

# **City of Evans, Colorado**

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**Annual Comprehensive Financial Report**

**December 31, 2020**

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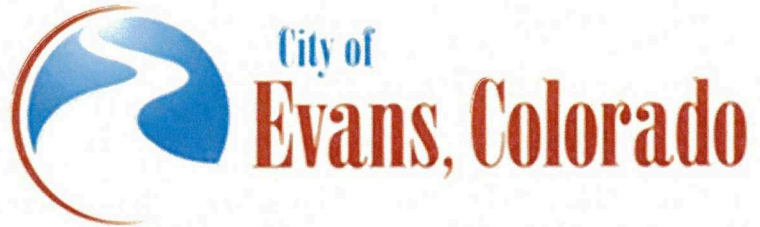
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June 1, 2021

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, 2020.

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 Haynie & Company, 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, 2020, 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, 2020 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,




James L. Becklenberg  
City Manager




Jacque Troudt, CPA  
Finance Director



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## Independent Auditor's Report

Honorable Mayor and the City Council  
City of Evans, Colorado

### Opinions

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, 2020 and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Evans, Colorado, as of December 31, 2020 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### Basis for Opinions

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of City of Evans, Colorado and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### 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 for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards (GAAS) and the standards applicable to the financial audits contained in *Government Auditing Standards* (GAS), will always detect a material misstatement when it exists.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and GAS, we:

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

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

### **Other-Matters**

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Evans, Colorado'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

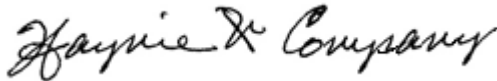
financial statements.

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 relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and other schedules as listed in the table of contents are fairly stated, in all material respects, in relation to the financial statements as a whole.

The introductory section, statistical section and Local Highway Finance Report have 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 this report.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Governmental Auditing Standards*, we have also issued our report dated June 1, 2021 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. 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.



Littleton, Colorado  
June 1, 2021

**City of Evans, Colorado  
Management's Discussion and Analysis  
December 31, 2020**

June 1, 2021

## **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, 2020. Please read the information presented here in conjunction with the City's financial statements beginning on page 1.

### **FINANCIAL HIGHLIGHTS**

- The assets of the City exceeded its liabilities at the close of 2020 by \$181 million (net position). Of this amount, \$62.1 million (unrestricted net position) may be used to meet the City's ongoing obligations to citizens and creditors. Of the remaining balance, \$111.6 million is investments in capital assets and \$7.3 million is restricted for other purposes.
- The City's total net position increased by \$11.5 million. The governmental and business-type activities drove this change with an increase in revenue.
- Sales and use tax collections increased by \$2.9 million, a 29 percent increase from the prior year. Addition of a 1% sales and use tax to fund road maintenance and construction contributed to this increase.
- At the end of 2020, the City's governmental funds reported combined ending fund balances of \$29 million, an increase of \$2.7 million in comparison to the ending balances of 2019. Of this total amount, \$5.5 million, or 19 percent, is available for spending at the City's discretion (unassigned fund balance).
- At the end of 2020, the unassigned fund balance for the General Fund was \$5.5 million, which was 40 percent of total General Fund 2020 expenditures. In addition, the City Charter requires the Emergency Contingency Fund to maintain a balance of 25 percent of the preceding fiscal year's (2019) audited General Fund expenditures, not to exceed \$1 million. The resulting 2020 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 2020-year end for the General Fund, including the Emergency Contingency Fund, amount to \$14.1 million.
- As required under Accounting Principle GASB 68, the City reported an asset of \$2.2 million for its proportionate share of the net pension assets of the State of Colorado Fire and Police Pension Association plans at December 31, 2020. 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 1-2 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 15 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, and the Evans Redevelopment Agency, which are major funds. Data from the remaining 12 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 3-6 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 7-9 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 10-11 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 12-42 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 43-62 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 \$181 million at the close of 2020.

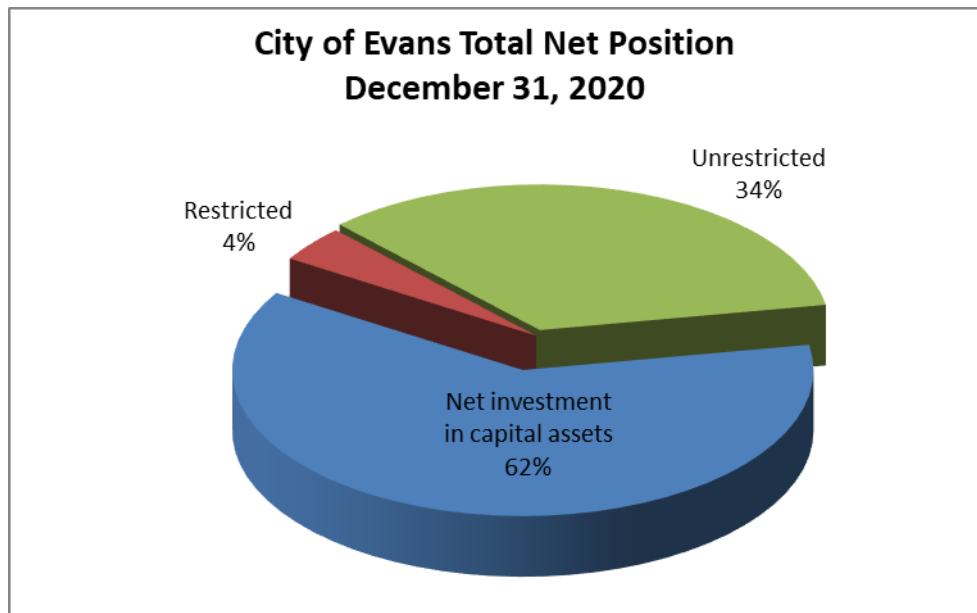
By far the largest portion (62 percent) of the City's net position reflects its investment in capital assets (e.g., land, buildings, machinery and equipment and infrastructure) less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide 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 (4 percent) represents resources that are subjected to external and internal restrictions on how they may be used. The remaining balance of unrestricted net position (\$62.1 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 2020 as compared to 2019.

**Table 1**

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

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
<b>Assets:</b>						
Current and other assets	\$ 31,989	\$ 28,964	\$38,548	\$ 28,459	\$ 70,537	\$ 57,423
Capital assets	56,603	51,599	100,224	100,312	156,827	151,911
Net pension asset	2,224	1,461	-	-	2,224	1,461
<b>Total assets</b>	<b>90,816</b>	<b>82,024</b>	<b>138,772</b>	<b>128,771</b>	<b>229,588</b>	<b>210,795</b>
<b>Deferred outflows of resources</b>						
	1,717	2,279	-	-	1,717	2,279
<b>Liabilities:</b>						
Current liabilities	2,558	2,076	714	967	3,272	3,043
Long-term liabilities	427	503	45,324	38,826	45,751	39,329
<b>Total liabilities</b>	<b>2,985</b>	<b>2,579</b>	<b>46,038</b>	<b>39,793</b>	<b>49,023</b>	<b>42,372</b>
<b>Deferred inflows of resources</b>						
Unearned revenue – property taxes	739	901	-	-	739	901
Deferred inflows of resources relating to pensions	568	306	-	-	568	306
<b>Total Deferred inflows of resources</b>	<b>1,307</b>	<b>1,207</b>	<b>-</b>	<b>-</b>	<b>1,307</b>	<b>1,207</b>
<b>Net Position:</b>						
Net investment in capital assets	56,603	51,599	54,965	69,356	111,567	120,955
Restricted	6,270	3,677	996	1,485	7,266	5,162
Unrestricted	25,369	25,241	36,773	18,137	62,142	43,378
<b>Total net position</b>	<b>\$ 88,242</b>	<b>\$ 80,517</b>	<b>\$92,734</b>	<b>\$88,978</b>	<b>\$180,975</b>	<b>\$169,495</b>



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.

