



City of
Evans, Colorado

**Financial Statements
and Supplementary Information**
For the Year Ended December 31, 2019



City of Evans

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June 11, 2020

To the Honorable Mayor, City Council, and Citizens of the City of Evans:

State Law requires that all general-purpose local governments publish, within 240 days of the close of each fiscal year, a complete set of financial statements presented in conformity with accounting principles generally accepted in the United States (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the comprehensive annual financial report of the City of Evans for the fiscal year ended December 31, 2019.

This report consists of management's representations concerning the finances of the City of Evans. Consequently, management assumes full responsibility for the completeness and reliability of all the information presented in this report. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The City of Evans financial statements have been audited by ACM LLP, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of Evans for the fiscal year ended December 31, 2019, are free of material misstatement. The independent auditor concluded based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City of Evans' financial statements for the fiscal year ended December 31, 2019 are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

GAAP requires that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). The City of Evans MD&A can be found immediately following the report of the independent auditors.

Respectfully submitted,

A handwritten signature in blue ink, reading "James L. Becklenberg".

James L. Becklenberg
City Manager

A handwritten signature in black ink, reading "Jacquie Troudt".

Jacquie Troudt, CPA
Finance Director



Independent Auditor's Report

Honorable Mayor and Members of the City Council
City of Evans, Colorado

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Evans, Colorado (the "City"), as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Evans, Colorado, as of December 31, 2019, 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.

Emphasis of Matter

As further described in Note 14, the COVID-19 outbreak in 2020 has caused business disruption in a variety of industries, markets and geographic regions, which has resulted in considerable uncertainty as to the financial impact and duration, which cannot be reasonably estimated at this time. Our conclusion is not modified with respect to this matter.



Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 13, the budgetary comparison information on pages 55 and 56, the Schedule of the City's Proportionate Share of the Net Pension Liability/(Asset) on page 57, and the Schedule of City Contributions on page 58 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with evidence sufficient to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual nonmajor fund financial statements, budgetary comparison schedules, Local Highway Finance Report, and schedule of expenditures of federal awards, as required by *Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and introductory section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements, budgetary comparison schedules, Local Highway Finance Report, and schedule of expenditures of federal awards, are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with *Governmental Auditing Standards*, we have also issued our report dated May 19, 2020 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

ACM LLP

Greeley, Colorado
June 11, 2020

MANAGEMENT'S DISCUSSION AND ANALYSIS

To serve the citizens of the City of Evans (the "City"), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended December 31, 2019. Please read the information presented here in conjunction with the City's financial statements beginning on page 14.

FINANCIAL HIGHLIGHTS

- The assets of the City exceeded its liabilities at the close of 2019 by \$169.5 million (net position). Of this amount, \$43.4 million (unrestricted net position) may be used to meet the City's ongoing obligations to citizens and creditors. Of the remaining balance, \$121 million is investments in capital assets and \$5.1 million is restricted for other purposes.
- The City's total net position increased by \$13.2 million. The governmental and business-type activities drove this change with an increase in revenue.
- Sales and use tax collections increased by \$371 thousand, a 3.9 percent increase from the prior year. Stable economic conditions contributed to this increase.
- At the end of 2019, the City's governmental funds reported combined ending fund balances of \$26 million, an increase of \$3.2 million in comparison to the ending balances of 2018. Of this total amount, \$4.4 million, or 17 percent, is available for spending at the City's discretion (unassigned fund balance).
- At the end of 2019, the unassigned fund balance for the General Fund was \$4.4 million, which was 32 percent of total General Fund 2019 expenditures. In addition, the City Charter requires the Emergency Contingency Fund to maintain a balance of 25 percent of the preceding fiscal year's (2018) audited General Fund expenditures, not to exceed \$1 million. The resulting 2019 fund balance related to the Emergency Contingency Fund (shown as combined with the General Fund) amounts to \$1 million in reserve for emergencies. Fund balances at 2019-year end for the General Fund, including the Emergency Contingency Fund, amount to \$12.5 million.
- As required under Accounting Principle GASB 68, the City reported an asset of \$1.5 million for its proportionate share of the net pension assets of the State of Colorado Fire and Police Pension Association plans at December 31, 2019. Footnote 8 explains the impact on net position in more detail.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Government-wide Financial Statements – Reporting the City of Evans as a Whole

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

The **statement of net position** presents information on all of the City of Evans' assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference between these categories 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 City is improving or deteriorating.

The **statement of activities** presents information showing how the City'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 (e.g. uncollected taxes and earned but unused vacation leave).

Both of these government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government administration, City Council support and elections, public safety, maintenance and new construction of highways and streets, planning and zoning, maintenance of City facilities, buildings and land improvements, debt service, community development, engineering, and culture, parks and recreation activities. The business-type activities of the City include the City's water, waste water, and storm drainage utility enterprise functions.

The government-wide financial statements include solely the operations of the City itself. The activity for the Evans Redevelopment Agency ("ERA") is reported as a blended component unit of the City. Separate financial statements are not issued for the ERA. The government-wide financial statements can be found on Pages 14-16 of this report.

Fund Financial Statements – Reporting the City of Evans' Most Significant Funds

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, or as required by legal enabling legislation. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance related legal requirements. All the funds of the City can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

Governmental funds - Governmental funds are used to account for 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 upcoming inflows and outflows of resources, as well as on balances of resources available at the end of the fiscal year. Such information may be useful in evaluating a government's upcoming financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between the different statements.

The City maintains ten individual governmental funds, including the blended component unit of the Evans Redevelopment Agency. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the general fund, street construction fund, parks construction fund, and the Evans Redevelopment Agency, which are major funds. Data from the remaining six governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements included in other supplementary information.

The City adopts an annual budget for all of its funds. To demonstrate compliance, a budgetary comparison is provided for each of the funds.

The basic governmental fund financial statements are found on Pages 17-22 of this report.

Proprietary funds - The City maintains one type of proprietary fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its water, waste water and storm drainage utility functions.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information on the City's water, waste water and storm drainage funds.

The basic proprietary fund financial statements can be found on Pages 23-26 of this report.

Fiduciary funds - Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of these funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements can be found on Pages 27-28 of this report.

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 are found on Pages 29-54 of this report.

Other information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City. Required and other supplementary information can be found on Pages 55-87 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS – City of Evans as a Whole

As noted earlier, net position may serve as a useful indicator of a government's financial position. In the case of the City, assets exceeded liabilities by \$169.5 million at the close of 2019.

By far the largest portion (71 percent) of the City's net position reflects its investment in capital assets (e.g., land, buildings, machinery and equipment and infrastructure) less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

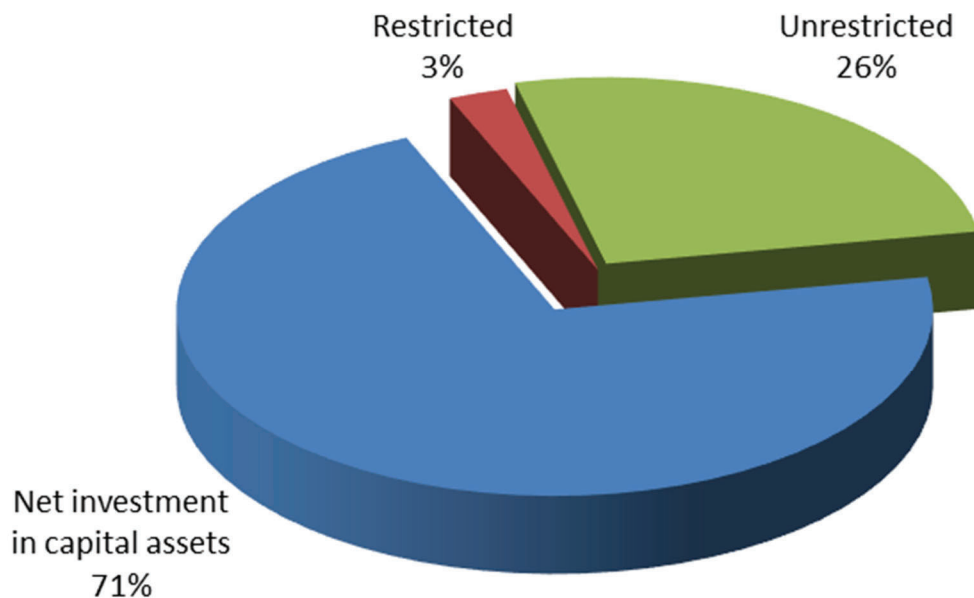
An additional portion of the City's net position (3.1 percent) represents resources that are subjected to external and internal restrictions on how they may be used. The remaining balance of unrestricted net position (\$43.4 million) may be used to meet the City's ongoing obligations to citizens and creditors. Table 1 provides a summary of the City's net position for 2019 as compared to 2018.

Table 1

**City of Evans
Net Position (\$000's)**

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Assets:						
Current and other assets	\$ 28,964	\$ 25,808	\$28,459	\$ 24,406	\$ 57,423	\$ 50,214
Capital assets	51,599	48,815	100,312	99,109	151,911	147,924
Net pension asset	1,461	2,193	-	-	1,461	2,193
Total assets	82,024	76,816	128,771	123,515	210,795	200,331
Deferred outflows of resources	2,279	1,490	-	-	2,279	1,490
Liabilities:						
Current liabilities	2,076	2,079	967	753	3,043	2,832
Long-term liabilities	503	554	38,826	40,695	39,329	41,249
Total liabilities	2,579	2,633	39,793	41,448	42,372	44,081
Deferred inflows of resources						
Unearned revenue – property taxes	901	901	-	-	901	901
Deferred inflows of resources relating to pensions	306	538	-	-	306	538
Total Deferred inflows of resources	1,207	1,439	-	-	1,207	1,439
Net Position:						
Net investment in capital assets	51,599	48,815	69,356	66,322	120,955	115,137
Restricted	3,677	3,455	1,485	1,530	5,162	4,985
Unrestricted	25,241	21,964	18,137	14,215	43,378	36,179
Total net position	\$ 80,517	\$ 74,234	\$88,978	\$82,067	\$169,495	\$156,301

**City of Evans Total Net Position
December 31, 2019**



At the end of the current fiscal year and previous fiscal year, the City is able to report positive balances in all three categories of net position, for the City as a whole, as well as for its separate governmental and business-type activities.

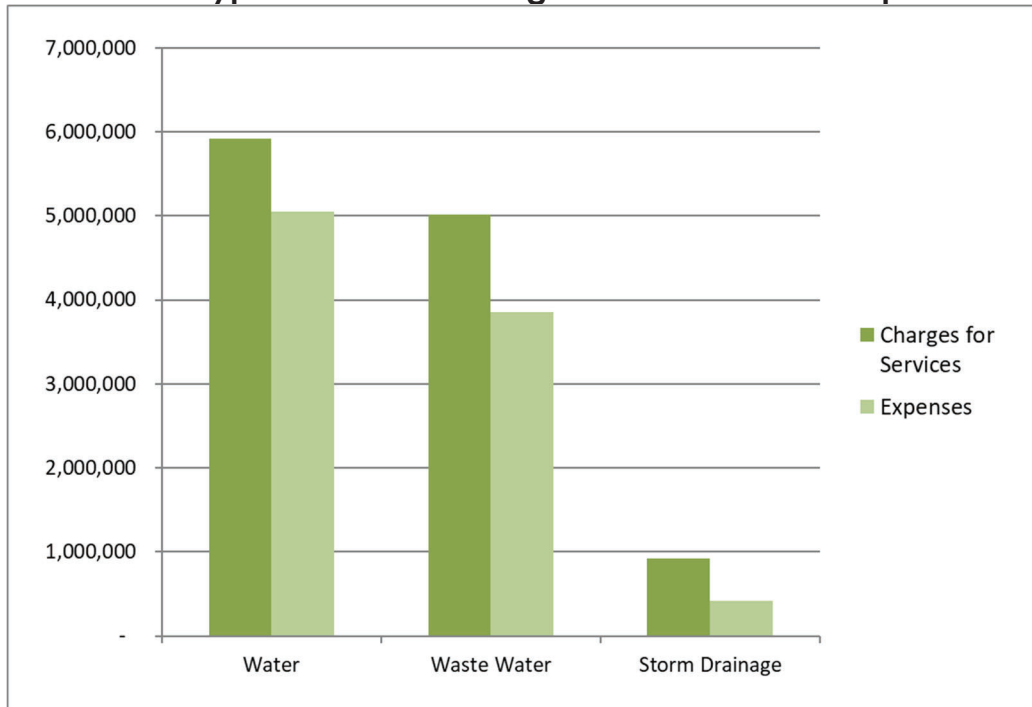
Table 2 shows the changes in net position for the fiscal year 2019 compared to the fiscal year 2018.

Table 2							
City of Evans							
Condensed Statement of Activities (\$000's)							
	Governmental Activities		Business-Type Activities		Total		
	2019	2018	2019	2018	2019	2018	
Revenues:							
<i>Program revenues:</i>							
Charges for services	\$ 4,985	\$ 3,820	\$ 11,854	\$ 10,320	\$ 16,839	\$ 14,140	
Operating grants and contributions	53	7,229	644	32	697	7,261	
Capital grants and contributions	1,158	1,299	4,343	2,293	5,501	3,592	
<i>General revenues:</i>							
Sales and use taxes	9,960	9,589	-	-	9,960	9,589	
Property taxes	1,010	559	-	-	1,010	559	
Specific ownership taxes	60	39	-	-	60	39	
Franchise taxes	711	679	-	-	711	679	
Other taxes	515	207	-	-	515	207	
Intergovernmental	2,814	2,589	-	-	2,814	2,589	
Unrestricted Investment Earnings	756	215	305	187	1,061	402	
Other general revenue	773	382	-	-	773	382	
Gain (loss) on disposal of capital assets	2	-	-	(1,605)	2	(1,605)	
Total revenues	22,797	26,607	17,146	11,227	39,943	37,834	
Expenses:							
General government	5,278	4,705	-	-	5,278	4,705	
Public safety	5,752	4,632	-	-	5,752	4,632	
Public works	4,116	3,358	-	-	4,116	3,358	
Culture, parks and recreation	1,248	1,107	-	-	1,248	1,107	
Community development	962	945	-	-	962	945	
Flood recovery	66	35	-	-	66	35	
Water enterprise	-	-	5,046	4,879	5,046	4,879	
Waste Water enterprise	-	-	3,860	2,272	3,860	2,272	
Storm Drainage enterprise	-	-	422	371	422	371	
Interest on Long Term Debt	-	22	-	-	-	22	
Total expenses	17,422	14,804	9,328	7,522	26,750	22,326	
Excess before transfers	5,375	11,803	7,818	3,705	13,193	15,508	
Transfers in (out)	908	1,409	(907)	(1,408)	1	1	
Increase (decrease) in net position	6,283	13,212	6,911	2,297	13,194	15,509	
Net position – Beginning	74,234	61,022	82,067	79,770	156,301	140,792	
Net position – Ending	\$ 80,517	\$ 74,234	\$ 88,978	\$ 82,067	\$ 169,495	\$ 156,301	

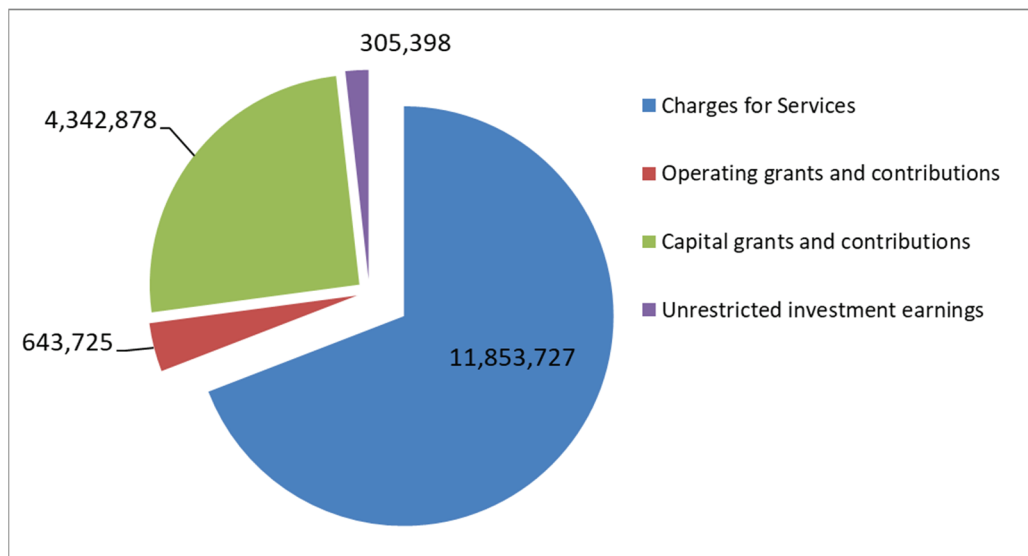
Governmental Activities - Governmental activities increased the City's net position by \$6.3 million, thereby accounting for a portion of the total growth in the net position of the City. Contributing to this growth was both the City's increase in revenues and slight decrease in expenditures.

