid Asset Trust (Colotrust) and CSAFE, which are investment vehicles established for local government entities in Colorado to pool surplus funds. Pools are not covered by FDIC insurance or PDPA but are rated AAAm. The fair value of the pools is determined by the pools' share price, whereby each share is equal in value to $1. Investment of the trusts consist of U.S. Treasury bills, notes and note strips, and repurchase agreements collateralized by U.S. Treasury securities. The District has no regulatory oversight for pools. Investment balances in the pools are not subject to limitations or restrictions on withdrawals.

At December 31, 2025, the District had $16,420,242 in a restricted account for unspent bond proceeds.

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

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

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

IV. Detailed Notes on All Funds (continued)

B. Capital Assets

Governmental capital asset activity for the year ended December 31, 2025 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital assets not depreciated:				
Land	$ 10,935,915	$ -	$ -	$ 10,935,915
Water rights	55,588	-	-	55,588
Art	40,742	-	-	40,742
Construction-in-Progress	100,572	802,888	-	903,460
Total capital assets not depreciated	11,132,817	802,888	-	11,935,705
Capital assets depreciated:				
Land improvements	13,517,584	85,707	(11,753)	13,591,538
Buildings and improvements	18,619,864	24,297	(18,039)	18,626,122
Machinery and equipment	1,304,520	264,252	(2,589)	1,566,183
Lease assets	481,871	-	(481,871)	-
Vehicles	334,881	152,823	-	487,704
Total capital assets depreciated	34,258,720	527,079	(514,252)	34,271,547
Less accumulated depreciation for:				
Land improvements	(5,744,641)	(673,644)	11,753	(6,406,532)
Buildings and improvements	(8,881,461)	(513,655)	18,039	(9,377,077)
Machinery and equipment	(1,082,266)	(39,546)	2,589	(1,119,223)
Lease assets	(481,871)	-	481,871	-
Vehicles	(230,133)	(28,160)	-	(258,293)
Total accumulated depreciation	(16,420,372)	(1,255,005)	514,252	(17,161,125)
Total capital assets depreciated, net	17,838,348	(727,926)	-	17,110,422
Governmental Activities Capital Assets, Net	$ 28,971,165	$ 74,962	$ -	$ 29,046,127

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IV. Detailed Notes on All Funds (continued)

B. Capital Assets (continued)

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

Governmental Activities:	
General Government	$ 93,294
Wulf Center	143,836
Buchanan Center	256,451
Lakehouse	87,781
Parks and Fields	673,643
Total Depreciation and Amortization - Governmental Activities	$ 1,255,005

C. Long-term Obligations

1. General Obligation Refunding Bonds - Series 2015

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

2. Certificates of Participation - Series 2025

On May 14, 2025, the District entered into a Certificate Purchase Agreement with UMB Bank at a price of $16,572,486. The purchase price includes the Certificates of Participation Series 2025 par amount of $16,040,000, plus net original issuance premium of $624,716, less the underwriter's discount of $92,230. The Certificates will bear interest, mature, be subject to redemption and priced to yield. Interest rates range from 4.250% to 5.000%. The first interest payment is due December 1, 2025. Subsequent to the initial payment, interest payments are due semi-annually on June 1 and December 1 through 2045. Principal payments are due annually on December 1 through 2045. The proceeds from the sale will be applied to the acquisition, construction, installation and equipping of various public improvements, including a new aquatic facility at Buchanan Park Recreation Center, including any legally permitted costs and expenditures in connection therewith.

IV. Detailed Notes on All Funds (continued)

C. Long-term Obligations (continued)

3. Schedule of Debt Service Requirements

Future principal and interest payments due at December 31, 2025 were as follows:

	Principal	Interest	Total
2026	$ 485,000	$ 775,319	$ 1,260,319
2027	510,000	751,069	1,261,069
2028	535,000	725,569	1,260,569
2029	565,000	698,819	1,263,819
2030	590,000	670,569	1,260,569
2031 - 2035	3,430,000	2,879,344	6,309,344
2036 - 2040	4,385,000	1,930,844	6,315,844
2041 - 2045	5,540,000	765,781	6,305,781
Total	$ 16,040,000	$ 9,197,314	$25,237,314

4. Changes in Long-term Obligations

Long-term liability activity for the year ended December 31, 2025 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
2015 G.O. Refunding Bonds	$ 1,035,000	$ -	$ (1,035,000)	$ -	$ -
2015 Bond Premium	100,690	-	(100,690)	-	-
2025 Certificates of Participation	-	16,040,000	-	16,040,000	485,000
2025 COP Premium	-	624,716	(51,718)	572,998	-
Accrued compensated absences*	152,082	6,548	-	158,630	52,875
Long-term Liabilities	$ 1,287,772	$16,671,264	$ (1,187,408)	$ 16,771,628	$ 537,875

**The change in compensated absence liability is presented as a net change.*

V. Other Information

A. Risk Management

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

V. Other Information (continued)

B. Conservation Trust

The District received $168,201 of Colorado lottery funds during 2025 based upon a formula considering population within the District. The funds are restricted under the State Conservation Trust Fund statutes to acquisition, development and maintenance of parks and recreation facilities. This revenue and the related expenditures are accounted for in the General Fund.