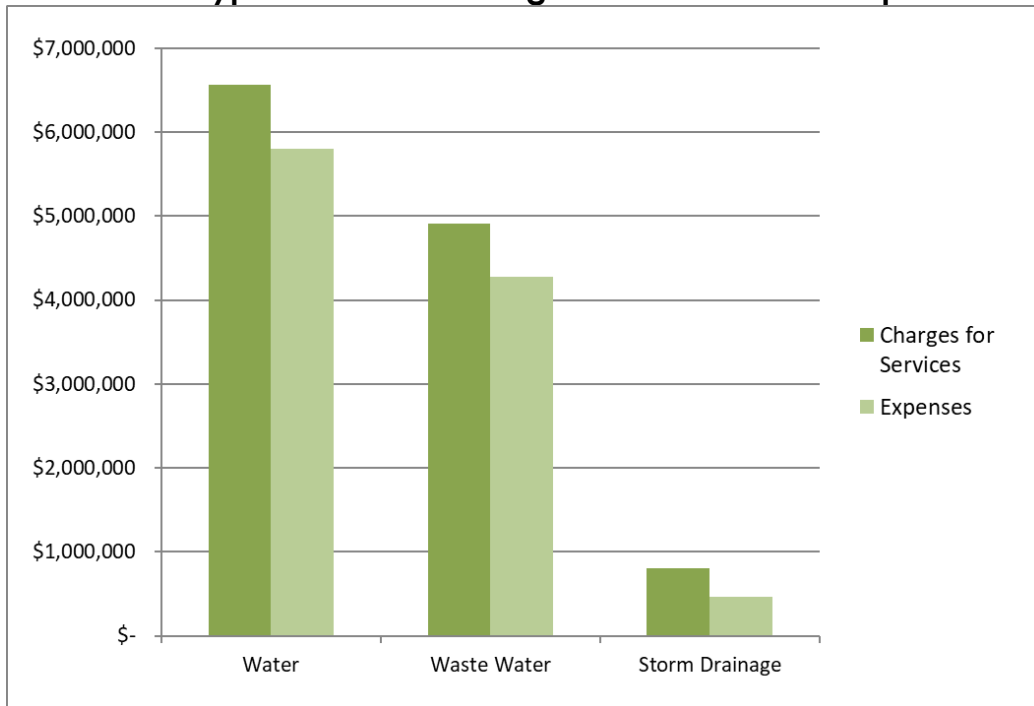
Table 2 shows the changes in net position for the fiscal year 2020 compared to the fiscal year 2019.

<b>Table 2</b>						
<b>City of Evans</b>						
<b>Condensed Statement of Activities (\$000's)</b>						
	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
<b>Revenues:</b>						
<i>Program revenues:</i>						
Charges for services	\$ 4,363	\$ 4,985	\$ 12,284	\$ 11,854	\$ 16,647	\$ 16,839
Operating grants and contributions	53	53	58	644	111	697
Capital grants and contributions	1,395	1,158	2,815	4,343	4,210	5,501
<i>General revenues:</i>						
Sales and use taxes	12,869	9,960	-	-	12,869	9,960
Property taxes	893	1,010	-	-	893	1,010
Specific ownership taxes	114	60	-	-	114	60
Franchise taxes	645	711	-	-	645	711
Other taxes	910	515	-	-	910	515
Intergovernmental	2,461	2,814	-	-	2,461	2,814
Unrestricted Investment Earnings	571	756	205	305	776	1,061
Other general revenue	348	773	-	-	348	773
Gain (loss) on disposal of capital assets	-	2	-	-	-	2
Total revenues	24,622	22,797	15,362	17,146	39,984	39,943
<b>Expenses:</b>						
General government	5,180	5,278	-	-	5,180	5,278
Public safety	5,869	5,752	-	-	5,869	5,752
Public works	4,140	4,116	-	-	4,140	4,116
Culture, parks and recreation	1,948	1,248	-	-	1,948	1,248
Community development	797	962	-	-	797	962
Flood recovery	20	66	-	-	20	66
Water enterprise	-	-	5,806	5,046	5,806	5,046
Waste Water enterprise	-	-	4,279	3,860	4,279	3,860
Storm Drainage enterprise	-	-	465	422	465	422
Interest on Long Term Debt	-	-	-	-	-	-
Total expenses	17,954	17,422	10,550	9,328	28,504	26,750
Excess before transfers	6,668	5,375	4,812	7,818	11,480	13,193
Transfers in (out)	1,056	908	(1,056)	(907)	-	1
Increase (decrease) in net position	7,724	6,283	3,756	6,911	11,480	13,194
Net position – Beginning	80,517	74,234	88,978	82,067	169,496	156,302
Net position – Ending	\$ 88,241	\$ 80,517	\$ 92,734	\$ 88,978	\$ 180,975	\$ 169,496

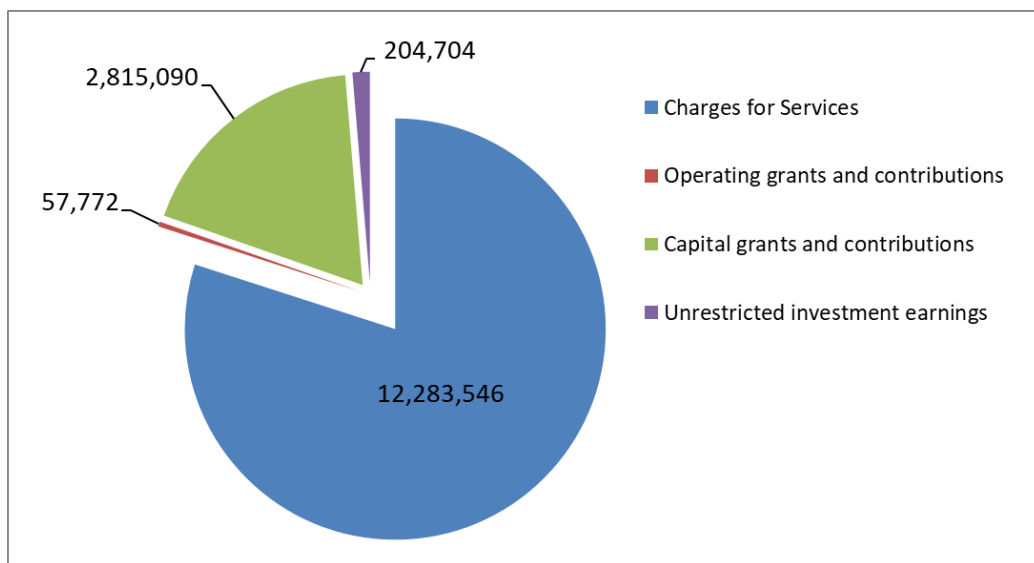
**Governmental Activities** - Governmental activities increased the City's net position by \$7.7 million, thereby accounting for a portion of the total growth in the net position of the City. Contributing to this growth was both the City's increase in revenues and decrease in expenditures. The main factor for increased revenue is a new sales and use tax of 1%, which began July 1, 2020.