Business-type Activities - Business-type activities increased the City's net position by \$6.9 million.

Business-type Activities - Charges for Services and Expenses



Business-type Activities - Revenues by Source



FINANCIAL ANALYSIS OF THE CITY'S FUNDS

The City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds - The focus of the City's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the City'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.

As of December 31, 2019, the City's governmental funds reported ending fund balances of \$26 million, an increase of \$3.2 million from the prior year. Approximately 17 percent of this total amount (\$4.4 million) constitutes unassigned fund balance, which is available for spending at the City's discretion. The remainder of fund balance (\$21.6 million) is restricted, committed, or assigned to indicate that it is not available for new spending because it has been restricted, committed or assigned to 1) provide a reserve fund for the benefit of the holders of certain City debt instruments, 2) provide an emergency reserve as required by the City Charter and the State Constitution (amendment to Article X, Section 20) and 3) fund balance which was accumulated due to revenues which were assigned to a specific function (for example, impact fee revenues).

The General Fund is the chief operating fund of the City. As of December 31, 2019, the unassigned fund balance of the general fund was \$4.4 million. As a measure of the General Fund's liquidity, it may be useful to compare total unassigned fund balance to total fund expenditures. Total unassigned fund balance represents 32 percent of total General Fund expenditures. The increase in the fund balance of the General Fund was \$394 thousand during 2019. The major contributing factors to the increase was an increase in sales and use tax collections and reductions in expenditures during the year.

In 2019, taxes are the General Fund's largest source of revenue at 70 percent, or \$11.3 million.

The Emergency Contingency Fund ended the 2019 fiscal year with a total fund balance of \$1.0 million, all of which is reserved for emergencies and not available for spending, except at the City Council's discretion in accordance with City Charter direction. For financial reporting purposes, this fund is reported within the General Fund.

Proprietary funds - The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Net position of the Water, Waste Water and Storm Drainage funds as of December 31, 2019, amounted to \$56.3 million, \$22.5 million, and \$10.2 million, respectively. The total growth (decline) in net position for the three funds during 2019 was \$2.7 million, \$3.5 million, and \$695 thousand, respectively. Other factors concerning the finances of these funds have already been addressed in the discussion of the City's business-type activities.

GENERAL FUND BUDGETARY HIGHLIGHTS

The difference between the 2019 original budget and the final revised expenditure budget was \$4.4 million. The major appropriations approved during the year were:

- \$1.5 million transfer to the CIP Streets Fund for 37th Street widening future construction.
- \$880 thousand carryforward funding to complete projects such as replacement of HVAC units, repairs to City Complex roof, completion of necessary equipment repairs from hail and wind storms, software conversions, and significant equipment repairs.
- \$450 thousand for demolition and abatement of ERA properties.
- \$350 thousand for extension of 23rd Avenue.
- \$250 thousand transfer to CIP Streets Fund for additional pavement management.

During the year, actual revenues and other financing sources were \$17.2 million, which exceeded final budgetary estimates by \$3.4 million. The additional revenues are primarily due to sales tax collections, fines and forfeitures, charges for service, state severance tax and federal mineral lease tax.

Actual expenditures and other financing sources totaled \$16.8 million which was \$2.3 million under budgeted expenditures and other financing sources. The fund balance as of December 31, 2019 was \$12.5 million. Of this amount, \$9 thousand is nonspendable and related to 2020 expenditures prepaid in 2019, \$1 million is restricted for emergencies, \$389 thousand is committed for functions related to designated revenue, and \$4.4 million is unassigned and available for appropriations as the City Council sees fit.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets - The City's investment in capital assets for its governmental and business-type activities as of December 31, 2019, amounted to \$121 million (net of accumulated depreciation). This investment includes the investment in Greeley water; land; buildings and system; improvements; machinery and equipment; park facilities; sidewalks; roads; highways and bridges; and water, wastewater and storm drainage installations and systems. The City's investment in capital assets increased for both governmental activities and for business-type activities.

Major capital asset additions during the year included the following:

- Construction in progress activity for a multitude of road design and construction projects, software conversions, and water conservation efforts.
- New major assets included police vehicle replacements, rooftop HVAC units, and completion items at Riverside Park.

**City of Evans Capital Assets
(net of depreciation)**

	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
Land and water shares	\$ 8,034	\$ 7,613	\$ 33,888	\$ 33,631	\$ 41,922	\$ 41,244
Landscaping	2,009	2,009	-	-	2,009	2,009
Construction in progress	5,331	1,731	6,873	3,216	12,204	4,947
Intangible assets	186	55	84	104	270	159
Land improvements	8,209	8,796	-	-	8,209	8,796
Building & improvements	9,076	9,274	(133)	247	8,943	9,521
System improvements	-	-	61,038	62,796	61,038	62,796
Machinery & equipment	465	446	5,499	6,013	5,964	6,459
Transportation equipment	315	506	-	-	315	506
Infrastructure	17,974	18,385	865	904	18,839	19,289
Total	\$ 51,599	\$ 48,815	\$ 108,114	\$ 106,911	\$ 159,713	\$ 157,726

Additional information on the City's capital assets can be found in the notes to the financial statements on Pages 40-41 of this report.

Debt - As of December 31, 2019, the City had no capital lease obligations outstanding. In addition, the City has \$38.8 million in Colorado Water Resources and Power Development Authority ("CWRPDA") notes payable.

City of Evans Outstanding Debt

	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
Water loans	-	-	624	780	624	780
Wastewater loans	-	-	38,134	39,849	38,134	39,849
Capital Leases	-	-	-	-	-	-
Compensated Absences	392	554	68	66	460	620
Total	\$ 392	\$ 554	\$ 38,826	\$ 40,695	\$39,218	\$ 41,249

The City's general obligation indebtedness may not, by Charter, exceed in aggregate dollars, 15% of the City's prior year's total assessed property valuation. A requirement exists to have an affirmative vote of the citizens to authorize general obligation debt issuance. Business-type funds do not have any limitations on the amount of debt that may be issued nor do they require an elector vote provided that the debt is supported by revenues of the utility enterprise. Issuance of business-type fund debt must be approved by an affirmative vote of the Council by ordinance. Advanced refunding of all debt must be approved by ordinance by the Council.

Additional information on the City's long-term debt can be found in the notes to the financial statements on Pages 42-43 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

- Population has increased slightly over the past several years with a 2019 estimate of 21,340.
- The City's sales tax revenue increased by 2 percent in 2019, due to steady collections of the base, commercial, and motor vehicle sales taxes of the City. The industrial category of taxes is considered volatile and the majority of revenues received is treated as "one-time" revenues and are not added to the long-term revenue projections. To conservatively estimate the collections, sales tax revenues are projected to increase 2 percent for 2020 over the 2019 budget.
- Property tax collections increased by 81 percent from 2018 to 2019, and is projected to increase by 41 percent for 2020 over 2019 budget. The increase is largely due to increased property valuations of both residential and oil and gas valuations.

All of these factors were considered in preparing the City's budget for the 2020 fiscal year.

Requests for Information

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Evans Finance Department, 1100 37th Street, Evans, Colorado 80620, (970) 475-1127.

Basic Financial Statements

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City of Evans
Statement of Net Position

December 31, 2019

	Governmental Activities	Business-Type Activities	Total
Assets			
Cash, cash equivalents and investments	\$ 23,759,951	\$ 17,570,049	\$ 41,330,000
Receivables	4,194,795	1,589,984	5,784,779
Prepaid items	9,469	12,039	21,508
Restricted cash, cash equivalents and investments	1,000,000	1,485,414	2,485,414
Investment in Greeley water	-	7,802,013	7,802,013
Capital assets, not being depreciated	15,373,583	32,959,339	48,332,922
Capital assets, being depreciated, net	36,225,227	67,352,590	103,577,817
Net pension asset	1,461,670	-	1,461,670
Total assets	82,024,695	128,771,428	210,796,123
Deferred outflows of resources			
Deferred outflows of resources relating to pensions	2,279,534	-	2,279,534
Liabilities			
Accounts payable	1,312,923	700,607	2,013,530
Accrued payroll	107,921	17,831	125,752
Deposits and escrows	475,235	97,717	572,952
Unearned revenue	46,260	-	46,260
Other liabilities	133,907	-	133,907
Accrued interest payable	-	151,208	151,208
Noncurrent liabilities:			
Accrued compensated absences	392,211	68,254	460,465
Due within one year	-	1,890,796	1,890,796
Due in more than one year	-	36,866,832	36,866,832
Net pension liability	110,655	-	110,655
Total liabilities	2,579,112	39,793,245	42,372,357
Deferred inflows of resources			
Deferred revenue - property taxes	901,366	-	901,366
Deferred inflows of resources relating to pensions	306,289	-	306,289
Total deferred inflows of resources	1,207,655	-	1,207,655
Net position			
Net investment in capital assets	51,598,810	69,356,314	120,955,124
Restricted for:			
Emergencies	1,000,000	-	1,000,000
Debt service	-	1,485,414	1,485,414
Street construction	620,377	-	620,377
Parks and recreation	595,142	-	595,142
Pensions	1,461,670	-	1,461,670
Unrestricted	25,241,463	18,136,455	43,377,918
Total net position	\$ 80,517,462	\$ 88,978,183	\$ 169,495,645

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

City of Evans
Statement of Activities

Year Ended December 31, 2019

Functions/programs	Expenses	Program Revenues			
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities:					
General government	\$ 5,278,108	\$ 2,382,194	\$ 33,805	\$ -	
Public safety	5,751,593	548,734	-	-	
Public works	4,116,219	876,473	-	909,532	
Culture, parks and recreation	1,248,166	1,177,674	-	248,214	
Community development	962,834	-	-	-	
Flood recovery	66,538	-	19,130	-	
Total governmental activities	17,423,458	4,985,075	52,935	1,157,746	
Business-type activities:					
Water	5,046,102	5,921,363	-	2,163,730	
Wastewater	3,859,968	5,012,256	463,398	2,098,713	
Storm drainage	422,194	920,108	180,327	80,435	
Total business-type activities	9,328,264	11,853,727	643,725	4,342,878	
Total primary government	\$ 26,751,722	\$ 16,838,802	\$ 696,660	\$ 5,500,624	

General revenues

Taxes:

Property taxes

Specific ownership taxes

Sales and use taxes

Franchise taxes

Other taxes

Intergovernmental

Earnings on investments

Other revenues

Gain on disposal of capital assets

Subtotal general revenues

Transfers in (out)

Total general revenues and transfers

Changes in net position

Net position at beginning of year

Net position at end of year

Net (Expense) Revenue and Changes in Net Position		
Governmental Activities	Business-Type Activities	Total
\$ (2,862,109)	\$ -	\$ (2,862,109)
(5,202,859)	-	(5,202,859)
(2,330,214)	-	(2,330,214)
177,722	-	177,722
(962,834)	-	(962,834)
(47,408)	-	(47,408)
(11,227,702)	-	(11,227,702)
-	3,038,991	3,038,991
-	3,714,399	3,714,399
-	758,676	758,676
-	7,512,066	7,512,066
(11,227,702)	7,512,066	(3,715,636)
1,009,951	-	1,009,951
60,750	-	60,750
9,960,204	-	9,960,204
711,043	-	711,043
514,960	-	514,960
2,814,134	-	2,814,134
756,496	305,398	1,061,894
773,302	-	773,302
2,377	-	2,377
16,603,217	305,398	16,908,615
907,660	(906,473)	1,187
17,510,877	(601,075)	16,909,802
6,283,175	6,910,991	13,194,166
74,234,287	82,067,192	156,301,479
\$ 80,517,462	\$ 88,978,183	\$ 169,495,645

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

City of Evans
Balance Sheet
Governmental Funds
December 31, 2019

	General	Street Construction	Parks Construction
Assets			
Equity in pooled cash, cash equivalents and investments	\$ 11,056,349	\$ 4,434,157	\$ -
Restricted cash, cash equivalents and Receivables	1,000,000	-	-
Due from other fund	2,389,731	687,598	513,079
Prepaid items	180,629	-	-
	9,394	-	-
Total assets	\$ 14,636,103	\$ 5,121,755	\$ 513,079
Liabilities, deferred inflows of resources and fund balances			
Liabilities			
Accounts payable	\$ 564,644	\$ 416,149	\$ 35,410
Unearned revenue	44,460	-	-
Accrued payroll	107,921	-	-
Deposits and escrows	475,235	-	-
Due to other fund	-	-	180,629
Other liabilities	27,907	-	-
Total liabilities	1,220,167	416,149	216,039
Deferred inflows of resources			
Unavailable revenue - property taxes	901,366	-	-
Total deferred inflows of resources	901,366	-	-
Fund balances			
Nonspendable	9,394	-	-
Restricted	1,000,000	-	-
Committed	389,020	-	-
Assigned	6,691,397	4,705,606	297,040
Unassigned	4,424,759	-	-
Total fund balances	12,514,570	4,705,606	297,040
Total liabilities, deferred inflows of resources and fund balances	\$ 14,636,103	\$ 5,121,755	\$ 513,079

Evans Redevelopment Agency	Other Governmental Funds	Total Governmental Funds
\$ 15,887	\$ 8,253,558	\$ 23,759,951
-	-	1,000,000
441,442	162,945	4,194,795
-	-	180,629
75	-	9,469
\$ 457,404	\$ 8,416,503	\$ 29,144,844
\$ 216,290	\$ 80,430	\$ 1,312,923
600	1,200	46,260
-	-	107,921
-	-	475,235
-	-	180,629
-	106,000	133,907
216,890	187,630	2,256,875
-	-	901,366
-	-	901,366
75	-	9,469
-	1,215,519	2,215,519
-	40,795	429,815
240,439	6,972,559	18,907,041
-	-	4,424,759
240,514	8,228,873	25,986,603
\$ 457,404	\$ 8,416,503	\$ 29,144,844

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

City of Evans
Reconciliation of the Governmental Funds
Balance Sheet with the Government-wide Statement of Net Position
December 31, 2019

Amounts reported for governmental activities in the statement of net position are different because:

Total fund balance - governmental funds	\$ 25,986,603
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Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the fund financial statements.

Capital assets	\$ 70,204,984	
Less: accumulated depreciation	<u>(18,606,174)</u>	51,598,810

The net pension asset, net pension liability and related deferred inflows and deferred outflows of resources are not current financial resources and, therefore, are not reported in the fund financial statements.