C. Retirement Plans

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

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

Full-time employees are required to participate in the 401(a) plan upon the first full month of their employment. All participating employees are required to make a mandatory contribution to the plan equal to 3% of gross payroll. The District is required to match the 3% employee contribution. Employee contributions to the plan are vested 100% upon contribution. Employer contributions are vested 25% per year after 1 year of service. Employees are fully vested after 5 years of service. The District is neither the trustee nor the administrator for the 401(a) Plan. The seven-member governing board of CRA makes all necessary rules and is responsible for administration of the funds in the 401(a) Plan. Benefits payable at retirement, death, termination, or other unforeseen circumstance are based on the accumulated account balance of each employee. Upon termination of service with the District, any unvested amounts will be forfeited and may be used to pay plan expenses or District required employer contributions to the 401(a) Plan.

For 2025, the District recognized $86,643 of expense under this plan. During 2025, the District had $5,817 of forfeitures, which were used to offset plan expenses. For 2025, the District's employees' covered payroll was $2,888,100. The District had no liability to the Plan at December 31, 2025.

V. Other Information (continued)

C. Retirement Plans (continued)

2. Deferred Compensation Plan – Section 457(b)

The District also participates in the CRA retirement plan created within the Internal Revenue Code Section 457(b) (the "457(b) Plan"), which is a defined contribution plan. The plan permits all employees to defer a portion of their salary into the plan on a tax advantaged basis. The District matches 100% of the first of 5% of salary deferrals for full-time employees only, which vests immediately. All contributions to the 457(b) Plan and all income attributable to those amounts are to be held in trust for the exclusive benefit of the plan participants and their beneficiaries. Plan investment purchases are determined by the plan participant and therefore, the plan's investment concentration varies between participants. The District has no liability for losses under the plan but does have the duty of due care that would be required of an ordinary prudent investor. The District is neither the trustee nor the administrator for the plan. The seven-member governing board of CRA makes all necessary rules and is responsible for administration of the funds in the Plan. Benefits payable at retirement, death, termination, or other unforeseen circumstance are based on the accumulated account balance of each employee.

The District recognized expense related to this 457(b) Plan of $98,339 during 2025 and recognized a liability to the 457 Plan at December 31, 2025 of $0.

D. Subsequent Events

In 2026, the District entered into several contracts related to Buchanan Park and Recreation Center Improvement projects. The District's aggregate contractual commitments related to these contracts is approximately $12.5 million.

REQUIRED SUPPLEMENTARY INFORMATION

Evergreen Park and Recreation District
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
General Fund
For the Year Ended December 31, 2025
(With Comparative Amounts for 2024)

	2025			2024
	Original & Final Budget	Actual	Final Budget Variance Positive (Negative)	Actual
Revenues:				
Property and other taxes	3,650,775	3,703,500	52,725	3,763,134
Intergovernmental and donations	1,225,000	505,909	(719,091)	185,128
Federal grants	-	25,170	25,170	-
State and local grants	950,000	109,321	(840,679)	67,631
Charges for services:				
Wulf Recreation Center:				
Daily admissions and facility revenue	369,853	419,418	49,565	311,687
Aquatics programs	111,880	103,933	(7,947)	109,131
Concessions and merchandise	1,867	1,837	(30)	2,119
Program and instruction	-	2,281	2,281	1,235
Total Wulf Recreation Center	483,600	527,469	43,869	424,172
Buchanan Recreation Center:				
Daily admissions and facility revenue	876,635	927,625	50,990	767,636
Aquatics programs	122,146	113,273	(8,873)	102,744
Concessions and merchandise	5,205	3,784	(1,421)	4,102
Program and instruction	75,900	69,622	(6,278)	77,753
Total Buchanan Recreation Center	1,079,886	1,114,304	34,418	952,235
Lakehouse:				
Facility rentals	742,000	898,721	156,721	938,875
Boating rentals and classes	432,750	504,724	71,974	462,606
Skating and hockey revenue	378,550	371,633	(6,917)	442,552
Concessions and merchandise	1,000	8,531	7,531	8,205
Special events	-	5,275	5,275	32,345
Total Lakehouse	1,554,300	1,788,884	234,584	1,884,583
Parks and Fields	185,750	173,048	(12,702)	132,789
Recreation and other programs:				
Athletic programs	350,892	321,675	(29,217)	329,195
Children programs	533,981	523,289	(10,692)	426,647
Gymnastics programs	537,360	439,969	(97,391)	495,503
Recreation programs	382,133	390,733	8,600	340,134
Special population programs	203,500	138,768	(64,732)	149,647
Total Recreation and other programs	2,007,866	1,814,434	(193,432)	1,741,126
Special events and festivals	-	39,409	39,409	50,908
Rental and marketing income	114,800	174,548	59,748	86,909
Total Charges for Services	5,426,202	5,632,096	205,894	5,272,722
Investment income	54,000	688,852	634,852	131,434
Miscellaneous income	125,700	10,062	(115,638)	2,135
Total Revenues	11,431,677	10,674,910	(756,767)	9,422,184