**Business-type Activities** - Business-type activities increased the City's net position by \$3.8 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, 2020, the City's governmental funds reported ending fund balances of \$29 million, an increase of \$2.7 million from the prior year. Approximately 19 percent of this total amount (\$5.5 million) constitutes unassigned fund balance, which is available for spending at the City's discretion. The remainder of fund balance (\$23.2 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, 2020, the unassigned fund balance of the general fund was \$5.5 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 40 percent of total General Fund expenditures. The increase in the fund balance of the General Fund was \$1.6 million during 2020. As the City responded to the uncertainties surrounding the COVID-19 pandemic, vacant positions were frozen, departmental supplies and services budgets were reduced and capital projects were deferred. The City experienced revenues which exceeded initial projections, and departments were able to save additional funds until the severity of the economic decline was identified.

In 2020, taxes were the General Fund's largest source of revenue at 70 percent, or \$10.4 million.

The Emergency Contingency Fund ended the 2020 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, 2020, amounted to \$57.8 million, \$24.4 million, and \$10.5 million, respectively. The total growth in net position for the three funds during 2020 was \$1.5 million, \$1.9 million, and \$359 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 2020 original budget and the final revised expenditure budget was \$1.5 million. The major appropriations approved during the year were:

- \$974 thousand for CARES Act revenue and expenditures in response to COVID-19 related costs.
- \$328 thousand to continue projects to update the comprehensive master plan and transportation plan.
- \$143 thousand to upgrade traffic signals at multiple intersections, to ensure the signals could operate optimally and adjust to various traffic flow conditions.

During the year, actual revenues and other financing sources were \$16.1 million, which trailed final budgetary estimates by \$1.9 million. General fund sales and use tax collections suffered both as a result of the COVID-19 pandemic and decline in oil and gas production and prices.

Actual expenditures and other financing uses totaled \$14.6 million which was \$3.5 million under budgeted expenditures and other financing uses. The fund balance as of December 31, 2020 was \$14.1 million. Of this amount, \$3 thousand is nonspendable and related to 2021 expenditures prepaid in 2020, \$1 million is restricted for emergencies, \$250 thousand is committed for functions related to designated revenue, and \$5.5 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, 2020, amounted to \$111.6 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 and storm drainage improvements.
- New major assets included a police vehicle replacement, purchase of open space land, and a non-potable water system.

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

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Land and water shares	\$ 9,258	\$ 8,034	\$ 33,888	\$ 33,888	\$ 43,146	\$ 41,922
Landscaping	2,038	2,009	-	-	2,038	2,009
Construction in progress	6,003	5,331	5,563	6,873	11,566	12,204
Intangible assets	152	186	36	84	188	270
Land improvements	7,392	8,209	-	-	7,392	8,209
Building & improvements	8,760	9,076	53	90	8,813	9,166
System improvements	-	-	62,615	60,815	62,615	60,815
Machinery & equipment	323	465	5,004	5,499	5,327	5,964
Transportation equipment	111	315	-	-	111	315
Infrastructure	22,566	17,974	867	865	23,433	18,839
Total	\$ 56,603	\$ 51,599	\$ 108,026	\$ 108,114	\$ 164,629	\$ 159,713

Additional information on the City's capital assets can be found in the notes to the financial statements on Pages 24-26 of this report.

**Debt** - As of December 31, 2020, the City had no capital lease obligations outstanding. In addition, the City has \$45.2 million in Colorado Water Resources and Power Development Authority ("CWRPDA") notes payable.

**City of Evans Outstanding Debt**

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Water loans	\$ -	\$ -	\$ 468	\$ 624	\$ 468	\$ 624
Wastewater loans	-	-	36,399	38,134	36,399	38,134
Storm Drainage loans	-	-	8,392	-	8,392	-
Compensated Absences	427	392	65	68	492	460
Total	\$ 427	\$ 392	\$ 45,324	\$ 38,826	\$ 45,751	\$ 39,218

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 26-27 of this report.

## **ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

- Population has increased slightly over the past several years with a 2020 estimate of 21,563.
- The City's sales tax revenue increased by 11 percent in 2020, due mostly to the new voter approved 1% sales and use tax to be used for road maintenance and construction. Collections in the base and storefront retail categories improved slightly, while large declines in the restaurant, motor vehicle, and convenience stores were experienced. The industrial category of taxes is considered volatile, and the majority of revenues received is treated as "one-time" revenues and are as such not added to the long-term revenue projections. Sales tax revenues are projected to increase slightly in 2021 as business activity slowly resumes to pre-COVID levels.
- Property tax collections decreased by 12 percent from 2019 to 2020 primarily due to decreased oil and gas production values. The ongoing uncertainty in the oil and gas industry is expected to result in further decreasing property tax collections in 2021 and 2022 before slowly recovering in outer years.

All of these factors were considered in preparing the City's budget for the 2021 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 37<sup>th</sup> Street, Evans, Colorado 80620, (970) 475-1127.

## **Basic Financial Statements**

**City of Evans, Colorado**  
**Statement of Net Position**  
**December 31, 2020**

	<b>PRIMARY GOVERNMENT</b>		
	<b>GOVERNMENTAL</b>	<b>BUSINESS-TYPE</b>	<b>TOTAL</b>
	<b>ACTIVITIES</b>	<b>ACTIVITIES</b>	
<b>ASSETS</b>			
Cash, cash equivalents and investments	\$ 26,135,887	\$ 20,175,713	\$ 46,311,600
Receivables	4,849,520	9,573,425	14,422,945
Prepaid items	3,264	-	3,264
Restricted cash, cash equivalents and investments	1,000,000	996,168	1,996,168
Investment in Greeley water	-	7,802,013	7,802,013
Capital assets, not being depreciated	17,299,037	31,649,000	48,948,037
Capital assets, net of accumulated depreciation	39,303,560	68,575,266	107,878,826
Net pension asset	2,224,559	-	2,224,559
<b>TOTAL ASSETS</b>	<b>90,815,827</b>	<b>138,771,585</b>	<b>229,587,412</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred outflows of resources relating to pensions	1,717,676	-	1,717,676
<b>LIABILITIES</b>			
Accounts payable	1,896,482	430,797	2,327,279
Accrued payroll	101,333	20,253	121,586
Deposits and escrows	296,302	113,321	409,623
Unearned revenue	400	-	400
Other liabilities	263,261	-	263,261
Accrued interest payable	-	149,743	149,743
Noncurrent liabilities:			
Accrued compensated absences	427,102	64,568	491,670
Due within one year	-	1,931,683	1,931,683
Due in more than one year	-	43,327,521	43,327,521
<b>TOTAL LIABILITIES</b>	<b>2,984,880</b>	<b>46,037,886</b>	<b>49,022,766</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred revenue - property taxes	739,445	-	739,445
Deferred inflows of resources relating to pensions	567,567	-	567,567
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>1,307,012</b>	<b>-</b>	<b>1,307,012</b>
<b>NET POSITION</b>			
Net investment in capital assets	56,602,597	54,965,062	111,567,659
Restricted for:			
Emergencies	1,000,000	-	1,000,000
Debt service	-	996,168	996,168
Street construction	2,412,562	-	2,412,562
Parks and recreation	632,776	-	632,776
Pensions	2,224,559	-	2,224,559
Unrestricted	25,369,117	36,772,469	62,141,586
<b>TOTAL NET POSITION</b>	<b>\$ 88,241,611</b>	<b>\$ 92,733,699</b>	<b>\$ 180,975,310</b>