Net pension asset	\$ 1,461,670	
Net pension liability	(110,655)	
Deferred outflows of resources relating to pensions	2,279,534	
Deferred inflows of resources relating to pensions	<u>(306,289)</u>	3,324,260

Long-term liabilities are not due and payable from current financial resources and, therefore, are not reported as liabilities on the fund financial statements. Long-term liabilities and related accounts at December 31, 2019 consist of:

Compensated absences	(392,211)
Total net position - governmental activities	\$ 80,517,462

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

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City of Evans
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
Year Ended December 31, 2019

	General	Street Construction	Parks Construction
Revenues			
Taxes	\$ 11,310,510	\$ -	\$ -
Licenses and permits	1,396,544	-	-
Intergovernmental	1,585,455	988,404	-
Grants and contributions			
Grants - flood	-	-	19,130
Other	33,805	909,532	-
Charges for services	403,631	-	-
Fines and forfeitures	354,564	-	-
Earnings (loss) on investments	556,239	79,858	(4,238)
Assessments	-	-	-
Miscellaneous	556,114	42,629	-
Total revenues	16,196,862	2,020,423	14,892
Expenditures			
General government	4,192,646	-	-
Public safety	5,608,795	-	-
Public works	1,569,899	257,959	-
Culture, parks and recreation	1,231,826	-	-
Community development	807,134	-	-
Flood recovery	-	-	66,538
Capital outlay	519,898	3,632,587	114,546
Total expenditures	13,930,198	3,890,546	181,084
Excess (deficiency) of revenues over expenditures	2,266,664	(1,870,123)	(166,192)
Other financing sources (uses)			
Proceeds from the sale of capital assets	4,000	-	-
Transfers in	965,698	2,350,000	-
Transfers out	(2,842,796)	-	-
Total other financing sources (uses)	(1,873,098)	2,350,000	-
Net changes in fund balances	393,566	479,877	(166,192)
Fund balance at beginning of year	12,121,004	4,225,729	463,232
Fund balance at end of year	\$ 12,514,570	\$ 4,705,606	\$ 297,040

Evans Redevelopment Agency	Other Governmental Funds	Total Governmental Funds
\$ -	\$ 946,398	\$ 12,256,908
-	1,200	1,397,744
-	240,275	2,814,134
-	-	19,130
-	248,214	1,191,551
-	866,556	1,270,187
-	-	354,564
-	124,637	756,496
-	1,962,580	1,962,580
30,920	143,639	773,302
30,920	4,533,499	22,796,596
-	-	4,192,646
-	181,457	5,790,252
-	843,771	2,671,629
-	15,511	1,247,337
73,465	-	880,599
-	-	66,538
421,423	1,015,628	5,704,082
494,888	2,056,367	20,553,083
(463,968)	2,477,132	2,243,513
-	-	4,000
492,796	-	3,808,494
-	(58,038)	(2,900,834)
492,796	(58,038)	911,660
28,828	2,419,094	3,155,173
211,686	5,809,779	22,831,430
\$ 240,514	\$ 8,228,873	\$ 25,986,603

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

City of Evans
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and
Changes in Fund Balances with the Government-wide Statement of Activities
Year Ended December 31, 2019

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balance - total governmental funds	\$ 3,155,173
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Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are shown in the statement of net position and allocated over their estimated useful lives as annual depreciation expense in the statement of activities:

Capital outlay	\$ 5,565,242	
Depreciation expense	<u>(2,780,191)</u>	2,785,051

Proceeds from sale of capital assets are shown as an other financing source, but are reduced by the net book value of the asset to calculate the gain or loss on sale of capital assets on the statement of activities. This is the net book value of the capital assets sold.	(1,623)
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Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Change in accrued compensated absences	\$ 161,552	
Change in accrued interest payable	<u>3,108</u>	164,660

Changes in pension accounts relating to the City's defined benefit retirement plans are recognized on the statement of activities and not included in the fund financial statements.	179,914
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Change in net position of governmental activities	\$ 6,283,175
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The accompanying notes are an integral part of these financial statements.

City of Evans
Statement of Net Position
Proprietary Funds
December 31, 2019

	Water	Waste Water	Storm Drainage	Total
Assets				
Current assets				
Equity in pooled cash, cash equivalents and investments	\$ 6,040,086	\$ 9,642,150	\$ 1,887,813	\$ 17,570,049
Receivables	815,006	596,722	178,256	1,589,984
Prepaid items	12,039	-	-	12,039
Total current assets	6,867,131	10,238,872	2,066,069	19,172,072
Noncurrent assets				
Restricted cash, cash equivalents and investments	1,150,259	335,155	-	1,485,414
Investment in Greeley water	7,802,013	-	-	7,802,013
Capital assets, not being depreciated	30,056,647	902,847	1,999,845	32,959,339
Capital assets, being depreciated, net	11,556,232	49,560,416	6,235,942	67,352,590
Total noncurrent assets	50,565,151	50,798,418	8,235,787	109,599,356
Total assets	57,432,282	61,037,290	10,301,856	128,771,428
Liabilities				
Current liabilities				
Accounts payable	462,538	121,953	116,116	700,607
Accrued expenses	5,500	12,092	239	17,831
Deposits and escrows	33,603	36,205	27,909	97,717
Accrued interest payable	-	151,208	-	151,208
Current portion of notes payable	155,991	1,734,805	-	1,890,796
Total current liabilities	657,632	2,056,263	144,264	2,858,159
Noncurrent liabilities				
Accrued compensated absences	32,307	33,909	2,038	68,254
Notes payable	467,973	36,398,859	-	36,866,832
Total noncurrent liabilities	500,280	36,432,768	2,038	36,935,086
Total liabilities	1,157,912	38,489,031	146,302	39,793,245
Net position				
Net investment in capital assets	48,790,928	12,329,599	8,235,787	69,356,314
Restricted	1,150,259	335,155	-	1,485,414
Unrestricted	6,333,183	9,883,505	1,919,767	18,136,455
Total net position	\$ 56,274,370	\$ 22,548,259	\$ 10,155,554	\$ 88,978,183

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

City of Evans
Statement of Revenues, Expenses and Changes in Net Position
Proprietary Funds
Year Ended December 31, 2019

	Water	Waste Water	Storm Drainage	Total
Operating revenues				
Water/sewer/storm drainage sales	\$ 5,462,693	\$ 5,012,256	\$ 920,108	\$ 11,395,057
Non-potable water sales	374,292	-	-	374,292
Water meters	57,789	-	-	57,789
Other sales	26,589	-	-	26,589
Total operating revenues	5,921,363	5,012,256	920,108	11,853,727
Operating expenses				
Water supply and administrative	4,136,343	-	-	4,136,343
Wastewater and administrative	-	992,631	-	992,631
Storm drainage and administrative	-	-	135,556	135,556
Depreciation expense	909,759	2,164,614	286,638	3,361,011
Total operating expenses	5,046,102	3,157,245	422,194	8,625,541
Operating income	875,261	1,855,011	497,914	3,228,186
Nonoperating revenues (expenses)				
Grants and contributions	528,456	463,398	180,327	1,172,181
Earnings on investments	132,313	142,557	30,528	305,398
Interest expense	-	(702,723)	-	(702,723)
Total nonoperating revenues (expenses)	660,769	(96,768)	210,855	774,856
Income before transfers and contributions	1,536,030	1,758,243	708,769	4,003,042
Transfers out	(464,695)	(347,987)	(93,791)	(906,473)
Plant investment fees and cash in lieu of fees	1,635,274	2,098,713	80,435	3,814,422
Change in net position	2,706,609	3,508,969	695,413	6,910,991
Net position at beginning of year	53,567,761	19,039,290	9,460,141	82,067,192
Net position at end of year	\$ 56,274,370	\$ 22,548,259	\$ 10,155,554	\$ 88,978,183

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

City of Evans
Statement of Cash Flows
Proprietary Funds
Year Ended December 31, 2019

	Water	Wastewater	Storm Drainage	Total
Cash flows from operating activities				
Cash received from customers	\$ 5,531,183	\$ 4,798,504	\$ 785,914	\$ 11,115,601
Cash payments to suppliers	(3,783,464)	(523,595)	4,784	(4,302,275)
Cash payments to employees	(260,164)	(611,501)	(38,023)	(909,688)
Net cash flows from operating activities	1,487,555	3,663,408	752,675	5,903,638
Cash flows from non-capital financing activities				
Transfers to other funds	(464,695)	(347,987)	(93,791)	(906,473)
Grants and contributions	528,456	463,398	180,327	1,172,181
Net cash flows from non-capital financing activities	63,761	115,411	86,536	265,708
Cash flows from capital and related financing activities				
Plant investment fees and cash in lieu of fees	1,635,274	2,098,713	80,435	3,814,422
Principal paid on debt	(155,991)	(1,715,389)	-	(1,871,380)
Interest paid on debt	-	(538,863)	-	(538,863)
Change in restricted cash	23,853	20,764	-	44,617
Receipts of loan proceeds receivable	-	39,461	-	39,461
Acquisition of capital assets	(2,940,922)	(1,122,149)	(500,591)	(4,563,662)
Net cash flows from capital and related financing activities	(1,437,786)	(1,217,463)	(420,156)	(3,075,405)
Cash flows from investing activities				
Proceeds from sale of investments	1,504,042	972,666	109,119	2,585,827
Purchases of investments	(1,648,242)	(2,452,810)	(583,587)	(4,684,639)
Earnings on investments	132,313	142,557	30,528	305,398
Net cash flows from investing activities	(11,887)	(1,337,587)	(443,940)	(1,793,414)
Net change in cash and cash equivalents	101,643	1,223,769	(24,885)	1,300,527
Cash and cash equivalents at beginning of year	2,926,993	3,936,931	846,445	7,710,369
Cash and cash equivalents at end of year	\$ 3,028,636	\$ 5,160,700	\$ 821,560	\$ 9,010,896
Investments	3,011,450	4,481,450	1,066,253	8,559,153
Cash, cash equivalents and investments at end of year	\$ 6,040,086	\$ 9,642,150	\$ 1,887,813	\$ 17,570,049

Continued.

City of Evans
Statement of Cash Flows
Proprietary Funds
Year Ended December 31, 2019

	Water	Waste Water	Storm Drainage	Total
Reconciliation of operating income to net cash flows from operating activities:				
Operating income	\$ 875,261	\$ 1,855,011	\$ 497,914	\$ 3,228,186
Adjustments to reconcile operating income to net cash flows from operating activities:				
Depreciation expense	909,759	2,164,614	286,638	3,361,011
Changes in operating assets and liabilities				
Receivables	(390,180)	(213,752)	(134,194)	(738,126)
Accounts payable and accrued expenses	92,715	(142,465)	102,317	52,567
Net cash flows from operating activities	\$ 1,487,555	\$ 3,663,408	\$ 752,675	\$ 5,903,638

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

City of Evans
Statement of Fiduciary Net Position
Cemetery Endowment Fund
December 31, 2019

Assets	
Restricted cash and investments	\$ 49,467
Total assets	\$ 49,467
Net position	
Restricted	\$ 49,467
Total net position	\$ 49,467

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

City of Evans
Statement of Changes in Fiduciary Net Position
Cemetery Endowment Fund
Year Ended December 31, 2019

Additions	
Earnings on investments	\$ 1,187
Total additions	1,187
Transfers	
Transfers out	(1,187)
Total transfers	(1,187)
Net change in net position	-
Net position at beginning of year	49,467
Net position at end of year	\$ 49,467

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

City of Evans
Notes to Financial Statements
December 31, 2019

1. Summary of Significant Accounting Policies

Reporting Entity

The City of Evans, Colorado (the “City”) was founded on November 22, 1869, as a statutory city. On April 30, 1973, the City adopted a home rule charter which provided for adoption of a Council-Manager Government. The City’s major operations include general government; public safety; public works; culture, parks and recreation; and community development. The accompanying financial statements conform to accounting principles generally accepted in the United States of America (“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 following is a summary of the more significant policies.

As defined by GAAP established by the GASB, the financial reporting entity consists of the primary government, as well as component units, which are legally separate organizations for which elected officials of the primary government are financially accountable. Financial accountability is defined as:

- 1) Appointment of a voting majority of the component unit’s governing board, and either, a) the ability to impose its will by the primary government, or b) there is a potential for the component unit to provide specific financial benefits to, or impose specific financial burdens on, the primary government; or
- 2) Fiscal dependency on the primary government and there is a potential for the organization to provide specific benefits to, or impose specific financial burdens on the primary government regardless of whether the organization has (1) a separately elected governing board, (2) a governing board appointed by a higher level of government or (3) a jointly appointed board.

Based on the application of these criteria, the following component unit is included in the City’s reporting entity.

Blended Component Unit

The Evans Urban Renewal Authority, known as the Evans Redevelopment Agency (“ERA”) was created by the City of Evans in 2009 to assist in the redevelopment of blighted and run-down neighborhoods and districts that were attracting little or no private investment and stimulate the transformation into attractive, thriving areas. The City Council serves as the Urban Renewal Authority and is governed by Colorado State Statutes. The activity for the ERA is reported as a blended component unit of the City, a major fund shown as the Evans Redevelopment Agency. Separate financial statements are not issued for the ERA.

Government-wide and Fund Financial Statements

The government-wide financial statements report information on all of the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely a significant extent on fees and charges for support.

City of Evans
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The statement of activities demonstrates the degree to which the direct expenses of a given function or activity are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or activity. Program revenues include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or activity, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or activity. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recognized when earned and expenses are recognized when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the enterprise funds and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include: 1) charges to customers or 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.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, claims and judgments and pollution remediation costs, are recorded only when payment is due.

Property taxes, when levied for; intergovernmental revenues, when eligibility requirements are met; charges for services; and interest associated with the current fiscal period, are all considered to be susceptible to accrual (measurable) and so have been recognized as revenues of the current fiscal period, if available. All others, primarily licenses, fees and permits, are measurable and available only when cash is received.

The City reports the following major governmental funds:

General Fund - The General Fund is the general operating fund of the City. It is used to account for all financial resources, except those required to be accounted for in another fund. In addition, the Emergency Contingency Reserve Fund, used for funds accumulated for emergency contingencies established by the City Charter, is also reported in this fund.

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Street Construction Fund - The Street Construction Fund is a capital projects fund. It is used to manage the City's major assets, such as roadways, alleys, and public rights-of-way, through the on-going maintenance and repair of existing assets and the construction of new assets.

Park Construction Fund - The Park Construction Fund is a capital projects fund. It is used to manage the City's major assets, such as parks and major parks infrastructure through the ongoing maintenance and repair of existing assets and construction of new assets.

Evans Redevelopment Agency - The Evans Redevelopment Agency is a blended component unit, and reported as a special revenue fund. It reports the activities of the Evans Urban Renewal Authority.

Proprietary Funds - Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Non-operating revenues, such as subsidies and investment earnings, result from non-exchange transactions or ancillary activities.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the proprietary funds are charges to customers for services. Operating expenses for enterprise and internal service funds include the cost of operations and maintenance and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Enterprise Funds - Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises, where the primary intent is that costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. The City's major enterprise funds include the Water, Waste Water, and Storm Drainage Funds.

Fiduciary Funds - Trust and custodial funds are used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds. The City's trust fund is the Cemetery Endowment Fund.

Budgets

The City follows these procedures in establishing the budgetary data reflected in the supplementary information:

- By October 15, the City Manager submits to the City Council a proposed operating budget for the fiscal year beginning the following January 1. The operating budget includes proposed expenditures and the means of financing them.
- A public hearing is conducted to obtain taxpayer comments.
- Prior to December 31, the budget is legally enacted through passage of a resolution.
- Any budget revisions that alter the total expenditures of any fund must be approved by the City Council through passage of an ordinance.
- The City legally adopts budgets for all of the funds. Budgets for the General, special revenue, capital projects and fiduciary funds are adopted on a basis consistent with GAAP. Budgetary comparisons presented for the enterprise funds are presented on a non-GAAP budgetary basis.
- Budgeted amounts in the financial statements are as originally adopted or as amended by the City Council. All appropriations lapse at year end.