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

Evergreen Park and Recreation District
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
General Fund
For the Year Ended December 31, 2025
(With Comparative Amounts for 2024)

	2025			2024
	Original & Final Budget	Actual	Final Budget Variance Positive (Negative)	Actual
Expenditures:				
General:				
Payroll	1,251,905	1,525,652	(273,747)	1,092,447
Repairs and maintenance	10,660	24,991	(14,331)	45,898
Utilities	14,760	27,119	(12,359)	22,551
Administrative	81,250	95,354	(14,104)	78,024
County treasurer fees	-	67,270	(67,270)	68,483
Insurance	240,444	217,093	23,351	207,532
Professional fees	233,500	194,359	39,141	180,572
Other expenses	161,644	67,046	94,598	43,995
Total General	1,994,163	2,218,884	(224,721)	1,739,502
Wulf Recreation Center:				
Payroll	675,802	454,471	221,331	614,749
Programs	1,226	173	1,053	-
Repairs and maintenance	128,908	109,389	19,519	120,432
Utilities	147,839	138,731	9,108	123,118
Administrative	13,247	9,121	4,126	11,029
Other expenses	76,194	81,370	(5,176)	69,586
Total Wulf Recreation Center	1,043,216	793,255	249,961	938,914
Buchanan Recreation Center:				
Payroll	1,032,207	1,211,523	(179,316)	1,026,535
Programs	8,998	6,265	2,733	7,825
Repairs and maintenance	154,189	122,125	32,064	135,931
Utilities	172,732	160,769	11,963	143,950
Administrative	12,410	10,664	1,746	10,046
Other expenses	49,500	55,504	(6,004)	51,102
Total Buchanan Recreation Center	1,430,036	1,566,850	(136,814)	1,375,389
Lakehouse:				
Payroll	658,419	648,136	10,283	625,117
Programs	47,500	53,558	(6,058)	50,335
Repairs and maintenance	89,350	79,267	10,083	61,185
Utilities	47,200	28,395	18,805	33,441
Administrative	7,960	6,775	1,185	4,611
Other expenses	88,800	81,432	7,368	81,657
Total Lakehouse	939,229	897,563	41,666	856,346

The accompanying notes are an integral part of these financial statements

Evergreen Park and Recreation District
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
General Fund
For the Year Ended December 31, 2025
(With Comparative Amounts for 2024)

	2025			2024
	Original & Final Budget	Actual	Final Budget Variance Positive (Negative)	Actual
Expenditures (continued):				
Parks and Fields:				
Payroll	704,529	712,746	(8,217)	573,674
Repairs and maintenance	155,820	243,810	(87,990)	206,559
Utilities	47,882	62,966	(15,084)	49,585
Administrative	4,484	5,689	(1,205)	2,577
Other expenses	25,200	23,823	1,377	19,720
Total Parks and Fields	937,915	1,049,034	(111,119)	852,115
Recreation and Other Programs				
Athletic programs	248,013	275,669	(27,656)	251,630
Children's programs	440,710	504,521	(63,811)	393,424
Gymnastics programs	444,589	409,291	35,298	374,545
Recreation programs	320,587	324,792	(4,205)	232,122
Special populations programs	198,466	213,096	(14,630)	198,467
Total Recreation and Other Programs	1,652,365	1,727,369	(75,004)	1,450,188
Special Events	141,260	86,782	54,478	33,675
Capital Outlay	7,743,000	1,574,286	6,168,714	2,137,567
Debt Service				
Cost of issuance	-	232,387	(232,387)	-
Lease principal	-	-	-	11,261
Lease interest	-	-	-	209
Total Debt Service	-	232,387	(232,387)	11,470
Total Expenditures	15,881,184	10,146,410	5,734,774	9,395,166
Excess of Revenues Over Expenditures	(4,449,507)	528,500	4,978,007	27,018
Other Financing Sources (Uses):				
Proceeds from debt issuance	5,544,507	16,040,000	10,495,493	-
Premium on debt issuance	-	624,716	624,716	-
Insurance recoveries	-	187,308	187,308	159,919
Total Other Financing Sources (Uses)	5,544,507	16,852,024	11,307,517	159,919
Change in Fund Balance	1,095,000	17,380,524	16,285,524	186,937
Fund Balance - Beginning		6,008,615		5,821,678
Fund Balance - Ending		23,389,139		6,008,615