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

**City of Evans, Colorado**  
**Statement of Activities**  
**For the Year Ended December 31, 2020**

FUNCTIONS / PROGRAMS	EXPENSES	PROGRAM REVENUES			NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION		
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	Primary Government BUSINESS-TYPE ACTIVITIES	TOTAL
<b>Primary Government</b>							
<b>Governmental activities:</b>							
General government	\$ 5,180,305	\$ 1,840,039	\$ 38,720	\$ -	\$ (3,301,546)	\$ -	\$ (3,301,546)
Public safety	5,868,935	517,422	-	-	(5,351,513)	-	(5,351,513)
Public works	4,139,409	943,168	-	1,360,653	(1,835,588)	-	(1,835,588)
Culture, parks and recreation	1,948,125	1,062,131	14,750	34,689	(836,555)	-	(836,555)
Community development	796,918	-	-	-	(796,918)	-	(796,918)
Flood recovery	20,487	-	-	-	(20,487)	-	(20,487)
<b>Total Governmental Activities</b>	<u>17,954,179</u>	<u>4,362,760</u>	<u>53,470</u>	<u>1,395,342</u>	<u>(12,142,607)</u>	<u>-</u>	<u>(12,142,607)</u>
<b>Business-Type Activities:</b>							
Water	5,805,493	6,561,636	43,601	1,208,397	-	2,008,141	2,008,141
Wastewater	4,279,370	4,914,615	9,825	1,481,939	-	2,127,009	2,127,009
Storm drainage	465,080	807,295	4,346	124,754	-	471,315	471,315
<b>Total Business-Type Activities</b>	<u>10,549,943</u>	<u>12,283,546</u>	<u>57,772</u>	<u>2,815,090</u>	<u>-</u>	<u>4,606,465</u>	<u>4,606,465</u>
<b>Total Primary Government</b>	<u>\$28,504,122</u>	<u>\$16,646,306</u>	<u>\$ 111,242</u>	<u>\$ 4,210,432</u>	<u>\$ (12,142,607)</u>	<u>\$ 4,606,465</u>	<u>\$ (7,536,142)</u>
<b>General revenues</b>							
Taxes:							
					\$ 893,280	\$ -	\$ 893,280
					113,442	-	113,442
					12,869,389	-	12,869,389
					645,062	-	645,062
					909,917	-	909,917
					2,461,219	-	2,461,219
					570,749	204,704	775,453
					347,669	-	347,669
					18,810,727	204,704	19,015,431
					1,056,029	(1,055,653)	376
					19,866,756	(850,949)	19,015,807
					7,724,149	3,755,516	11,479,665
					80,517,462	88,978,183	169,495,645
					<u>\$ 88,241,611</u>	<u>\$ 92,733,699</u>	<u>\$ 180,975,310</u>

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

**City of Evans, Colorado**  
**Balance Sheet**  
**Governmental Funds**  
**December 31, 2020**

	<u>GENERAL</u>	<u>STREET CONSTRUCTION</u>	<u>EVANS REDEVELOPMENT AGENCY</u>	<u>OTHER GOVERNMENTAL FUNDS</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>
<b>ASSETS</b>					
Equity in pooled cash, cash equivalents and investments	\$ 11,636,848	\$ 4,113,387	\$ 216,876	\$ 10,168,776	\$ 26,135,887
Restricted cash, cash equivalents and investments	1,000,000	-	-	-	1,000,000
Receivables	2,800,808	1,026,469	7	1,022,236	4,849,520
Due (to)/from other fund	244,830	-	-	(244,830)	-
Prepaid items	3,264	-	-	-	3,264
<b>TOTAL ASSETS</b>	<u>\$ 15,685,750</u>	<u>\$ 5,139,856</u>	<u>\$ 216,883</u>	<u>\$ 10,946,182</u>	<u>\$ 31,988,671</u>
<b>LIABILITIES, DEFERRED INFLOW OF RESOURCES AND FUND BALANCES</b>					
<b>LIABILITIES</b>					
Accounts payable	\$ 420,705	\$ 1,289,332	\$ 1,788	\$ 184,657	\$ 1,896,482
Unearned revenue	-	-	-	400	400
Accrued payroll	101,333	-	-	-	101,333
Deposits and escrows	296,302	-	-	-	296,302
Other liabilities	27,907	129,354	-	106,000	263,261
<b>TOTAL LIABILITIES</b>	<u>846,247</u>	<u>1,418,686</u>	<u>1,788</u>	<u>291,057</u>	<u>2,557,778</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenue - property taxes	739,445	-	-	-	739,445
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<u>739,445</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>739,445</u>
<b>FUND BALANCES</b>					
Nonspendable	3,264	-	-	-	3,264
Restricted	1,000,000	-	-	3,045,338	4,045,338
Committed	250,195	-	-	40,795	290,990
Assigned	7,387,564	3,721,170	215,095	7,568,992	18,892,821
Unassigned	5,459,035	-	-	-	5,459,035
<b>TOTAL FUND BALANCES</b>	<u>14,100,058</u>	<u>3,721,170</u>	<u>215,095</u>	<u>10,655,125</u>	<u>28,691,448</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<u>\$ 15,685,750</u>	<u>\$ 5,139,856</u>	<u>\$ 216,883</u>	<u>\$ 10,946,182</u>	<u>\$ 31,988,671</u>

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

**City of Evans, Colorado**  
**Reconciliation of the Governmental Funds Balance Sheet**  
**to the Statement of Net Position**  
**For the Year Ended December 31, 2020**

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

Total fund balance - governmental funds	\$ 28,691,448
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Capital assets used in governmental activities are not current financial resources and therefore are not reported as assets in governmental funds:

Capital assets	77,964,380
Accumulated depreciation	<u>(21,361,783)</u>
Net capital assets	56,602,597

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	2,224,559
Deferred outflows related to pension	1,717,676
Deferred inflows related to pension	<u>(567,567)</u>

Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the governmental funds balance sheet. Long-term liabilities at year end consist of:

Compensated absences	<u>(427,102)</u>
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<b>Total net position - governmental activities</b>	<b><u>\$ 88,241,611</u></b>
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**City of Evans, Colorado**  
**Governmental Funds**  
**Combined Statement of Revenues, Expenditures**  
**and Changes in Fund Balances**  
**For the Year Ended December 31, 2020**