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The following table summarizes the individual fund budgeted expenditures, as originally adopted, and as revised:

	Original Budget	Total Revisions	Revised Budget
Governmental funds:			
General	\$ 14,739,955	\$ 4,357,350	\$ 19,097,305
Special revenue funds:			
Parks Impact	-	1,220,000	1,220,000
Conservation Trust	-	118,801	118,801
Refuse Collection	804,195	90,797	894,992
Street Impact	300,000	634,276	934,276
Fire Impact	125,000	100,000	225,000
Police Impact	-	-	-
Cemetery Perpetual Care	-	-	-
Evans Redevelopment Agency	73,570	452,839	526,409
Capital projects funds:			
Street Construction	1,650,000	6,041,108	7,691,108
Parks Construction	-	268,500	268,500
Food Tax	850,000	-	850,000
Debt service fund:			
2013 Lease Repayment	-	21,590	21,590
Business-type funds:			
Water	8,798,974	2,028,480	10,827,454
Waste Water	5,346,279	619,314	5,965,593
Storm Drainage	492,453	1,737,682	2,230,135
Fiduciary fund:			
Cemetery Endowment	6,000	-	6,000
Total funds	\$ 33,186,426	\$ 17,690,737	\$ 50,877,163

Cash and Investments

Cash balances of the City's funds are pooled and invested in investments maturing within five years, in order to provide improved cash management. Individual fund integrity is maintained through City records. Each fund's interest in the pooled bank account is presented on the financial statements as "equity in pooled cash, cash equivalents and investments." Overdrawn balances in the pooled cash accounts, if any, are treated by the City as interfund liabilities, payable to the fund deemed to have made the loan.

During 2019, the City had investments in commercial paper, U.S. treasury obligations, U.S. instrumentality obligations, and local government investment pools.

Investments are stated at fair value in accordance with GASB Statement No. 72, *Fair Value Measurement and Application*, based on quoted market values, with the exception of certain external investment pools. These are stated at net asset value or amortized cost.

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For purpose of presentation in the financial statements, investments of the cash management pool and investments with original maturities of three months or less at the time they are purchased by the City are considered to be cash equivalents. Investments with an initial maturity of more than three months are reported as investments.

An analysis of the City's cash and investment accounts at December 31, 2019, is provided in Note 2.

Restricted Cash

The Emergency Contingency restricted cash, totaling \$1,000,000, as reported within the General Fund, is due to a reserve for unanticipated expenditures. The City, by Home Rule Charter, maintains a fund balance equal to 25% of the prior year's General Fund expenditures. The designation is to provide a fiscal cushion to absorb fluctuations in City operations due to economic downturns or emergencies. This designation encompasses the "emergency" reserve as defined in the TABOR amendment of the Colorado State Constitution. In the November 2012 election, the citizens of Evans approved a ballot initiative to provide for a ceiling of \$1 million in the Emergency Contingency Fund, allowing any amount exceeding this amount to be transferred to the General Fund. This ceiling was effective starting January 1, 2013.

Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. Because these assets do not represent current financial resources, these amounts are shown as nonspendable fund balance in governmental funds.

Bond Premiums, Discounts and Issuance Costs

In the governmental fund statements, bond premiums, discounts, and issuance costs are recognized as current period revenues and/or expenditures. Bond premiums and discounts in the government-wide and proprietary fund statements are deferred and amortized over the life of the bonds using the straight-line method, which approximates the effective-interest method. Issuance costs are expensed as incurred, while bond premiums and discounts are netted against the related debt.

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (i.e., streets and roads, bridges, traffic signals, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of \$5,000 or more and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are recorded at acquisition value.

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. Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets, as applicable.

Assets are depreciated using the straight-line method. Depreciation expense is included in program expense in the government-wide statement of activities.

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Estimated useful lives for asset types are as follows:

Intangible assets	10 years
Land improvements	5 - 50 years
Infrastructure	10 - 30 years
Buildings and improvements	5 - 50 years
Machinery and equipment	5 - 20 years
Transportation equipment	6 - 15 years
System improvements	5 - 40 years

Compensated Absences

Employees of the City are allowed to accumulate unused vacation, sick and compensatory time depending on length of employment. Upon termination of employment from the City, an employee will be compensated for all accrued vacation and compensatory time at their current rate of pay; there is no payment for sick leave upon termination.

Accumulated unpaid vacation and compensatory time is accrued when earned. In the governmental fund statements, accumulated compensated absences not expected to be paid with current available resources are reported as governmental activities liabilities, but not reported in the funds. These balances are generally liquidated by the General Fund. Compensated absences relating to the Enterprise Funds are recorded as a liability of those funds.

Long-Term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities or proprietary fund statement of net position. Bonds payable are reported net of the applicable bond premium or discount.

Property Taxes

Property taxes are levied prior to December 31 and attach as an enforceable lien on property on January 1. Taxes are payable in full on April 30 or in two installments on the last day of February and June 15. The County Treasurer's office collects property taxes and remits to the City on a monthly basis. Since property tax revenues are collected in arrears during the succeeding year, a receivable and corresponding deferred inflows of resources is recorded at December 31. As the tax is collected in the succeeding year, the deferred inflows of resources is recognized as revenue and the receivable is reduced.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period(s) and will not be recognized as an outflow of resources (expense/expenditure) until then. The City reports deferred outflows of resources for pension-related amounts. See Note 8 for additional information.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that

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applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time. The City reports a deferred inflow of resource relating to property taxes. In addition, the City reports deferred inflows of resources for pension-related amounts. See Note 8 for additional information.

Fund Balance and Net Position

In the government-wide and proprietary fund financial statements, net position is classified in the following categories:

Net Investment in Capital Assets - This category groups all capital assets, including infrastructure, into one component of net position. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduce this category.

Restricted Net Position - This category presents external restrictions imposed by creditors, grantors, contributors or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.

Unrestricted Net Position - This category represents the net position of the City, which is not restricted for any project or other purpose. A deficit will require future funding.

In the fund financial statements, fund balances of governmental funds are categorized as follows:

Nonspendable - amounts that cannot be spent either because they are not in spendable form or because they are legally or contractually required to be maintained intact.

Restricted - amounts that can be spent only for specific purposes because of constitutional provisions, charter requirements or enabling legislation or because of constraints that are externally imposed by creditors, grantors, or the laws or regulations of other governments.

Committed - amounts that can be used only for specific purposes determined by a formal action of the City Council (the "Council"). The Council is the highest level of decision making authority for the City. Commitments may be established, modified, or rescinded only through resolutions approved by the Council.

Assigned - amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. Under the Council's adopted policy, the Council has granted the City Manager, or the City Manager's designee, the authority to assign the designated fund balance for each governmental fund based on the intended use of resources by the City Council in the most recently adopted Budget and Long Range Financial Plans.

Unassigned - all other spendable amounts. Only the General Fund reports a positive unassigned fund balance. In other governmental funds other than the General Fund, if expenditures incurred for specific purposes exceed the amounts that are restricted, committed, or assigned to other purposes, the funds would report a negative unassigned fund balance; however, any amount reported as assigned fund balance would have to be eliminated before a negative unassigned fund balance could be reported.

When an expenditure is incurred for purposes for which both restricted and unrestricted resources are available, it is the City's policy to use restricted resources first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the City considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the City has provided otherwise in its commitment or assignment actions.

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As of December 31, 2019, fund balances are composed of the following:

	General Fund	Street Construction Fund	Parks Construction Fund	Evans Redevelopment Agency	Nonmajor Governmental Funds	Total Governmental Funds
Nonspendable:						
Prepaid items	\$ 9,394	\$ -	\$ -	\$ 75	\$ -	\$ 9,469
Restricted:						
Emergency reserve	1,000,000	-	-	-	-	1,000,000
Parks and recreation	-	-	-	-	595,142	595,142
Street construction	-	-	-	-	620,377	620,377
Committed:						
Surcharge fees	389,020	-	-	-	-	389,020
Street construction	-	-	-	-	40,795	40,795
Assigned:						
Special revenue funds	-	-	-	240,439	6,972,559	7,212,998
Street construction	-	4,705,606	-	-	-	4,705,606
Park construction	-	-	297,040	-	-	297,040
Fund balance policy	6,691,397	-	-	-	-	6,691,397
Unassigned:	4,424,759	-	-	-	-	4,424,759
Total	\$ 12,514,570	\$ 4,705,606	\$ 297,040	\$ 240,514	\$ 8,228,873	\$ 25,986,603

Pensions

The City contributes to the Statewide Defined Benefit Plan (“SWDBP”) and the Statewide Hybrid Plan (“SWH”). Both plans are cost-sharing multiple-employer defined benefit pension plans administered by the Fire and Police Pension Association of Colorado (“FPPA”). For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the SWDB and SWH plans and additions to/deductions from the SWDB and SWH plans fiduciary net position have been determined on the same basis as they are reported by the FPPA. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Accounting Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, and deferred inflows of resources and disclosures 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.

2. Cash and Investments

A summary of cash and investments as of December 31, 2019, follows:

Petty cash	\$ 1,967
Cash deposits	10,043,462
Investments	33,819,452
Total	\$ 43,864,881

City of Evans
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The above amounts are classified in the statements of net position and fiduciary net position as follows:

Restricted cash and investments:	
Governmental activities	\$ 1,000,000
Business-type activities	1,485,414
Fiduciary funds	49,467
Unrestricted cash and investments:	
Governmental activities	23,759,951
Business-type activities	17,570,049
Total cash and investments	\$ 43,864,881

Cash Deposits

Custodial Credit Risk

This is the risk that, in the event of failure of a depository financial institution, a government will not be able to recover its deposits. The City's deposit policy is in accordance with CRS 11-10.5-101, the Colorado Public Deposit Protection Act ("PDPA"), which governs the investment of public funds. PDPA requires that all units of local governments deposit cash in eligible public depositories. Eligibility is determined by state regulations. Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by the PDPA. The financial institution is allowed to create a single collateral pool for all public funds held. The pool is maintained by another institution, or held in trust for all of the uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits. The institution's internal records identify collateral by depositor and as such, these deposits are considered uninsured but collateralized. The State Regulatory Commissions 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, 2019, the City had deposits with financial institutions with a carrying amount of \$10,043,462. The bank balances with the financial institutions were \$11,152,409, of which \$1 million was covered by federal depository insurance. The remaining balance of \$10,152,409 was collateralized with securities held by the financial institutions' agents but not in the City's name.

Investments

Credit Risk

The City's investment policy defines allowable investments instruments including:

- U.S. Treasury obligations
- U.S. instrumentality obligations
- Certificates of deposit
- Corporate bonds rated at lower than AA- by at least two nationally recognized rating agencies
- Repurchase agreements
- Investment grade obligations of state, county and local governments and public authorities money market mutual funds regulated by the Securities and Exchange Commission whose portfolios consist of only dollar denominated securities
- Local government investment pools

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The City manages its credit risk by limiting its investments to the types of securities listed above, by pre-qualifying the financial institutions, brokers/dealers, intermediaries and advisors, and by diversifying the investment portfolio so that the impact of potential losses from any one type of security or from any one individual issuer will be minimized.

At December 31, 2019, the City had the following investments:

Investments	S&P Rating	Moody Rating	Fair Value	Weighted Average Maturity Date (in days)	Concentration of Credit Risk
ColoTrust	AAm	NR	\$ 13,739,030	N/A	40.61%
CSAFE	AAm	NR	2,268	N/A	0.01%
Money market funds	NR	NR	562,971	N/A	1.67%
US Treasury	AAA	Aaa	1,559,495	664	4.61%
US Instrumentality	AAA	Aaa	6,424,579	1,264	19.00%
Certificates of deposit	NR	NR	11,531,109	833	34.10%
Total investments			\$ 33,819,452		

The City categorizes its fair value measurement within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The City's investment balances at fair value hierarchy are as follows:

Investments	Level 1	Level 2	Level 3	Total
Money market funds	\$ 562,971	\$ -	\$ -	\$ 562,971
US Treasury	-	1,559,495	-	1,559,495
US Instrumentality	-	6,424,579	-	6,424,579
Certificates of deposit	-	11,531,109	-	11,531,109
Investments measured at amortized cost - CSAFE				2,268
Investments measured at net asset value - ColoTrust				13,739,030
Total investments	\$ 562,971	\$ 19,515,183	\$ -	\$ 33,819,452

At December 31, 2019, the City had invested \$13,739,030 in the Colorado Local Government Liquid Asset Trust (the "Trust"), an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commission administers and enforces all State statutes governing the Trust. The Trust operates similarly to a money market fund and each share is equal in value to \$1. The Trust offers shares in two portfolios, COLOTRUST PRIME and COLOTRUST PLUS+. COLOTRUST PRIME invests only in U.S. Treasury and government agencies. COLOTRUST PLUS+ can invest in U.S. Treasury, government agencies, and in the highest-rate commercial paper. A designated custodial bank serves as custodian for the Trust's portfolios pursuant to a custodian agreement. The custodian acts as a 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. The Trust is rated AAAM by Standard and Poor's and is measured at net asset value.

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As of December 31, 2019, the City had invested balances of \$2,268 in CSAFE, an investment vehicle established for local government entities in Colorado to pool surplus funds for investment purposes. CSAFE is a highly liquid fund operating similarly to a money market-like fund and each share is equal in value to \$1.00. CSAFE measures all of its investment at amortized cost in accordance with GASB Statement No. 79, Certain External Investment Pools and Pool Participants. CSAFE invests primarily in United States Treasuries, United States Agencies, Primary Dealer Repurchase Agreements, highly rated commercial paper, AAAM rated money market funds, highly rated corporate bonds and Colorado Depositories. The weighted average maturity of the portfolio shall not exceed 60 days and the weighted average life of the portfolio shall not exceed 120 days. CSAFE is rated AAAM by Standard & Poor's and is measured at amortized cost.

Interest Rate Risk

Colorado state statutes require that no investment may have a maturity in excess of five years from the date of purchase, unless an available active market exists. The City has a formal investment policy, consistent with statutory requirements, that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The City's investment portfolio does not contain investments that exceed that limitation of five years.

Custodial Credit Risk - Investments

For an investment, custodial credit risk is the risk that, in the event of the failure of the counter party, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City Council approves a list of financial institutions and depositories authorized to provide investment services. Security broker/dealers must have a minimum capital requirement of \$10,000,000 and at least five years of operation.