The accompanying notes are an integral part of these financial statements

SUPPLEMENTARY INFORMATION

Evergreen Park and Recreation District
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Debt Service Fund
For the Year Ended December 31, 2025
(With Comparative Amounts for 2024)

	2025			2024
	Original & Final Budget	Actual	Final Budget Variance Positive (Negative)	Actual
Revenues:				
Property tax for debt service	1,089,815	1,085,753	(4,062)	1,093,342
Investment income	-	24,893	24,893	14,388
Total Revenues	1,089,815	1,110,646	20,831	1,107,730
Expenditures:				
Debt Service:				
Principal	1,035,000	1,035,000	-	1,000,000
Interest	54,315	465,672	(411,357)	81,400
Other expenses	500	300	200	-
Total Expenditures	1,089,815	1,500,972	(411,157)	1,081,400
Excess of Revenues Over Expenditures	-	(390,326)	(390,326)	26,330
Change in Fund Balance	-	(390,326)	(390,326)	26,330
Fund Balance - Beginning		478,825		452,495
Fund Balance - Ending		88,499		478,825

The accompanying notes are an integral part of these financial statements

Evergreen Park and Recreation District
Ad Valorem Property Tax Data
For the Year Ended December 31, 2025

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

History of Assessed Valuations and Mill Levies for the District

Levy/ Collection Year	Assessed Valuation	Percent Change	General Fund Levy	Debt Service Levy	Special Abatement Levy	Total Mill Levy
2011/2012	416,242,632	-8.1%	4.328	2.880	0.048	7.256
2012/2013	412,866,832	-0.8%	4.328	2.901	0.042	7.271
2013/2014	397,643,902	-3.7%	4.328	3.018	0.039	7.385
2014/2015	396,029,090	-0.4%	4.328	3.032	0.028	7.388
2015/2016	441,389,899	11.5%	4.328	2.428	0.026	6.782
2016/2017	437,608,907	-0.9%	4.328	2.449	0.013	6.790
2017/2018	490,387,709	12.1%	4.328	2.198	0.013	6.539
2018/2019	477,532,047	-2.6%	4.328	2.516	0.013	6.857
2019/2020	530,956,124	11.2%	4.328	2.516	0.013	6.857
2020/2021	531,612,076	0.1%	4.328	2.516	0.013	6.857
2021/2022	585,975,393	10.2%	4.328	1.650	0.032	6.010
2022/2023	572,375,131	-2.3%	4.328	1.888	0.030	6.246
2023/2024	722,079,155	26.2%	4.699	1.498	0.011	6.208
2024/2025	724,073,335	26.5%	4.687	1.505	0.014	6.206
2025/2026	757,385,938	4.9%	4.328	1.782	0.019	6.129

Source: State of Colorado, Department of Local Affairs, Division of Property Taxation, Annual Reports, 2013-2025.

Property Tax Collections for the District

Levy/ Collection Year	Property Taxes Levied [1]	Current Tax Collections [2]	Collection Rate
2010/2011	3,171,143	3,155,890	99.52%
2011/2012	3,020,257	2,991,590	99.05%
2012/2013	3,001,955	2,986,406	99.48%
2013/2014	2,936,600	2,922,633	99.52%
2014/2015	2,925,863	2,918,208	99.74%
2015/2016	2,993,506	2,910,675	97.23%
2016/2017	2,971,364	2,893,085	97.37%
2017/2018	3,206,645	3,121,261	97.34%
2018/2019	3,274,437	3,235,676	98.82%
2019/2020	3,640,766	3,529,119	96.93%
2020/2021	3,645,264	3,537,136	97.03%
2021/2022	3,521,712	3,495,735	99.26%
2022/2023	3,575,055	3,446,299	96.40%
2023/2024	4,482,667	4,372,150	97.53%
2024/2025	4,493,599	4,385,791	97.60%
2025/2026[3]	4,642,018	3,131,061	67.45%

(1) Levies do not reflect abatements or other adjustments.
(2) The Jefferson County Treasurer's collection fees have not been deducted from these amounts, nor do they include delinquent tax collections or interest collected on current taxes.
(3) Collections distributed through May 31, 2026.

Sources: State of Colorado, Department of Local Affairs, Division of Property Taxation, Annual Reports, 2013-2025; and Jefferson County Treasurer's Office.