	<u>GENERAL</u>	<u>STREET CONSTRUCTION</u>	<u>EVANS REDEVELOPMENT AGENCY</u>	<u>OTHER GOVERNMENTAL FUNDS</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>
<b>REVENUES:</b>					
Taxes	\$ 10,453,208	\$ -	\$ 2,025	\$ 2,412,916	\$ 12,868,149
Licenses and Permits	1,220,786	-	-	2,000	1,222,786
Intergovernmental	2,244,654	1,917,879	-	216,565	4,379,098
Grants and contributions	38,720	1,360,653	-	49,439	1,448,812
Charges for Services	141,453	-	-	941,168	1,082,621
Fines and Forfeitures	224,143	-	-	-	224,143
Earnings (loss) on investments	431,197	49,648	-	89,904	570,749
Assessments	-	-	-	2,478,272	2,478,272
Miscellaneous	338,387	-	600	8,682	347,669
<b>TOTAL REVENUES</b>	<u>15,092,548</u>	<u>3,328,180</u>	<u>2,625</u>	<u>6,198,946</u>	<u>24,622,299</u>
<b>EXPENDITURES:</b>					
General Government	4,682,755	-	-	-	4,682,755
Public Safety	5,611,102	-	-	174,999	5,786,101
Public Works	1,441,833	512,629	-	936,305	2,890,767
Culture, Parks and Recreation	1,030,653	-	-	8,314	1,038,967
Community Development	702,108	-	85,391	-	787,499
Flood Recovery	-	-	-	20,487	20,487
Capital outlay	226,980	4,649,987	-	2,889,944	7,766,911
<b>TOTAL EXPENDITURES</b>	<u>13,695,431</u>	<u>5,162,616</u>	<u>85,391</u>	<u>4,030,049</u>	<u>22,973,487</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	1,397,117	(1,834,436)	(82,766)	2,168,897	1,648,812
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	1,095,718	850,000	57,347	-	2,003,065
Transfers out	(907,347)	-	-	(39,689)	(947,036)
<b>NET CHANGE IN FUND BALANCES</b>	1,585,488	(984,436)	(25,419)	2,129,208	2,704,841
<b>FUND BALANCES, BEGINNING OF YEAR</b>	<u>12,514,570</u>	<u>4,705,606</u>	<u>240,514</u>	<u>8,525,917</u>	<u>25,986,607</u>
<b>FUND BALANCES, END OF YEAR</b>	<u>\$ 14,100,058</u>	<u>\$ 3,721,170</u>	<u>\$ 215,095</u>	<u>\$ 10,655,125</u>	<u>\$ 28,691,448</u>

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

**City of Evans, Colorado**  
**Reconciliation of the Statement of Revenues, Expenditures**  
**and Changes in Fund Balances of Governmental Funds**  
**to the Statement of Activities**  
**For the Year Ended December 31, 2020**

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

Net change in fund balances - total governmental funds \$ 2,704,841

Capital outlays are reported in the governmental funds as an expenditure; however, for governmental activities, these costs are shown in the statement of net position and allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation expense exceeds capital outlay.

Capital outlay	7,766,911
Depreciation expense	<u>(2,763,120)</u>
Net amount	5,003,791

Some revenues/expenses reported in the statement of activities do not require the receipt/use of current financial resources and, therefore, are not reported as revenues/expenditures in the governmental funds.

Change in accrued compensated absences	<u>(34,891)</u>
	(34,891)

Pension income relating to changes in the City's defined benefit retirement plans do not require the use of current financial resources, and therefore, are not reported as expenditures in the governmental fund financial statements.

<u>50,408</u>
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Change in net position - governmental activities \$ 7,724,149

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

# City of Evans, Colorado

## Proprietary Funds Statement of Net Position December 31, 2020

### ASSETS

	Water	Wastewater	Storm Drainage	Total
<b>Current Assets:</b>				
Equity in pooled cash, cash equivalents and investments	\$ 6,806,495	\$ 11,454,512	\$ 1,914,706	\$ 20,175,713
Accounts receivable, net	518,458	589,574	8,465,393	9,573,425
<b>Total Current Assets</b>	7,324,953	12,044,086	10,380,099	29,749,138
<b>Non-Current Assets:</b>				
Restricted cash, cash equivalents and investments	467,973	455,617	72,578	996,168
Investment in Greeley water	7,802,013	-	-	7,802,013
Capital assets, not being depreciated	28,423,100	1,113,555	2,112,345	31,649,000
Capital assets, net of accumulated depreciation	14,557,817	47,512,289	6,505,160	68,575,266
<b>Total Non-Current Assets</b>	51,250,903	49,081,461	8,690,083	109,022,447
<b>TOTAL ASSETS</b>	58,575,856	61,125,547	19,070,182	138,771,585
<b>LIABILITIES</b>				
<b>Current Liabilities:</b>				
Accounts payable	238,148	90,003	102,646	430,797
Accrued expenses	5,699	14,265	289	20,253
Deposits and escrows	33,603	36,205	43,513	113,321
Accrued interest payable	-	136,625	13,118	149,743
Notes payable, current portion	155,991	1,770,692	5,000	1,931,683
<b>Total Current Liabilities</b>	433,441	2,047,790	164,566	2,645,797
<b>Non-Current Liabilities:</b>				
Accrued compensated absences	28,857	31,978	3,733	64,568
Notes payable	311,982	34,628,167	8,387,372	43,327,521
<b>Total Non-Current Liabilities</b>	340,839	34,660,145	8,391,105	43,392,089
<b>TOTAL LIABILITIES</b>	774,280	36,707,935	8,555,671	46,037,886
<b>NET POSITION</b>				
Net investment in capital assets	42,512,944	12,226,985	225,133	54,965,062
Restricted	467,973	455,617	72,578	996,168
Unrestricted	14,820,659	11,735,010	10,216,800	36,772,469
<b>TOTAL NET POSITION</b>	\$ 57,801,576	\$ 24,417,612	\$ 10,514,511	\$ 92,733,699

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

**City of Evans, Colorado**  
**Proprietary Fund**  
**Statement of Revenues, Expenditures**  
**and Changes in Net Position**  
**For the Year Ended December 31, 2020**

<b>OPERATING REVENUES</b>	<u>Water</u>	<u>Wastewater</u>	<u>Storm Drainage</u>	<u>Total</u>
Water/sewer/storm drainage sales	\$ 5,960,036	\$ 4,914,615	\$ 807,295	\$ 11,681,946
Non-potable water sales	520,767	-	-	520,767
Water meters	45,868	-	-	45,868
Other sales	34,965	-	-	34,965
<b>TOTAL OPERATING REVENUES</b>	<u>6,561,636</u>	<u>4,914,615</u>	<u>807,295</u>	<u>12,283,546</u>
<b>OPERATING EXPENSES</b>				
Water supply and administrative	4,865,087	-	-	4,865,087
Wastewater and administrative	-	1,457,412	-	1,457,412
Storm drainage and administrative	-	-	155,155	155,155
Depreciation expense	940,406	2,154,727	296,807	3,391,940
<b>TOTAL OPERATING EXPENSES</b>	<u>5,805,493</u>	<u>3,612,139</u>	<u>451,962</u>	<u>9,869,594</u>
<b>OPERATING INCOME</b>	<u>756,143</u>	<u>1,302,476</u>	<u>355,333</u>	<u>2,413,952</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>				
Grants and contributions	43,601	9,825	4,346	57,772
Earnings on investments	76,157	107,400	21,147	204,704
Interest expense	-	(667,231)	(13,118)	(680,349)
<b>TOTAL NON-OPERATING REVENUES (EXPENSES)</b>	<u>119,758</u>	<u>(550,006)</u>	<u>12,375</u>	<u>(417,873)</u>
<b>INCOME BEFORE CONTRIBUTIONS AND TRANSFERS</b>	875,901	752,470	367,708	1,996,079
Transfers out	(557,092)	(365,056)	(133,505)	(1,055,653)
Plant investment fees and cash in lieu of fees	1,208,397	1,481,939	124,754	2,815,090
<b>CHANGE IN NET POSITION</b>	<u>1,527,206</u>	<u>1,869,353</u>	<u>358,957</u>	<u>3,755,516</u>
<b>NET POSITION, BEGINNING OF YEAR</b>	<u>56,274,370</u>	<u>22,548,259</u>	<u>10,155,554</u>	<u>88,978,183</u>
<b>NET POSITION, END OF YEAR</b>	<u>\$ 57,801,576</u>	<u>\$ 24,417,612</u>	<u>\$ 10,514,511</u>	<u>\$ 92,733,699</u>