3. Receivables

Receivables at December 31, 2019, consist of the following:

Receivables	General	Special Revenue	Capital Projects	Enterprise	Total
Taxes	\$ 901,366	\$ -	\$ -	\$ -	\$ 901,366
Accounts	83,859	77,799	725,109	841,042	1,727,809
Intergovernmental	1,346,862	2,801	557,913	34,720	1,942,296
Other	57,644	441,442	-	714,222	1,213,308
Total	\$ 2,389,731	\$ 522,042	\$ 1,283,022	\$ 1,589,984	\$ 5,784,779

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4. Capital Assets

A summary of changes in governmental activity capital assets is as follows:

	Beginning Balance	Increases	(Decreases)	Transfers	Ending Balance
Capital assets, not being depreciated:					
Land	\$ 7,612,644	\$ 421,423	\$ -	\$ -	\$ 8,034,067
Landscaping	2,008,809	-	-	-	2,008,809
Construction in progress	1,730,593	3,728,401	-	(128,287)	5,330,707
Total capital assets, not being depreciated	11,352,046	4,149,824	-	(128,287)	15,373,583
Capital assets, being depreciated:					
Intangible assets	239,215	34,711	(65,147)	128,287	337,066
Land improvements	10,786,535	178,620	-	-	10,965,155
Infrastructure	24,585,083	775,691	-	-	25,360,774
Buildings and improvements	13,005,605	123,030	-	-	13,128,635
Machinery and equipment	2,765,334	235,989	-	-	3,001,323
Transportation equipment	2,001,831	67,377	(30,760)	-	2,038,448
Total capital assets, being depreciated	53,383,603	1,415,418	(95,907)	128,287	54,831,401
Less accumulated depreciation for:					
Intangible assets	(183,976)	(30,555)	63,524	-	(151,007)
Land improvements	(1,990,066)	(765,686)	-	-	(2,755,752)
Infrastructure	(6,199,042)	(1,188,198)	-	-	(7,387,240)
Buildings and improvements	(3,731,561)	(321,071)	-	-	(4,052,632)
Machinery and equipment	(2,319,471)	(216,632)	-	-	(2,536,103)
Transportation equipment	(1,496,151)	(258,049)	30,760	-	(1,723,440)
Total accumulated depreciation	(15,920,267)	(2,780,191)	94,284	-	(18,606,174)
Total capital assets, being depreciated, net	37,463,336	(1,364,773)	(1,623)	128,287	36,225,227
Governmental activities capital assets, net	\$ 48,815,382	\$ 2,785,051	\$ (1,623)	\$ -	\$ 51,598,810

Depreciation for governmental activity capital assets has been allocated to the various activities as follows:

General government	\$ 1,112,075
Public safety	236,316
Public works	1,320,592
Culture, parks and recreation	27,802
Community development	83,406
Total depreciation expense - governmental activities	\$ 2,780,191

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A summary of changes in business-type activity capital assets is as follows:

	Beginning Balance	Increases	(Decreases)	Transfers	Ending Balance
Capital assets, not being depreciated:					
Investment in Greeley water	\$ 7,802,013	\$ -	\$ -	\$ -	\$ 7,802,013
Water rights	25,755,155	-	-	-	25,755,155
Land	74,002	257,187	-	-	331,189
Construction in progress	3,216,347	3,674,648	-	(18,000)	6,872,995
Total capital assets, not being depreciated	36,847,517	3,931,835	-	(18,000)	40,761,352
Capital assets, being depreciated:					
System improvements	84,802,422	578,546	-	-	85,380,968
Machinery and equipment	7,762,714	43,281	-	-	7,805,995
Buildings and improvements	746,720	-	-	-	746,720
Intangible assets	150,134	10,000	-	18,000	178,134
Infrastructure	1,036,885	-	-	-	1,036,885
Total capital assets, being depreciated	94,498,875	631,827	-	18,000	95,148,702
Less accumulated depreciation for:					
System improvements	(22,006,738)	(2,336,349)	-	-	(24,343,087)
Machinery and equipment	(1,749,841)	(557,410)	-	-	(2,307,251)
Buildings and improvements	(500,056)	(379,810)	-	-	(879,866)
Intangible assets	(45,993)	(47,738)	-	-	(93,731)
Infrastructure	(132,473)	(39,704)	-	-	(172,177)
Total accumulated depreciation	(24,435,101)	(3,361,011)	-	-	(27,796,112)
Total capital assets, being depreciated, net	70,063,774	(2,729,184)	-	18,000	67,352,590
Business-type activities capital assets, net	\$ 106,911,291	\$ 1,202,651	\$ -	\$ -	\$ 108,113,942

Depreciation for business-type activity capital assets has been allocated to the various operations as follows:

Water enterprise	\$ 909,759
Waste Water enterprise	2,164,614
Drainage enterprise	286,638
Total depreciation expense - business - type activities	\$ 3,361,011

City of Evans
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5. Long-Term Debt

Governmental Activities

Following is a summary of governmental activity debt transactions for the year ended December 31, 2019:

	Beginning Balance	Additions	Reductions	Ending Balance	Due in One Year
Governmental activities:					
Compensated absences	\$ 553,763	\$ 120,346	\$ (281,898)	\$ 392,211	\$ -
Total long-term debt	\$ 553,763	\$ 120,346	\$ (281,898)	\$ 392,211	\$ -

Business-Type Activities Debt

Following is a summary of business-type activity debt transactions for the year ended December 31, 2019:

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due in One Year
Waste Water - CWRPDA note payable (11/98)	\$ 14,865	\$ -	\$ (14,865)	\$ -	\$ -
Waste Water - CWRPDA note payable (2016)	39,834,188	-	(1,700,524)	38,133,664	1,734,805
Water - CWRPDA note payable (2013)	779,955	-	(155,991)	623,964	155,991
Compensated absences	66,324	50,583	(48,653)	68,254	-
Total long term debt	\$ 40,695,332	\$ 50,583	\$ (1,920,033)	\$ 38,825,882	\$ 1,890,796

During 1998, the City issued two notes payable with the CWRPDA. The City has pledged future waste water revenues, net of specified operating expenses, to repay approximately \$1.5 million in waste water system revenue bonds issued in 1998. Proceeds from the bonds provided financing for the construction and maintenance of the headworks facility at the waste water treatment facility. The bonds bear interest between 4.00% and 4.50%. The bonds are payable solely from Waste Water net revenues and are payable through 2019. Annual principal and interest payments on the bonds are expected to require less than 25 percent of specified net budgeted revenues. The bond was paid in full during 2019.

During 2013, the City entered into a loan agreement with the CWRPDA for a principal amount of \$1.5 million. The loan does not accrue interest and is payable in semi-annual principal payments beginning on May 1, 2014 with a maturity date of November 1, 2023. Imputed interest for this loan was deemed to not be material and thus is not recorded. The loan is secured by the net revenues of the ownership and operation of the water treatment system, as defined with the agreement.

During 2016, the City entered into a loan agreement with the CWRPDA for a principal amount of approximately \$39.9 million and is payable in semi-annual payments ranging from \$850,262 to \$1,161,851 with a maturity date of August 1, 2038. The loan is secured by Pledged Property as defined within the agreement. Proceeds from the loan are providing financing for the construction and maintenance of the new waste water treatment facility. The loan bears interest of 1.7%.

City of Evans
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The following is a summary of the future debt service requirements for the City's business-type activity notes payable:

Year Ending December 31	Principal	Interest and Servicing Fees	Total
2020	\$ 1,890,796	\$ 681,814	\$2,572,610
2021	1,926,683	646,814	2,573,497
2022	1,960,393	612,814	2,573,207
2023	1,992,902	579,814	2,572,716
2024	1,869,290	548,064	2,417,354
2025-2029	9,737,968	2,353,443	12,091,411
2030-2034	10,270,116	1,832,379	12,102,495
2035-2038	9,109,480	524,461	9,633,941
Total	\$ 38,757,628	\$ 7,779,603	\$ 46,537,231

6. Interfund Transfers

The following table summarizes interfund transfers for the year ended December 31, 2019:

	Transfers Out						Total
	General Fund	Water Fund	Waste Water Fund	Storm Drainage	Nonmajor Governmental Funds	Fiduciary	
Transfers In:							
General Fund	\$ -	\$ 464,695	\$ 347,987	\$ 93,791	\$ 58,038	\$ 1,187	\$ 965,698
Street Construction Fund	2,350,000	-	-	-	-	-	2,350,000
Evans Redevelopment Agency	492,796	-	-	-	-	-	492,796
Total	\$ 2,842,796	\$ 464,695	\$ 347,987	\$ 93,791	\$ 58,038	\$ 1,187	\$ 3,808,494

Transfers are used to reimburse the General Fund for indirect costs associated with administrative and operational support related to providing water, waste water, storm drainage, and refuse services to citizens. In addition, the General Fund transferred amounts to the Street Construction Fund and the Evans Redevelopment Agency.

7. Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors or omissions; injuries to employees, or acts of God. The City maintains commercial insurance to address these risks of loss. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

The City has a self-funded dental insurance arrangement. The insurance coverage is substantially the same as in prior fiscal years. The City is self-insured for its dental benefits through its General Fund for employees which range from \$0 to \$453 per employee per year depending on the level of coverage selected. The maximum claim liability for 2019 was \$146,000. Expenditures are charged to the General Fund as this is the fund in which the employees' payroll expenditure is charged at the maximum amount per level of coverage.

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Claims processing and payments for the dental claims are made through a third-party administrator. The City uses the information provided by the third-party administrator to aid in the determination of self-insurance liabilities. Amounts due in the future year on claims as of December 31, 2019 are recognized as other liabilities in the statement of net position.

	Claims Premium Liability at Beginning of Year	Current Year Claims and Changes in Estimates	Claim Payments	Claims and Premium Liability at End of Year
Fiscal Year 2019	\$ 6,770	\$ 62,852	\$ 65,806	\$ 3,816

8. Retirement Commitments

General Employees Defined Contributions Plan

Effective January 1, 1985, the City and its employees elected to adopt a defined contribution pension plan called the City of Evans Saving Plan (the "Plan"). In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. All regular, full-time employees who have been employed at least one year are eligible to participate in the Plan.

The City's contribution to the Plan is as follows:

Employee Contribution	Employer Contribution
0%	3%
1%	4%
2%	5%
3%	6%
4% or More	7%

Employee contributions vest immediately. Employees will be vested in employer contributions according to the following schedule:

1 year on plan	30% vested
2 years on plan	60% vested
3 years on plan	100% vested

The City's total payroll for the year ended December 31, 2019 was \$7,455,785. The City's contributions to the Plan for the years ending December 31, 2019, 2018 and 2017 were \$366,114, \$357,587 and \$345,162, respectively.

Empower Retirement is the plan administrator and the City Council has the authority to establish and amend benefit provisions of the plan.

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State of Colorado Fire and Police Pension Association - Defined Benefit Plan

Plan description. The Plan is a cost-sharing multiple-employer defined benefit pension plan covering substantially all full-time employees of participating fire or police departments in Colorado hired on or after April 8, 1978 (New Hires), provided that they are not already covered by a statutorily exempt plan. As of August 1, 2003, the Plan may include clerical and other personnel from fire districts whose services are auxiliary to fire protection. The Plan became effective January 1, 1980.

Employers once had the option to elect to withdraw from the Plan, but a change in state statutes permitted no further withdrawals after January 1, 1988.

Colorado Revised Statutes Title 31, Article 31 grants the authority to establish and amend the benefit terms to the Fire & Police Pension Association of Colorado Board of Directors. The Fire & Police Pension Association of Colorado issues a publicly available financial report that can be obtained at www.fppaco.org.

Benefits provided. A member is eligible for a normal retirement pension once the member has completed twenty-five years of credited service and has attained the age of 55. The annual normal retirement benefit is 2.0 percent of the average of the member's highest three years' base salary for each year of credited service up to ten years, plus 2.5 percent for each year of service thereafter. The benefit earned prior to January 1, 2007 for members of affiliated Social Security employers will be reduced by the amount of Social Security income payable to the member annually. Effective January 1, 2007, members currently covered under Social Security will receive half the benefit when compared to the Statewide Defined Benefit Plan ("SWDBP"). Benefits paid to retired members are evaluated and may be re-determined every October 1. The amount of any increase is based on the Board's discretion and can range from 0 to the higher of 3 percent or the Consumer Price Index.

A member is eligible for an early retirement after completion of 30 years of service or attainment of age 50 with at least five years of credited service. The early retirement benefit equals the normal retirement benefit reduced on an actuarially equivalent basis. Upon termination, an employee may elect to have member contributions, along with 5 percent as interest, returned as a lump sum distribution. Alternatively, a member with at least five years of accredited service may leave contributions with the Plan and remain eligible for a retirement pension at age 55 equal to 2 percent of the member's average highest three years' base salary for each year of credited service up to ten years, plus 2.5 percent for each year of service thereafter.

Contributions. Contribution rates for the SWDB plan are set by state statute. Employer contribution rates can only be amended by state statute. Member contribution rates can be amended by state statute or election of the membership.

Members of the SWDB plan and their employers are contributing at the rate of 10 percent and 8 percent, respectively, of base salary for a total contribution rate of 18 percent in 2018. In 2014, the members elected to increase the member contribution rate to the SWDB plan beginning in 2015. Member contribution rates will increase 0.5 percent annually through 2022 to a total of 12 percent of base salary. Employer contributions will remain at 8 percent resulting in a combined contribution rate of 20 percent in 2022.

Contributions from members and employers of departments reentering the system are established by resolution and approved by the FPPA Board of Directors. The reentry group has a combined contribution rate of 22 percent of base salary in 2018. It is a local decision as to whether the member or employer pays the additional 4 percent contribution. Per the 2014 member election, the reentry group also had their required member contribution rate increase 0.5 percent annually beginning in 2015 through 2022 for a total combined member and employer contribution rate of 24 percent in 2022.

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The contribution rate for members and employers of affiliated social security employers is 5 percent and 4 percent, respectively, of base salary for a total contribution rate of 8 percent in 2018. Per the 2014 member election, members of the affiliate social security group had their required contribution rate increase 0.25 percent annually beginning in 2015 through 2022 to a total of 6 percent of base salary. Employer contributions will remain at 4 percent resulting in a combined contribution rate of 10 percent in 2022.

Contributions to the Plan from the City were \$37,706 for the year ended December 31, 2019.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At December 31, 2019, the City reported a net pension liability of \$110,655 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2018 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2019. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating Departments, actuarially determined. At December 31, 2018, the City's proportion was 0.0875 percent, which was a decrease of 0.0105 from its proportion measured as of December 31, 2017.

For the year ended December 31, 2018, the City recognized pension expense of \$17,434. At December 31, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 142,182	\$ 1,182
Changes of assumptions or other inputs	107,165	-
Net difference between projected and actual earnings on pension plan investments	87,047	-
Changes in proportionate share of contributions	27,850	-
City contributions subsequent to the measurement date	37,706	-
	<u>\$ 401,950</u>	<u>\$ 1,182</u>

The \$37,706 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31,	Amortization
2020	\$ 66,790
2021	45,631
2022	56,267
2023	59,460
2024	35,275
Thereafter	99,639
	<u>\$ 363,062</u>

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Actuarial assumptions. The actuarial valuations for the plan were used to determine the actuarially determined contributions for the fiscal year ending December 31, 2018. The valuations used the following actuarial assumption and other inputs:

Actuarial Valuation Date	January 2, 2018
Actuarial Method	Entry Age Normal
Amortization Method	Level % of Payroll, Open
Amortization Period	30 Years
Long-term investment rate of return	7.5%
Projected salary increases	4.0 - 14.0 percent
Cost of Living Adjustment	0.0 percent
Inflation	2.5 percent

For determining the actuarial determined contributions, the post-retirement mortality tables for non-disabled retirees is a blend of the Annuitant and Employee RP-2014 generational mortality tables with blue collar adjustment projected with Scale BB. The pre-retirement off-duty mortality tables are adjusted to 55% of the RP-2014 mortality tables for active employees. The on-duty mortality rate is 0.00020.

At least every five years the FPPA's Board of Directors, in accordance with best practices, reviews its economic and demographic actuarial assumptions. At its July 2018 meeting, the Board of Directors reviewed and approved recommended changes to the actuarial assumptions. The recommendations were made by the FPPA's actuaries, Gabriel, Roeder, Smith & Co., based upon their analysis of past experience and expectations of the future. The assumption changes were effective for actuarial valuations beginning January 1, 2019 and were used in the rollforward calculation of total pension liability as of December 31, 2018. Actuarial assumptions effective for actuarial valuations prior to January 1, 2019 were used in the determination of the actuarially determined contributions as of December 31, 2018. The actuarial assumptions impact actuarial factors for benefit purposes such as purchases of service credit and other benefits where actuarial factors are used.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation (assumed at 2.5 percent). Best estimates of arithmetic real rates of return for each major asset class included in the Fund's target asset allocation as of December 31, 2018 are summarized in the following table:

Asset Class	Target Allocation	Long Term Expected Rate of Return
Global Equity	37.0%	8.03%
Equity Long/Short	9.0%	6.45%
Private Markets	24.0%	10.00%
Fixed Income	15.0%	2.90%
Absolute Return	9.0%	5.08%
Managed Futures	4.0%	5.35%
Cash	2.0%	2.52%
Total	100.0%	

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Discount rate. The discount rate used to measure the total pension liability was 7.00 percent. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates based on the Board's funding policy, which establishes the contractually required rates under Colorado statutes. Based on those assumptions, the SWDB plan fiduciary net position was projected to be available to make all the projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Projected benefit payments are required to be discounted to their actuarial present values using a Single Discount Rate that reflects (1) a long-term expected rate of return on pension plan investments (to the extent that the plan's fiduciary net position is projected to be sufficient to pay benefits) and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the plan's projected fiduciary net position is not sufficient to pay benefits).

For the purpose of this valuation, the expected rate of return on pension plan investments is 7.00 percent; the municipal bond rate is 3.71 percent (based on the weekly rate closest to but not later than the measurement date of the "state & local bonds" rate from Federal Reserve statistical release (H.15)); and the resulting Single Discount Rate is 7.00 percent.

Sensitivity of the City's proportionate share of the net pension liability to changes in the discount rate. The following presents the City's proportionate share of the net pension liability/(asset) calculated using the discount rate of 7.00 percent, as well as what the City's proportionate share of the net pension liability/(asset) would be if it were calculated using a discount rate that is 1-percentage point lower (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate:

	1.00% Decrease	Current Discount Rate	1.00% Increase
City's proportionate share of the net pension liability/(asset)	\$429,106	\$110,655	\$(153,495)

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in the separately issued Fire & Police Pension Association of Colorado financial report.

State of Colorado Fire and Police Pension Association - Statewide Hybrid Plan

Plan description. The SWH Plan was established January 1, 2004 as a cost-sharing multiple-employer pension plan covering full-time firefighters and police officers from departments that elect coverage. The Plan may also cover clerical staff, other fire district personnel whose services are auxiliary to fire protection, or chiefs who have opted out of the Statewide Defined Benefit Plan.

The Plan is comprised of two components: Defined Benefit and Money Purchase. With the latter component, members have the option of choosing among various investment options offered by an outside investment manager. Employers may not withdraw from the Plan once affiliated.

The SWH is comprised of two components: Defined Benefit and Money Purchase. The Plan assets associated with the Defined Benefit Component are included in the Fire & Police Members' Benefit Investment Fund and the Plan assets associated with the Money Purchase Component and Deferred Retirement Option Plan (DROP) assets are included in the Fire & Police Members' Self-Directed Investment Fund.

The plan is administered by the FPPA. FPPA issues a publicly available comprehensive annual financial report which can be obtained on FPPA's website at <http://www.FPPAco.org>.

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Benefits provided. The Plan document states that any member may retire from further service and become eligible for a normal retirement pension at any time after age 55, if the member has at least 25 years of service.

The annual normal pension of the Defined Benefit Component is 1.5 percent of the average of the member's highest three years' base salary for each year of credited service. Benefits paid to retired members of the Defined Benefit Component are evaluated and may be re-determined annually on October 1. The amount of any increase is based on the Board's discretion and can range from 0 to 3 percent.

A member is eligible for early retirement within the Defined Benefit Component after completion of 30 years of service or attainment of age 50 with at least five years of credited service. The early retirement benefit equals the normal retirement benefit reduced on an actuarially equivalent basis. Upon termination, a member may elect to have all contributions, along with 5 percent as interest, returned as a lump sum distribution from the Defined Benefit Component. Alternatively, a member with at least five years of accredited service may leave contributions with the Defined Benefit Component of the Plan and remain eligible for a retirement pension at age 55 equal to 1.5 percent of the average of the member's highest three years' base salary for each year of credited service.

Contributions. The Plan sets contribution rates at a level that enables all benefits to be fully funded at the retirement date of all members. The members of the SWH plan and their employers are currently each contributing at the rate determined by the individual employer, however, the rate for both employer and members must be at least 8 percent of the member's base salary. The amount allocated to the Defined Benefit Component is set annually by the FPPA Board of Directors. Excess contributions fund the Money Purchase Component of the Plan. The Defined Benefit Component contribution rate from July 1, 2018 through June 30, 2019 was 13.40 percent. The Defined Benefit Component contribution rate from July 1, 2017 through June 30, 2018 was 14.80 percent.

Within the Money Purchase Component, members are always fully vested in their own contributions, as well as the earnings on those contributions. Vesting in the employer's contributions within the Money Purchase Component, and earnings on those contributions occurs according to the vesting schedule set by the plan document at 20 percent per year after the first year of service to be 100 percent vested after 5 years of service. Employer and member contributions are invested in funds at the discretion of members.

Contributions to the Plan from the City were \$186,062 for the year ended December 31, 2019.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At December 31, 2019, the City reported a net pension asset of \$1,461,670 for its proportionate share of the net pension asset. The net pension asset was measured as of December 31, 2018, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of January 1, 2019. The City's proportion of the net pension asset was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating Departments, actuarially determined. At December 31, 2018, the City's proportion was 10.5892 percent, which was an increase of 0.0967 from its proportion measured as of December 31, 2017.

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For the year ended December 31, 2018, the City recognized pension expense of \$26,420. At December 31, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,028,209	\$ -
Changes of assumptions or other inputs	212,799	-
Net difference between projected and actual earnings on pension plan investments	312,100	-
Changes in proportion and differences between contributions recognized and proportionate share of contributions	138,414	305,107
City contributions subsequent to the measurement date	186,062	-
	\$ 1,877,584	\$ 305,107

The \$186,062 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31,	Amortization
2020	\$ 315,994
2021	274,851
2022	242,683
2023	289,866
2024	185,399
Thereafter	77,622
	\$ 1,386,415

Actuarial assumptions. The actuarial valuations for the plan were used to determine the actuarially determined contributions for the fiscal year ending December 31, 2018. The valuations used the following actuarial assumption and other inputs:

Actuarial Valuation Date	January 1, 2018
Actuarial Method	Entry Age Normal
Amortization Method	Level % of Payroll, Open
Amortization Period	30 Years
Long-term investment rate of return	7.5%
Projected salary increases	4.0 - 14.0 percent
Cost of Living Adjustment	0.0 percent
Inflation	2.5 percent

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For determining the actuarial determined contributions, the post-retirement mortality tables for non-disabled retirees is a blend of the Annuitant and Employee RP-2014 generational mortality tables with blue collar adjustment projected with Scale BB. The pre-retirement off-duty mortality tables are adjusted to 55% of the RP-2014 mortality tables for active employees. The on-duty mortality rate is 0.00020.

At least every five years the FPPA's Board of Directors, in accordance with best practices, reviews its economic and demographic actuarial assumptions. At its July 2018 meeting, the Board of Directors reviewed and approved recommended changes to the actuarial assumptions. The recommendations were made by the FPPA's actuaries, Gabriel, Roeder, Smith & Co., based upon their analysis of past experience and expectations of the future. The assumption changes were effective for actuarial valuations beginning January 1, 2019 and were used in the rollforward calculation of total pension liability as of December 31, 2018. Actuarial assumptions effective for actuarial valuations prior to January 1, 2019 were used in the determination of the actuarially determined contributions as of December 31, 2018. The actuarial assumptions impact actuarial factors for benefit purposes such as purchases of service credit and other benefits where actuarial factors are used.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation (assumed at 2.5 percent). Best estimates of arithmetic real rates of return for each major asset class included in the Fund's target asset allocation as of December 31, 2018 are summarized in the following table:

Asset Class	Target Allocation	Long Term Expected Rate of Return
Global Equity	37.0%	8.03%
Equity Long/Short	9.0%	6.45%
Private Markets	24.0%	10.00%
Fixed Income	15.0%	2.90%
Absolute Return	9.0%	5.08%
Managed Futures	4.0%	5.35%
Cash	2.0%	2.52%
Total	100.0%	

Discount rate. The discount rate used to measure the total pension liability was 7.00 percent. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates based on the Board's funding policy, which establishes the contractually required rates under Colorado statutes. Based on those assumptions, the SWH - Defined Benefit Component plan fiduciary net position was projected to be available to make all the projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Projected benefit payments are required to be discounted to their actuarial present values using a Single Discount Rate that reflects (1) a long-term expected rate of return on pension plan investments (to the extent that the plan's fiduciary net position is projected to be sufficient to pay benefits) and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the plan's projected fiduciary net position is not sufficient to pay benefits).

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For the purpose of this valuation, the expected rate of return on pension plan investments is 7.00 percent; the municipal bond rate is 3.71 percent (based on the weekly rate closest to but not later than the measurement date of the “state & local bonds” rate from Federal Reserve statistical release (H.15)); and the resulting Single Discount Rate is 7.00 percent.

Sensitivity of the City’s proportionate share of the net pension liability / (asset) to changes in the discount rate. The following presents the City’s proportionate share of the net pension liability/(asset) calculated using the discount rate of 7.00 percent, as well as what the City’s proportionate share of the net pension liability/(asset) would be if it were calculated using a discount rate that is 1-percentagepoint lower (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate:

	1.00% Decrease	Current Discount Rate	1.00% Increase
City’s proportionate share of the net pension liability/(asset)	\$(716,716)	\$(1,461,670)	\$(2,086,190)

Pension plan fiduciary net position. Detailed information about the pension plan’s fiduciary net position is available in the separately issued Fire & Police Pension Association of Colorado financial report.

Deferred Compensation Plan

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan is administered by the International City Managers Association Retirement Corporation. The plan is available to all full-time city employees. The plan allows its participants to defer a portion of their current salary to all future years. Participation in the plan is optional. The deferred compensation is not available to the participants until termination, retirement, death, or an unforeseeable emergency occurs. The plan assets are held in trust for the benefit of the employee and therefore not reflected on the financial statements of the City. The City contributes 3% of the City Manager’s gross income. The City’s contributions to the plan for the years ended December 31, 2019, 2018, and 2017 were \$4,645, \$5,144 and \$6,965, respectively.

9. Rate Maintenance

The 1998 and 2016 Colorado Water Resources and Power Development Authority loan agreements (Waste Water Fund and Water Funds) require that net revenues, as defined, shall represent a sum equal to 110% of the amount necessary to pay, when due, the principal and interest on the loan. The following table shows these calculations and that the City is in compliance with these requirements.

Waste Water Fund	
2019 Gross revenues	\$ 7,716,924
2019 Operation and maintenance expense	(992,631)
Net revenues as defined in 1998 and 2016	
CWRPDA loan agreement	6,724,293
110% of 1998 and 2016 loan debt service	(2,676,615)
Amount 2019 net revenue exceeded the 1998 and 2016 loan requirements	\$ 4,047,678

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Water Fund

2019 Gross revenues	\$ 8,217,406
2019 Operation and maintenance expense	(4,136,343)
Net revenues as defined in 2013	
CWRPDA loan agreement	4,081,063
110% of 2013 loan debt service	(171,590)
Amount 2019 net revenue exceeded the 2013 loan requirements	\$ 3,909,473

10. Commitments and Contingencies

TABOR Reserves

In November 1992, Colorado voters passed the TABOR Amendment (the “Amendment”) to the State Constitution which limits state and local government tax powers and imposes spending limitations. Fiscal year 1993 provides the basis for limits in future years to which may be applied allowable increases for inflation and local growth. Revenue received in excess of the limitations may be required to be refunded unless the City’s electorates vote to retain the revenue.

On April 5, 1994, the voting citizens of the City of Evans authorized the City (retroactive to January 1, 1993) to collect, retain, and expend all revenues, notwithstanding any state restrictions of fiscal year spending. This effectively removed all revenue and spending limits imposed by the Amendment. The City did not increase or incur any new tax or bonded debt in 2019.

The City’s Home Rule Charter provision requires an Emergency Contingency Reserve Fund, reported in the General Fund in 2014, that shall maintain a balance equal to 5% of the budgeted General Fund revenues, until such fund is equal in amount to 25% of the prior year’s General Fund expenditures. In 2019, 5% of budgeted revenues were \$2.5 million less than 25% of the prior year’s General Fund expenditures. In the November 2012 election, the citizens of Evans approved a ballot initiative to provide for a ceiling of \$1 million in the Emergency Contingency Fund, allowing any amount exceeding this amount to be transferred to the General Fund. This ceiling was effective starting January 1, 2013.

Litigation

At times, the City may be subject to various claims and legal proceedings covering a wide range of matters that arise in the ordinary course of business. Management believes that any liability that may ultimately result from the resolution of these matters will not have a material adverse effect on the financial condition or results of operations of the City.

Grants

The City participated in numerous State and Federal grant programs, which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent the City has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectability of any related receivable at December 31, 2019, may be impaired. In the opinion of the City, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provision has been recorded in the accompanying financial statements for such contingencies.

City of Evans
Notes to Financial Statements
December 31, 2019

11. Related Party Transactions

The City has entered into an intergovernmental agreement (“IGA”) with the Evans Fire Protection District (the “District”) to provide financial support to the District until the District received sufficient revenue to support its operations. In order to provide for the funding of District operations as required in the IGA, the City paid the District \$509,704 in 2019.

12. Northern Integrated Supply Project

The City has entered into an agreement with the Northern Colorado Water Conservancy District (“NCWCD”), acting by and through its Northern Integrated Supply Project (“NISP”) Water Activity Enterprise. NISP is a collaborative effort between NCWCD and 15 northern Front Range municipalities and water districts to increase the water quantity and reliability of their water supplies. As of December 31, 2019, the District has paid \$1,200,000 to enter this project with total expenditures of \$2,391,554, which has been classified as construction in progress.

13. Riverside Library and Cultural Center

The City has entered into an IGA with the High Plains Public Library District (“HPLD”) for the acquisition of property and construction of shared facilities for public, municipal and/or commercial purposes. This project is known as the Riverside Library and Cultural Center. In accordance with this IGA, the City will provide real property on which the project is to be constructed and the City and HPLD will share the construction costs based on the number of square feet of the project to be owned by each party. An ownership agreement was also entered into relating to the Center; under the agreement the City will own 40% of the Center and the HPLD will own the remaining 60%. The Center was completed in 2015.

14. Subsequent Events

The City has evaluated subsequent events through June 11, 2020, the date which the financial statements were available to be issued. The COVID-19 outbreak, which was declared a worldwide pandemic on March 11, 2020 by the World Health Organization (“WHO”), has caused business disruption in a variety of industries, markets and geographic regions. While the disruption is currently expected to be temporary, there is considerable uncertainty around the duration. Therefore, while we expect this matter to negatively impact our business, results of operations, and financial position, the related financial impact cannot be reasonably estimated at this time.

No additional events requiring recognition or disclosure were identified.