**City of Evans, Colorado**  
**Proprietary Funds**  
**Statement of Cash Flows**  
**For the Year Ended December 31, 2020**

	<u>Water</u>	<u>Wastewater</u>	<u>Storm Drainage</u>	<u>Total</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Cash received from customers	\$ 6,858,184	\$ 4,921,763	\$ 912,530	\$ 12,692,477
Cash paid for goods and services	(4,622,059)	(870,218)	(96,736)	(5,589,013)
Cash paid to employees	(458,630)	(618,902)	(54,540)	(1,132,072)
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<u>1,777,495</u>	<u>3,432,643</u>	<u>761,254</u>	<u>5,971,392</u>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>				
Transfers to other funds	(557,092)	(365,056)	(133,505)	(1,055,653)
Grants and contributions	43,601	9,825	4,346	57,772
<b>NET CASH FROM NON-CAPITAL FINANCING ACTIVITIES</b>	<u>(513,491)</u>	<u>(355,231)</u>	<u>(129,159)</u>	<u>(997,881)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Plant investment fees and cash in lieu of fees	1,208,397	1,481,939	124,754	2,815,090
Principal paid on debt	(155,991)	(1,734,805)	-	(1,890,796)
Interest paid on debt	-	(681,814)	-	(681,814)
Proceeds from sale of capital assets	705,753	-	-	705,753
Acquisition of capital assets	(3,014,197)	(317,308)	(678,525)	(4,010,030)
<b>NET CASH FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>	<u>(1,256,038)</u>	<u>(1,251,988)</u>	<u>(553,771)</u>	<u>(3,061,797)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Proceeds from sale of investments	4,020,438	6,700,730	1,072,117	11,793,285
Purchases of investments	(4,071,284)	(6,785,473)	(1,085,676)	(11,942,433)
Earnings on investments	127,003	192,143	34,706	353,852
<b>NET CASH FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>	<u>76,157</u>	<u>107,400</u>	<u>21,147</u>	<u>204,704</u>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	84,123	1,932,824	99,471	2,116,418
<b>CASH, CASH EQUIVALENTS</b>				
<b>Beginning of Year</b>	<u>4,178,895</u>	<u>5,495,855</u>	<u>821,560</u>	<u>10,496,310</u>
<b>End of Year</b>	<u>4,186,861</u>	<u>7,321,279</u>	<u>899,884</u>	<u>12,408,024</u>
<b>INVESTMENTS</b>	<u>3,087,607</u>	<u>4,588,850</u>	<u>1,087,400</u>	<u>8,763,857</u>
<b>Cash, cash equivalents and investments at end of year</b>	<u>\$ 7,274,468</u>	<u>\$ 11,910,129</u>	<u>\$ 1,987,284</u>	<u>\$ 21,171,881</u>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH FROM OPERATING ACTIVITIES</b>				
Operating income	\$ 756,143	\$ 1,302,476	\$ 355,333	\$ 2,413,952
<b>Adjustments to reconcile operating income to net cash flows from operating activities</b>				
Depreciation	940,406	2,154,727	296,807	3,391,940
Change in operating assets:				
Receivables	296,548	7,148	105,235	408,931
Prepays	12,039			12,039
Change in operating liabilities:				
Accounts payable and accrued expenses	(227,641)	(31,708)	3,879	(255,470)
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<u>\$ 1,777,495</u>	<u>\$ 3,432,643</u>	<u>\$ 761,254</u>	<u>\$ 5,971,392</u>

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

**City of Evans, Colorado**  
**Cemetery Endowment Fund**  
**Statement of Fiduciary Net Position**  
**December 31, 2020**

**ASSETS**

Restricted cash and investments	\$ <u>49,467</u>
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**TOTAL ASSETS**

<b>\$ <u>49,467</u></b>
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**NET POSITION**

Restricted	\$ <u>49,467</u>
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**TOTAL NET POSITION**

<b>\$ <u>49,467</u></b>
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The accompanying notes are an integral part of these financial statements.

**City of Evans, Colorado**  
**Cemetery Endowment Fund**  
**Statement of Changes in Fiduciary Net Position**  
**For the Year Ended December 31, 2020**

**Additions**

Earnings on investments	\$ <u>376</u>
<b>TOTAL ADDITIONS</b>	<b>\$ <u>376</u></b>

**Transfers**

Transfers out	\$ <u>(376)</u>
<b>TOTAL TRANSFERS</b>	<b>\$ <u>(376)</u></b>

**CHANGE IN NET POSITION** -

**NET POSITION, BEGINNING OF YEAR** 49,467

**NET POSITION, END OF YEAR** \$ 49,467

**City of Evans, Colorado**  
**Notes to Financial Statements**  
**December 31, 2020**

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**1. Summary of Significant Accounting Policies**

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**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, Colorado**  
**Notes to Financial Statements (continued)**  
**December 31, 2020**

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**1. Summary of Significant Accounting Policies (continued)**

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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.

**City of Evans, Colorado**  
**Notes to Financial Statements (continued)**  
**December 31, 2020**

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**1. Summary of Significant Accounting Policies (continued)**

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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.

*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.

*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 – Private-purpose trust 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.

**City of Evans, Colorado**  
**Notes to Financial Statements (continued)**  
**December 31, 2020**

**1. Summary of Significant Accounting Policies (continued)**

- 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.