Required Supplementary Information

City of Evans
Schedule of Revenues, Expenditures and Changes in Fund
Balances (Budget and Actual) - General Fund
Year Ended December 31, 2019

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
Revenues				
Taxes	\$ 8,736,699	\$ 8,736,699	\$ 11,310,510	\$ 2,573,811
Licenses and permits	1,066,539	1,211,539	1,396,544	185,005
Intergovernmental	1,621,745	1,691,745	1,585,455	(106,290)
Grants and contributions				
Other	-	9,143	33,805	24,662
Charges for services	441,166	449,166	403,631	(45,535)
Fines and forfeitures	452,799	452,799	354,564	(98,235)
Earnings on investments	-	-	556,239	556,239
Miscellaneous	155,400	155,400	556,114	400,714
Total revenues	12,474,348	12,706,491	16,196,862	3,490,371
Expenditures				
General government	4,283,185	4,352,074	4,192,646	159,428
Public safety	5,611,730	5,725,126	5,608,795	116,331
Public works	1,771,073	2,017,073	1,569,899	447,174
Culture, parks and recreation	1,468,355	1,518,655	1,231,826	286,829
Community development	847,962	1,188,017	807,134	380,883
Capital outlay	157,650	1,596,360	519,898	1,076,462
Total expenditures	14,139,955	16,397,305	13,930,198	2,467,107
Excess (deficiency) of revenues over expenditures	(1,665,607)	(3,690,814)	2,266,664	5,957,478
Other financing sources (uses)				
Proceeds from the sale of capital assets	-	-	4,000	4,000
Transfers out	(600,000)	(2,700,000)	(2,842,796)	(142,796)
Transfers in	1,081,411	1,103,001	965,698	(137,303)
Total other financing sources (uses)	481,411	(1,596,999)	(1,873,098)	(276,099)
Net change in fund balance	\$ (1,184,196)	\$ (5,287,813)	393,566	\$ 5,681,379
Fund balance at beginning of year			12,121,004	
Fund balance at end of year			\$ 12,514,570	

See accompanying Independent Auditor's Report.

City of Evans
Schedule of Revenues, Expenditures and Changes in Fund
Balances (Budget and Actual) - Evans Redevelopment Agency
Year Ended December 31, 2019

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Miscellaneous revenue	\$ 38,550	\$ 38,550	\$ 30,920	\$ (7,630)
Total revenues	38,550	38,550	30,920	(7,630)
Expenditures				
Community development	73,570	73,570	73,465	105
Capital outlay	-	452,839	421,423	31,416
Total expenditures	73,570	526,409	494,888	31,521
Other financing sources				
Transfers in	-	452,839	492,796	39,957
Total other financing sources	-	452,839	492,796	39,957
Net change in fund balance	\$ (35,020)	\$ (35,020)	28,828	\$ 63,848
Fund balance at beginning of year			211,686	
Fund balance at end of year			\$ 240,514	

See accompanying Independent Auditor's Report.

City of Evans
Schedule of the City's Proportionate Share of the Net Pension Liability/(Asset)

Last Ten Years

December 31, *	2019	2018	2017	2016	2015	2014
FPPA - Defined Benefit Plan						
City's proportion of the net pension liability/(asset)	\$ 110,655	\$ (141,055)	\$ 37,554	\$ (1,802)	\$ (119,765)	\$ (135,044)
City's proportionate share of the net pension liability/(asset)	0.0875%	0.0980%	0.1039%	0.1022%	0.1061%	0.1079%
City's covered payroll	\$ 586,294	\$ 573,503	\$ 531,901	\$ 495,725	\$ 477,223	\$ 468,813
City's proportionate share of the net pension liability/(asset) as a percentage of its covered payroll	18.87%	24.60%	7.06%	0.36%	25.10%	28.81%
Plan fiduciary net position as a percentage of the total pension	95.2%	106.3%	98.21%	100.10%	106.80%	105.80%
FPPA - Statewide Hybrid Plan						
City's proportion of the net pension liability/(asset)	\$ (1,461,670)	\$ (2,051,567)	\$ (1,226,115)	\$ (930,991)	\$ (1,104,158)	\$ (984,539)
City's proportionate share of the net pension liability/(asset)	10.5892%	10.4925%	11.2640%	8.8389%	9.3102%	8.5208%
City's covered payroll	\$ 2,109,605	\$ 2,005,423	\$ 1,820,819	\$ 1,460,325	\$ 1,440,309	\$ 1,377,913
City's proportionate share of the net pension liability/(asset) as a percentage of its covered payroll	69.29%	102.30%	67.34%	63.75%	76.66%	71.45%
Plan fiduciary net position as a percentage of the total pension	123.46%	138.86%	127.50%	129.44%	140.60%	139.00%

* The amounts presented for each fiscal year were determined as of December 31 of the prior year.

This schedule is presented to show information for 10 years. Until information for the full 10-year period is available, information will be presented for the years it is available.

See accompanying Independent Auditor's Report.

City of Evans
Schedule of City Contributions

Last Ten Years

December 31,	2019	2018	2017	2016	2015	2014	2013
FPPA - Defined Benefit Plan							
Statutorily Required Contribution	\$ 37,706	\$ 46,903	\$ 45,880	\$ 42,552	\$ 39,658	\$ 38,178	\$ 37,505
Contributions in Relation to the Statutorily Required Contribution	37,706	46,903	45,880	42,552	39,658	38,178	37,505
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 471,668	\$ 586,294	\$ 573,503	\$ 531,901	\$ 495,725	\$ 477,223	\$ 468,813
Contributions as a Percentage of Covered Payroll	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%

FPPA - Statewide Hybrid Plan

Statutorily Required Contribution	\$ 186,062	\$ 168,768	\$ 160,443	\$ 145,665	\$ 116,826	\$ 115,244	\$ 110,233
Contributions in Relation to the Statutorily Required Contribution	\$ 186,062	\$ 168,768	\$ 160,443	\$ 145,665	\$ 116,826	\$ 115,244	\$ 110,233
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 2,325,777	\$ 2,109,605	\$ 2,005,423	\$ 1,820,819	\$ 1,460,325	\$ 1,440,309	\$ 1,377,913
Contributions as a Percentage of Covered Payroll	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%

This schedule is presented to show information for 10 years. Until information for the full 10-year period is available, information will be presented for the years it is available.

See accompanying Independent Auditor's Report.

Other Supplementary Information

Combining and Individual Nonmajor Fund Statements and Schedules

City of Evans
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2019

	Parks Impact	Conservation Trust	Fire Impact
Assets			
Equity in pooled cash, cash equivalents, and investments	\$ 4,102,834	\$ 468,352	\$ 10,260
Receivables	-	-	-
Total assets	\$ 4,102,834	\$ 468,352	\$ 10,260
Liabilities			
Accounts payable	\$ -	\$ -	\$ 10,260
Other liabilities	106,000	-	-
Unearned revenue	-	-	-
Total liabilities	106,000	-	10,260
Fund Balances			
Restricted	126,790	468,352	-
Committed	-	-	-
Assigned	3,870,044	-	-
Total fund balances	3,996,834	468,352	-
Total liabilities and fund balances	\$ 4,102,834	\$ 468,352	\$ 10,260

Refuse Collection	Street Impact	Cemetery Perpetual Care	2013 Lease Repayment	Police Impact	Food Tax	Total
\$ 458,969	\$ 2,462,262	\$ 75,584	\$ -	\$ 137,153	\$ 538,144	\$ 8,253,558
80,600	-	-	-	-	82,345	162,945
\$ 539,569	\$ 2,462,262	\$ 75,584	\$ -	\$ 137,153	\$ 620,489	\$ 8,416,503
\$ 69,238	\$ 820	\$ -	\$ -	\$ -	\$ 112	\$ 80,430
-	-	-	-	-	-	106,000
1,200	-	-	-	-	-	1,200
70,438	820	-	-	-	112	187,630
-	-	-	-	-	620,377	1,215,519
-	40,795	-	-	-	-	40,795
469,131	2,420,647	75,584	-	137,153	-	6,972,559
469,131	2,461,442	75,584	-	137,153	620,377	8,228,873
\$ 539,569	\$ 2,462,262	\$ 75,584	\$ -	\$ 137,153	\$ 620,489	\$ 8,416,503

See accompanying Independent Auditor's Report.

City of Evans
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
Year Ended December 31, 2019

	Parks Impact	Conservation Trust	Fire Impact
Revenues			
Taxes	\$ -	\$ -	\$ -
Intergovernmental	-	240,275	-
Licenses and permits	-	-	-
Grants and contributions			
Other	-	-	-
Charges for services	-	-	-
Earnings on investments	61,543	6,426	469
Assessments	871,153	-	180,988
Miscellaneous	126,790	-	-
Total revenues	1,059,486	246,701	181,457
Expenditures			
Public works	-	-	-
Public safety	-	-	181,457
Culture, parks and recreation	-	15,511	-
Capital outlay	-	24,978	-
Total expenditures	-	40,489	181,457
Excess (deficiency) of revenues over expenditures	1,059,486	206,212	-
Other financing uses			
Transfers out	-	-	-
Total other financing uses	-	-	-
Net changes in fund balances	1,059,486	206,212	-
Fund balance at beginning of year	2,937,348	262,140	-
Fund balance at end of year	\$ 3,996,834	\$ 468,352	\$ -

Refuse Collection	Street Impact	Cemetery Perpetual Care	2013 Lease Repayment	Police Impact	Food Tax	Total
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 946,398	\$ 946,398
-	-	-	-	-	-	240,275
1,200	-	-	-	-	-	1,200
-	248,214	-	-	-	-	248,214
866,556	-	-	-	-	-	866,556
8,324	41,607	1,271	-	2,029	2,968	124,637
-	853,415	4,237	-	52,787	-	1,962,580
16,104	745	-	-	-	-	143,639
892,184	1,143,981	5,508	-	54,816	949,366	4,533,499
843,771	-	-	-	-	-	843,771
-	-	-	-	-	-	181,457
-	-	-	-	-	-	15,511
-	661,661	-	-	-	328,989	1,015,628
843,771	661,661	-	-	-	328,989	2,056,367
48,413	482,320	5,508	-	54,816	620,377	2,477,132
(36,448)	-	-	(21,590)	-	-	(58,038)
(36,448)	-	-	(21,590)	-	-	(58,038)
11,965	482,320	5,508	(21,590)	54,816	620,377	2,419,094
457,166	1,979,122	70,076	21,590	82,337	-	5,809,779
\$ 469,131	\$ 2,461,442	\$ 75,584	\$ -	\$ 137,153	\$ 620,377	\$ 8,228,873

See accompanying Independent Auditor's Report.

Budgetary Comparison Schedules
Other Governmental Funds

City of Evans
Parks Impact Fund
Budgetary Comparison Schedule
Year Ended December 31, 2019

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
Revenues				
Assessments				
Impact fees	\$ -	\$ -	\$ 871,153	\$ 871,153
Earnings on investments	25,221	25,221	61,543	36,322
Miscellaneous	-	-	126,790	126,790
Total revenues	25,221	25,221	1,059,486	1,034,265
Expenditures				
Capital outlay	-	1,220,000	-	1,220,000
Total expenditures	-	1,220,000	-	1,220,000
Net change in fund balance	\$ 25,221	\$ (1,194,779)	1,059,486	\$ 2,254,265
Fund balance at beginning of year			2,937,348	
Fund balance at end of year			<u>\$ 3,996,834</u>	

See accompanying Independent Auditor's Report.

City of Evans
Conservation Trust Fund
Budgetary Comparison Schedule
Year Ended December 31, 2019

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
Revenues				
Intergovernmental				
State shared revenue	\$ 195,000	\$ 195,000	\$ 240,275	\$ 45,275
Earnings on investments	473	473	6,426	5,953
Total revenues	195,473	195,473	246,701	51,228
Expenditures				
Culture, parks and recreation	-	-	15,511	(15,511)
Capital outlay	-	118,801	24,978	93,823
Total expenditures	-	118,801	40,489	78,312
Net change in fund balance	\$ 195,473	\$ 76,672	206,212	\$ 129,540
Fund balance at beginning of year			262,140	
Fund balance at end of year			\$ 468,352	

See accompanying Independent Auditor's Report.

City of Evans
Fire Impact Fund
Budgetary Comparison Schedule
Year Ended December 31, 2019

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
Revenues				
Assessments				
Impact fees	\$ 125,000	\$ 225,000	\$ 180,988	\$ (44,012)
Earnings on investments	91	91	469	378
Total revenues	125,091	225,091	181,457	(43,634)
Expenditures				
Public safety	125,000	225,000	181,457	43,543
Total expenditures	125,000	225,000	181,457	43,543
Net change in fund balance	\$ 91	\$ 91	-	\$ (91)
Fund balance at beginning of year			-	
Fund balance at end of year			<u>\$ -</u>	

See accompanying Independent Auditor's Report.

City of Evans
Refuse Collection Fund
Budgetary Comparison Schedule
Year Ended December 31, 2019

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
Revenues				
Licenses and permits				
Trash haulers' license	\$ 800	\$ 800	\$ 1,200	\$ 400
Charges for services				
Refuse collection charges	723,753	864,000	866,556	2,556
Earnings on investments	4,397	4,397	8,324	3,927
Miscellaneous	-	-	16,104	16,104
Total revenues	728,950	869,197	892,184	22,987
Expenditures				
Public works				
Sanitation	767,747	858,544	843,771	14,773
Total expenditures	767,747	858,544	843,771	14,773
Excess of revenues over expenditures	(38,797)	10,653	48,413	37,760
Other financing uses				
Transfers out	(36,448)	(36,448)	(36,448)	-
Total other financing uses	(36,448)	(36,448)	(36,448)	-
Net change in fund balance	\$ (75,245)	\$ (25,795)	11,965	\$ 37,760
Fund balance at beginning of year			457,166	
Fund balance at end of year			\$ 469,131	

See accompanying Independent Auditor's Report.

City of Evans
Street Impact Fund
Budgetary Comparison Schedule
Year Ended December 31, 2019

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
Revenues				
Assessments				
Impact fees	\$ -	\$ -	\$ 853,415	\$ 853,415
Grants and contributions				
Other	-	248,214	248,214	-
Earnings on investments	18,875	18,875	41,607	22,732
Miscellaneous	-	-	745	745
Total revenues	18,875	267,089	1,143,981	876,892
Expenditures				
Capital outlay	300,000	934,276	661,661	272,615
Total expenditures	300,000	934,276	661,661	272,615
Net change in fund balance	\$ (281,125)	\$ (667,187)	482,320	\$ 1,149,507
Fund balance at beginning of year			1,979,122	
Fund balance at end of year			<u>\$ 2,461,442</u>	

See accompanying Independent Auditor's Report.

City of Evans
Police Impact Fund
Budgetary Comparison Schedule
Year Ended December 31, 2019

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
Revenues				
Earnings on investments	\$ 555	\$ 555	\$ 2,029	\$ 1,474
Assessments				
Impact fees	-	-	52,787	52,787
Total revenues	555	555	54,816	54,261
Net change in fund balance	\$ 555	\$ 555	54,816	\$ 54,261
Fund balance at beginning of year			82,337	
Fund balance at end of year			\$ 137,153	

See accompanying Independent Auditor's Report.

City of Evans
Cemetery Perpetual Care Fund
Budgetary Comparison Schedule
Year Ended December 31, 2019

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
Revenues				
Assessments				
Perpetual care fees	\$ 2,700	\$ 2,700	\$ 4,237	\$ 1,537
Earnings on investments	-	-	1,271	1,271
Total revenues	2,700	2,700	5,508	2,808
Net change in fund balance	\$ 2,700	\$ 2,700	5,508	\$ 2,808
Fund balance at beginning of year			<u>70,076</u>	
Fund balance at end of year			<u>\$ 75,584</u>	

See accompanying Independent Auditor's Report.

City of Evans
Street Construction Fund
Budgetary Comparison Schedule
Year Ended December 31, 2019

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
Revenues				
Intergovernmental	\$ 770,956	\$ 2,012,917	\$ 988,404	\$ (1,024,513)
Grants and contributions				
Other	-	-	909,532	909,532
Earnings on investments	-	-	79,858	79,858
Miscellaneous	-	-	42,629	42,629
Total revenues	770,956	2,012,917	2,020,423	7,506
Expenditures				
Public works	350,000	350,000	257,959	92,041
Capital outlay	1,300,000	7,341,108	3,632,587	3,708,521
Total expenditures	1,650,000	7,691,108	3,890,546	3,800,562
Excess (deficiency) of revenues over expenditures	(879,044)	(5,678,191)	(1,870,123)	3,808,068
Other financing sources				
Transfers in	600,000	2,350,000	2,350,000	-
Total other financing sources	600,000	2,350,000	2,350,000	-
Net change in fund balance	\$ (279,044)	\$ (3,328,191)	479,877	\$ 3,808,068
Fund balance at beginning of year			4,225,729	
Fund balance at end of year			\$ 4,705,606	

See accompanying Independent Auditor's Report.

City of Evans
Parks Construction Fund
Budgetary Comparison Schedule
Year Ended December 31, 2019

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
Revenues				
Grants and contributions				
Grants - flood	\$ -	\$ 67,295	\$ 19,130	\$ (48,165)
Earnings (loss) on investments	-	-	(4,238)	(4,238)
Total revenues	-	67,295	14,892	(52,403)
Expenditures				
Flood recovery	-	-	66,538	(66,538)
Capital outlay	-	268,500	114,546	153,954
Total expenditures	-	268,500	181,084	87,416
Net change in fund balance	\$ -	\$ (201,205)	(166,192)	\$ 35,013
Fund balance at beginning of year			463,232	
Fund balance at end of year			<u>\$ 297,040</u>	

See accompanying Independent Auditor's Report.

City of Evans
Food Tax Fund
Budgetary Comparison Schedule
Year Ended December 31, 2019

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
Revenues				
Taxes	\$ 1,200,000	\$ 1,200,000	\$ 946,398	\$ (253,602)
Earnings on investments	-	-	2,968	2,968
Total revenues	1,200,000	1,200,000	949,366	(250,634)
Expenditures				
Capital outlay	850,000	850,000	328,989	521,011
Total expenditures	850,000	850,000	328,989	521,011
Net change in fund balance	\$ 350,000	\$ 350,000	620,377	\$ 270,377
Fund balance at beginning of year			-	
Fund balance at end of year			\$ 620,377	

See accompanying Independent Auditor's Report.

City of Evans
2013 Lease Repayment Fund
Budgetary Comparison Schedule
Year Ended December 31, 2019

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
Other financing uses				
Transfers out	-	(21,590)	(21,590)	-
Total other financing sources	-	(21,590)	(21,590)	-
Net change in fund balance	\$ -	\$ (21,590)	(21,590)	\$ -
Fund balance at beginning of year			<u>21,590</u>	
Fund balance at end of year			<u>\$ -</u>	

See accompanying Independent Auditor's Report.

Budgetary Comparison Schedules
Enterprise Funds

City of Evans
Water Fund
Budgetary Comparison Schedule
Year Ended December 31, 2019

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
Operating revenues				
Water sales	\$ 5,423,962	\$ 5,598,962	\$ 5,462,693	\$ (136,269)
Non-potable water sales	280,000	280,000	374,292	94,292
Other sales	-	-	26,589	26,589
Water meters	21,500	41,500	57,789	16,289
Total operating revenues	5,725,462	5,920,462	5,921,363	901
Operating expenses				
Water supply and administrative	4,187,546	4,386,296	4,136,343	249,953
Principal paid	155,991	155,991	155,991	-
Capital outlay	3,917,068	5,746,798	2,940,922	2,805,876
Total operating expenses	8,260,605	10,289,085	7,233,256	3,055,829
Operating income	(2,535,143)	(4,368,623)	(1,311,893)	3,056,730
Other revenues (expenses)				
Earnings on investments	12,015	12,015	132,313	120,298
Grants and contributions	1,000,000	1,000,000	528,456	(471,544)
Plant investment fees and cash in lieu of fees	20,000	820,000	1,635,274	815,274
Transfers to other funds	(538,369)	(538,369)	(464,695)	73,674
Total other revenues (expenses)	493,646	1,293,646	1,831,348	537,702
Change in net position - budgetary basis	\$ (2,041,497)	\$ (3,074,977)	519,455	\$ 3,594,432
Reconciliation to GAAP basis				
Depreciation			(909,759)	
Capital outlay			2,940,922	
Principal paid			155,991	
Change in net position - GAAP basis			2,706,609	
Net position at beginning of year			53,567,761	
Net position at end of year			\$ 56,274,370	

See accompanying Independent Auditor's Report.

City of Evans
Waste Water Fund
Budgetary Comparison Schedule
Year Ended December 31, 2019

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Operating revenues				
Sewer sales	\$ 4,418,789	\$ 4,418,789	\$ 5,012,256	\$ 593,467
Total operating revenues	4,418,789	4,418,789	5,012,256	593,467
Operating expenses				
Wastewater and administration	1,201,016	1,201,016	992,631	208,385
Principal paid	1,715,389	1,715,389	1,715,389	-
Capital outlay	1,312,000	1,931,314	1,122,149	809,165
Total operating expenses	4,228,405	4,847,719	3,830,169	1,017,550
Operating income (loss)	190,384	(428,930)	1,182,087	1,611,017
Other revenues (expenses)				
Earnings on investments	22,962	22,962	142,557	119,595
Grants and contributions	-	-	463,398	463,398
Plant investment fees and cash in lieu of fees	50,000	50,000	2,098,713	2,048,713
Loan proceeds	-	-	39,461	39,461
Transfers to other funds	(399,976)	(399,976)	(347,987)	51,989
Interest expense	(717,898)	(717,898)	(702,723)	15,175
Total other revenue (expense)	(1,044,912)	(1,044,912)	1,693,419	2,738,331
Change in net position - budgetary basis	\$ (854,528)	\$ (1,473,842)	2,875,506	\$ 4,349,348
Reconciliation to GAAP basis				
Depreciation expense			(2,164,614)	
Principal paid			1,715,389	
Loan proceeds			(39,461)	
Capital outlay			1,122,149	
Change in net position - GAAP basis			3,508,969	
Net position at beginning of year			19,039,290	
Net position at end of year			\$ 22,548,259	

See accompanying Independent Auditor's Report.

City of Evans
Storm Drainage Fund
Budgetary Comparison Schedule
Year Ended December 31, 2019

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
Operating revenues				
Storm drainage sales	\$ 493,684	\$ 903,027	\$ 920,108	\$ 17,081
Total operating revenues	493,684	903,027	920,108	17,081
Operating expenses				
Storm drainage and administration	51,835	313,250	135,556	177,694
Capital outlay	334,000	1,810,267	500,591	1,309,676
Total operating expenses	385,835	2,123,517	636,147	1,487,370
Operating income	107,849	(1,220,490)	283,961	1,504,451
Other revenues (expenses)				
Plant investment fees	20,000	20,000	80,435	60,435
Grants and contributions	-	-	180,327	180,327
Earnings on investments	4,349	4,349	30,528	26,179
Transfers to other funds	(106,618)	(106,618)	(93,791)	12,827
Total other revenue (expense)	(82,269)	(82,269)	197,499	279,768
Change in net position - budgetary basis	\$ 25,580	\$ (1,302,759)	481,460	\$ 1,784,219
Reconciliation to GAAP basis				
Depreciation			(286,638)	
Capital outlay			500,591	
Change in net position - GAAP basis			695,413	
Net position at beginning of year			9,460,141	
Net position at end of year			\$ 10,155,554	

See accompanying Independent Auditor's Report.

Budgetary Comparison Schedule
Fiduciary Fund

City of Evans
Cemetery Endowment Fund
Budgetary Comparison Schedule
Year Ended December 31, 2019

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
Revenues				
Earnings on investments	\$ 6,000	\$ 6,000	\$ 1,187	\$ (4,813)
Expenses				
Transfers out	(6,000)	(6,000)	(1,187)	4,813
Total expenses	(6,000)	(6,000)	(1,187)	4,813
Net change in net position	\$ -	\$ -	-	\$ -
Net position at beginning of year			<u>49,467</u>	
Net position at end of year			<u>\$ 49,467</u>	

See accompanying Independent Auditor's Report.

Supplemental Section

The public report burden for this information collection is estimated to average 380 hours annually.

LOCAL HIGHWAY FINANCE REPORT		City or County:
		Evans, CO
		YEAR ENDING :
This Information From The Records Of		Prepared By:
City of Evans, CO		Phone:
		Jacque Troudt
		970-475-1127

I. DISPOSITION OF HIGHWAY-USER REVENUES AVAILABLE FOR LOCAL GOVERNMENT EXPENDITURE

ITEM	A. Local Motor-Fuel Taxes	B. Local Motor-Vehicle Taxes	C. Receipts from State Highway-User Taxes	D. Receipts from Federal Highway Administration
1. Total receipts available				
2. Minus amount used for collection expenses				
3. Minus amount used for nonhighway purposes				
4. Minus amount used for mass transit				
5. Remainder used for highway purposes				

II. RECEIPTS FOR ROAD AND STREET PURPOSES**III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES**

ITEM	AMOUNT	ITEM	AMOUNT
A. Receipts from local sources:		A. Local highway disbursements:	
1. Local highway-user taxes		1. Capital outlay (from page 2)	4,682,341
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	926,156
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	43,968
2. General fund appropriations	2,350,000	b. Snow and ice removal	38,991
3. Other local imposts (from page 2)	914,165	c. Other	
4. Miscellaneous local receipts (from page 2)	588,984	d. Total (a. through c.)	82,959
5. Transfers from toll facilities		4. General administration & miscellaneous:	157,029
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	379,760
a. Bonds - Original Issues		6. Total (1 through 5)	6,228,244
b. Bonds - Refunding Issues		B. Debt service on local obligations:	
c. Notes		1. Bonds:	
d. Total (a. + b. + c.)	0	a. Interest	
7. Total (1 through 6)	3,853,149	b. Redemption	
B. Private Contributions		c. Total (a. + b.)	0
C. Receipts from State government		2. Notes:	
(from page 2)	778,463	a. Interest	
D. Receipts from Federal Government		b. Redemption	
(from page 2)	909,532	c. Total (a. + b.)	0
E. Total receipts (A.7 + B + C + D)	5,541,144	3. Total (1.c + 2.c)	0
		C. Payments to State for highways	
		D. Payments to toll facilities	
		E. Total disbursements (A.6 + B.3 + C + D)	6,228,244

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

	Opening Debt	Amount Issued	Redemptions	Closing Debt
A. Bonds (Total)				0
1. Bonds (Refunding Portion)				
B. Notes (Total)				0

V. LOCAL ROAD AND STREET FUND BALANCE

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	3,651,958	5,541,144	6,228,244	2,964,858	0

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT		STATE:	
		Colorado	
		YEAR ENDING (mm/yy): December 2019	
II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL			
ITEM	AMOUNT	ITEM	AMOUNT
A.3. Other local imposts:		A.4. Miscellaneous local receipts:	
a. Property Taxes and Assessments		a. Interest on investments	79,858
b. Other local imposts:		b. Traffic Fines & Penalties	256,556
1. Sales Taxes		c. Parking Garage Fees	
2. Infrastructure & Impact Fees	853,415	d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	
4. Licenses		f. Charges for Services	
5. Specific Ownership &/or Other	60,750	g. Other Misc. Receipts	209,941
6. Total (1. through 5.)	914,165	h. Other	42,629
c. Total (a. + b.)	914,165	i. Total (a. through h.)	588,984
	(Carry forward to page 1)		(Carry forward to page 1)
ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		D. Receipts from Federal Government	
1. Highway-user taxes	662,782	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	
a. State bond proceeds		b. FEMA	212,908
b. Project Match		c. HUD	
c. Motor Vehicle Registrations	71,985	d. Federal Transit Admin	
d. Other (Specify) - SB18-001	43,696	e. U.S. Corps of Engineers	
e. Other (Specify)		f. Other Federal	696,624
f. Total (a. through e.)	115,681	g. Total (a. through f.)	909,532
4. Total (1. + 2. + 3.f)	778,463	3. Total (1. + 2.g)	
			(Carry forward to page 1)
III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL			
	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
A.1. Capital outlay:			
a. Right-Of-Way Costs			0
b. Engineering Costs		415,479	415,479
c. Construction:			
(1). New Facilities			0
(2). Capacity Improvements		3,491,171	3,491,171
(3). System Preservation		775,691	775,691
(4). System Enhancement & Operation			0
(5). Total Construction (1) + (2) + (3) + (4)	0	4,266,862	4,266,862
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	4,682,341	4,682,341
			(Carry forward to page 1)
Notes and Comments:			

Reports to Governmental Agencies



Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

Honorable Mayor and Members of the City Council
City of Evans, Colorado

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Evans, Colorado (the "City"), as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated June 11, 2020.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

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



Purpose of this Report

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

ACM LLP

Greeley, Colorado
June 11, 2020



Independent Auditor's Report on Compliance For Each Major Federal Program and Report on Internal Control Over Compliance Required by the Uniform Guidance

Honorable Mayor and Members of the City Council
City of Evans, Colorado

Report on Compliance for Each Major Federal Program

We have audited the City of Evans, Colorado's (the "City") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended December 31, 2019. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the City's compliance.

Opinion on Each Major Federal Program

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2019.



Report on Internal Control over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

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

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

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

ACM LLP

Greeley, Colorado
June 11, 2020

City of Evans
Schedule of Findings and Questioned Costs
December 31, 2019

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? _____ Yes X No
- Significant deficiency(ies) identified? _____ Yes X None Reported

Noncompliance material to financial statements noted?

_____ Yes X No

Federal Awards

Internal control over major federal programs:

- Material weakness(es) identified? _____ Yes X No
- Significant deficiency(ies) identified? _____ Yes X None Reported

Type of auditor's report issued on compliance for
major federal programs:

Unmodified

Any audit findings disclosed that are required
to be reported in accordance with 2 CFR
200.516(a)?

_____ Yes X No

Identification of major federal programs:

CFDA/Contract Number

15.227
20.205

Name of Federal Program or Cluster

Distribution of Receipts to State and Local Governments
Highway Planning and Construction

Dollar threshold used to distinguish
between Type A and Type B programs:

\$750,000

Auditee qualified as low-risk auditee?

 X Yes _____ No

City of Evans
Schedule of Findings and Questioned Costs
December 31, 2019

Section II - Financial Statement Findings

Our audit did not disclose any matters required to be reported in accordance with *Government Auditing Standards*.

Section III - Federal Award Findings and Questioned Costs

Our audit did not disclose any matters required to be reported in accordance with 2 CFR 200.516(a).

Section IV - Prior Year Findings

There were no findings in the prior year that were required for reporting.

City of Evans
Schedule of Expenditures of Federal Awards
Year Ended December 31, 2019

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	2019 Federal Expenditures
Department of Interior			
Passed through Colorado Department of Local Affairs:			
Distribution of Receipts to State and Local Governments	15.227	F19MLG8730	\$ 962,212
Total Department of Interior			962,212
Department of Justice			
Equitable Sharing Program	16.992	N/A	11,460
Total Department of Justice			11,460
Department of Transportation			
Passed through Colorado Department of Transportation:			
Highway Planning and Construction	20.205	M415-015 and M415-019	944,838
Total Department of Transportation			944,838
Department of Homeland Security			
Passed through the Colorado Department of Public Safety:			
Emergency Management Performance Grants	97.042	19EM-20-65	15,000
Total Department of Homeland Security			15,000
Total Expenditures of Federal Awards			\$ 1,933,510

See accompanying Independent Auditor's Report.

City of Evans
Notes to Schedule of Expenditures of Federal Awards
December 31, 2019

1. Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal award activity of the City of Evans, Colorado (the "City") under programs of the federal government for the year ended December 31, 2019. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net position, or cash flows of the City.

2. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following, as applicable, either the cost principles contained in the Uniform Guidance wherein certain types of expenditures are not allocable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

3. Indirect Cost Rate

The City has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

4. Subrecipients

There were no subrecipients of federal awards during the year ended December 31, 2019.