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

	Original Budget	Total Revisions	Revised Budget
<b>Governmental funds:</b>			
General	\$ 16,616,905	\$ 1,500,624	\$ 18,117,529
Special revenue funds:			
Parks Impact	-	1,353,737	1,353,737
Conservation Trust	145,000	85,000	230,000
Refuse Collection	836,922	-	836,922
Street Impact	1,650,000	453,429	2,103,429
Fire Impact	175,002	-	175,002
Police Impact	-	-	-
Cemetery Perpetual Care	20,000	9,500	29,500
Evans Redevelopment	143,570	-	143,570
Capital projects funds:			
Street Construction	3,380,000	3,751,346	7,131,346
Parks Construction	-	87,000	87,000
Road Tax	-	400,000	400,000
Food Tax	500,000	521,011	1,021,011
<b>Business-type funds:</b>			
Water	6,876,097	4,251,895	11,127,992
Waste Water	5,414,836	1,363,987	6,778,823
Storm Drainage	2,088,939	1,483,206	3,572,145
<b>Fiduciary fund:</b>			
Cemetery Endowment	6,000	-	6,000
<b>Total funds</b>	<u>\$ 37,853,271</u>	<u>\$ 15,260,735</u>	<u>\$ 53,114,006</u>

In the current year, actual expenditures exceeded budgeted appropriations in the Refuse Collection Fund, which may be a violation of State statute. Evan's 2020 budget was adopted by City Council

**City of Evans, Colorado**  
**Notes to Financial Statements (continued)**  
**December 31, 2020**

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**1. Summary of Significant Accounting Policies (continued)**

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before the City received notification regarding inflationary rate increases from Waste Management. As such, the subsequently approved rate increases and related cost of refuse and recycling services, exceeded the 2020 budget.

**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 2020, 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.

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, 2020, 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.

**City of Evans, Colorado**  
**Notes to Financial Statements (continued)**  
**December 31, 2020**

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**1. Summary of Significant Accounting Policies (continued)**

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**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.

Estimated useful lives for asset types are as follows:

Intangible assets	10 years
Land improvements	5 - 50 years
Infrastructure	10 - 30 years
Buildings & improvements	5 - 50 years
Machinery & 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.

**City of Evans, Colorado**  
**Notes to Financial Statements (continued)**  
**December 31, 2020**

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**1. Summary of Significant Accounting Policies (continued)**

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**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 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.

**City of Evans, Colorado**  
**Notes to Financial Statements (continued)**  
**December 31, 2020**

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**1. Summary of Significant Accounting Policies (continued)**

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*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.

**City of Evans, Colorado**  
**Notes to Financial Statements (continued)**  
**December 31, 2020**

**1. Summary of Significant Accounting Policies (continued)**

As of December 31, 2020, fund balances are composed of the following:

	General Fund	Street Construction Fund	Evans Redevelopment Agency	Nonmajor Funds	Total Governmental Funds
<b>Nonspendable:</b>					
Prepaid items	\$ 3,264	\$ -	\$ -	\$ -	\$ 3,264
<b>Restricted:</b>					
Emergency reserve	1,000,000	-	-	-	1,000,000
Parks and recreation	-	-	-	632,776	632,776
Street construction	-	-	-	2,412,562	2,412,562
<b>Committed:</b>					
Surcharge fees	250,195	-	-	-	250,195
Street construction	-	-	-	40,795	40,795
<b>Assigned:</b>					
Special revenue funds	-	-	215,095	7,568,992	7,784,087
Street construction	-	3,721,170	-	-	3,721,170
Park construction	-	-	-	-	-
Fund balance policy	7,387,564	-	-	-	7,387,564
<b>Unassigned:</b>	5,459,035	-	-	-	5,459,035
<b>Total</b>	<u>\$ 14,100,058</u>	<u>\$ 3,721,170</u>	<u>\$ 215,095</u>	<u>\$ 10,655,125</u>	<u>\$ 28,691,448</u>

**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.

**City of Evans, Colorado**  
**Notes to Financial Statements (continued)**  
**December 31, 2020**

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**2. Cash and Investments**

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A summary of cash and investments as of December 31, 2020, follows:

Petty Cash	\$ 1,962
Cash deposits	14,739,408
Investments	<u>33,615,865</u>
Total	<u>\$ 48,357,235</u>

Cash and investments are reported in the financial statements as follows:

Restricted cash and investments	
Governmental activities	\$ 1,000,000
Business-type activities	996,168
Fiduciary funds	49,467
Unrestricted cash and investments	
Governmental activities	26,135,887
Business-type activities	<u>20,175,713</u>
Total cash and investments	<u>\$ 48,357,235</u>

**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 -1 0.5-101, 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, 2020, the City had deposits with financial institutions with a carrying amount of \$14,739,408. The bank balances with the financial institutions were \$14,868,576, of which \$1,000,000 was covered by federal depository insurance. The remaining balance of \$13,868,576 was collateralized with securities held by the financial institutions' agents but not in the City's name.

**Cash Deposits**

**Credit Risk**

The City is required to comply with State statutes which specify investments meeting defined rating, maturity, and concentration risk criteria in which local governments may invest, which include the following.

**City of Evans, Colorado**  
**Notes to Financial Statements (continued)**  
**December 31, 2020**

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**2. Cash and Investments (continued)**

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Colorado statutes specify in which instruments the local government may invest, which include:

1. Repurchase agreements in obligations of the United States;
2. Obligations of the United States or obligations unconditionally guaranteed by the United States;
3. General obligation or revenue bonds of any state, District of Columbia, US territory or any of their subdivisions, with certain limitations;
4. Bankers acceptance issued by a state or national bank, with certain limitations;
5. Commercial paper, with certain limitations;
6. Any obligation, certificate of participation or lease/purchase of the investing public entity;
7. Money market funds, with certain limitations, which invest in the types of securities listed above;
8. Guaranteed investment contracts, with other certain limitations;
9. Participation with other local governments in pooled investment funds (trusts). These trusts are supervised by participating governments and must comply with the same restrictions on cash deposits and investments. These trusts are "Colotrust" and "CSAFE".

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, 2020, the City had the following investments:

<u>Investments</u>	<u>S&amp;P Rating</u>	<u>Moody Rating</u>	<u>Fair Value</u>	<u>Weighted Average Maturity Date (in days)</u>	<u>Concentration of Credit Risk</u>
COLOTTRUST	AAm	NR	\$ 12,823,854	N/A	38.15%
CSAFE	AAm	NR	2,282	N/A	0.01%
Money market funds	NR	NR	2,080,117	N/A	6.19%
US Treasury	AAA	Aaa	514,120	638	1.53%
US Instrumentality	AAA	Aaa	3,957,499	1,485	11.77%
Certificates of Deposit	NR	NR	<u>14,237,994</u>	978	42.35%
<b><u>Total Investments</u></b>			<u>\$ 33,615,865</u>		

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.

**City of Evans, Colorado**  
**Notes to Financial Statements (continued)**  
**December 31, 2020**

**2. Cash and Investments (continued)**

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

<u>Investments</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Money Market Funds	\$ 2,080,117	\$ -	\$ -	\$ 2,080,117
U.S. Treasury	-	514,120	-	514,120
U.S. Instrumentality	-	3,957,499	-	3,957,499
Certificates of deposit	-	14,237,994	-	14,237,994
Investments measured at amortized cost - CSAFE	-	-	-	2,282
Investments measured at net asset value - ColoTrust	-	-	-	12,823,853
<b>Total</b>	<u>\$ 2,070,170</u>	<u>\$ 18,709,613</u>	<u>\$ -</u>	<u>\$ 33,615,865</u>

At December 31, 2020, the City had invested \$12,823,854 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.

As of December 31, 2020, the City had invested balances of \$2,282 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.

**City of Evans, Colorado**  
**Notes to Financial Statements (continued)**  
**December 31, 2020**

**2. Cash and Investments (continued)**

**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, 2020 consist of the following:

<u>Receivables</u>	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Enterprise</u>	<u>Total</u>
Taxes	\$ 683,976	\$ -	\$ -	\$ -	\$ 683,976
Accounts	525,944	89,999	1,363,809	859,837	2,839,589
Intergovernmental	1,228,495	2,801	592,096	34,720	1,858,112
Other	<u>362,393</u>	<u>7</u>	<u>-</u>	<u>8,678,868</u>	<u>9,041,268</u>
<b>Total</b>	<b><u>\$ 2,800,808</u></b>	<b><u>\$ 92,807</u></b>	<b><u>\$ 1,955,905</u></b>	<b><u>\$9,573,425</u></b>	<b><u>\$14,422,945</u></b>

**4. Capital Assets**

Governmental capital assets activity for the year ended December 31, 2020 is summarized below:

	<b>Balance December 31, 2019</b>	<b>Transfers/ Additions</b>	<b>Transfers/ Retirements</b>	<b>Balance December 31, 2020</b>
<b>Governmental Activities</b>				
<i>Capital assets, not being depreciated :</i>				
Land	\$ 8,034,067	\$ 1,224,083	\$ -	\$ 9,258,150
Landscaping	2,008,809	29,500	-	2,038,309
Construction in progress	<u>5,330,707</u>	<u>4,715,850</u>	<u>(4,043,979)</u>	<u>6,002,578</u>
Total capital assets, <i>not being depreciated</i>	<u>15,373,583</u>	<u>5,969,433</u>	<u>(4,043,979)</u>	<u>17,299,037</u>
<i>Capital assets, being depreciated:</i>				
Intangible assets	337,066	-	-	337,066
Land improvements	10,965,155	7,946	-	10,973,101
Infrastructure	25,360,774	5,759,341	-	31,120,115
Buildings and improvements	13,128,635	9,382	-	13,138,017
Machinery and Equipment	3,001,323	16,116	(7,510)	3,009,929
Transportation equipment	<u>2,038,448</u>	<u>48,668</u>	<u>-</u>	<u>2,087,116</u>
Total capital assets, being depreciated	<u>54,831,401</u>	<u>5,841,453</u>	<u>(7,510)</u>	<u>60,665,344</u>

**City of Evans, Colorado**  
**Notes to Financial Statements (continued)**  
**December 31, 2020**

**4. Capital Assets (continued)**

	<b>Balance December 31, 2019</b>	<b>Transfers/ Additions</b>	<b>Transfers/ Retirements</b>	<b>Balance December 31, 2020</b>
Less accumulated depreciation:				
Intangible assets	(151,007)	(34,398)	-	(185,405)
Land improvements	(2,755,752)	(825,236)	-	(3,580,988)
Infrastructure	(7,387,240)	(1,166,568)	-	(8,553,808)
Buildings and improvements	(4,052,632)	(325,480)	-	(4,378,112)
Machinery and Equipment	(2,536,103)	(158,269)	7,510	(2,686,862)
Transportation equipment	<u>(1,723,440)</u>	<u>(253,169)</u>	<u>-</u>	<u>(1,976,609)</u>
Total Accumulated Depreciation	<u>(18,606,174)</u>	<u>(2,763,120)</u>	<u>7,510</u>	<u>(21,361,784)</u>
Total capital assets, <i>being depreciated</i> , net	<u>36,225,227</u>	<u>3,078,333</u>	<u>-</u>	<u>39,303,560</u>
Capital assets, net	<u>\$ 51,598,810</u>	<u>\$ 9,047,766</u>	<u>\$ (4,043,979)</u>	<u>\$ 56,602,597</u>

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

**Governmental Activities**

General government	\$ 462,560
Public safety	133,242
Public works	1,248,642
Culture, parks and recreation	909,158
Community development	<u>9,418</u>
Total depreciation expense - governmental activities	<u>\$ 2,763,020</u>

Business-type capital assets activity for the year ended December 31, 2020 is summarized below:

	<b>Balance December 31, 2019</b>	<b>Transfers/ Additions</b>	<b>Transfers/ Retirements</b>	<b>Balance December 31, 2020</b>
<b>Business-Type Activities</b>				
Capital assets, <i>not being depreciated</i> :				
Investment in Greeley water	\$ 7,802,013	\$ -	\$ -	\$ 7,802,013
Water rights	25,755,155	-	-	25,755,155
Land	331,189	-	-	331,189
Construction in progress	<u>6,872,995</u>	<u>1,178,601</u>	<u>(2,488,940)</u>	<u>5,562,656</u>
Total capital assets, <i>not being depreciated</i>	<u>40,761,352</u>	<u>1,178,601</u>	<u>(2,488,940)</u>	<u>39,451,013</u>

**City of Evans, Colorado**  
**Notes to Financial Statements (continued)**  
**December 31, 2020**

**4. Capital Assets (continued)**

	Balance December 31, 2019	Transfers/ Additions	Transfers/ Retirements	Balance December 31, 2020
Capital assets, being depreciated:				
System improvements	85,380,968	4,532,762	-	89,913,730
Machinery and Equipment	7,805,995	47,157	-	7,853,152
Buildings and improvements	746,720	-	-	746,720
Intangible assets	178,134	-	-	178,134
Infrastructure	<u>1,036,885</u>	<u>34,696</u>	<u>(24,425)</u>	<u>1,047,156</u>
Total capital assets, being depreciated	<u>95,148,702</u>	<u>4,614,615</u>	<u>(24,425)</u>	<u>99,738,892</u>
Less accumulated depreciation:				
System improvements	(24,566,161)	(2,732,199)	-	(27,298,360)
Machinery and Equipment	(2,307,251)	(541,716)	-	(2,848,967)
Buildings and improvements	(656,792)	(36,921)	-	(693,713)
Intangible assets	(93,731)	(48,575)	-	(142,306)
Infrastructure	<u>(172,177)</u>	<u>(32,528)</u>	<u>24,425</u>	<u>(180,280)</u>
Total Accumulated Depreciation	<u>(27,796,112)</u>	<u>(3,391,939)</u>	<u>24,425</u>	<u>(31,163,626)</u>
Total capital assets, <i>being depreciated</i> , net	<u>67,352,590</u>	<u>1,222,676</u>	<u>-</u>	<u>68,575,266</u>
Capital assets, net	<u>\$ 108,113,942</u>	<u>\$ 2,401,277</u>	<u>\$ (2,488,940)</u>	<u>\$ 108,026,279</u>

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

Business-Type Activities	
Water enterprise	\$ 940,405
Waste water enterprise	2,154,727
Drainage enterprise	<u>296,807</u>
Total depreciation expense - business-type activities	<u>\$ 3,391,939</u>

**5. Long-Term Debt**

**Governmental Activities**

Following is a summary of governmental activity debt transactions for the year ended December 31, 2020:

	Balance at December 31, 2019	Additions	Payments	Balance at December 31, 2020	Due Within One Year
<b>Other Obligations</b>					
Compensated Absences	\$ 392,211	\$ 302,283	\$ (267,392)	\$ 427,102	\$ -
Total	<u>\$ 392,211</u>	<u>\$ 302,283</u>	<u>\$ (267,392)</u>	<u>\$ 427,102</u>	<u>\$ -</u>

**City of Evans, Colorado**  
**Notes to Financial Statements (continued)**  
**December 31, 2020**

**5. Long-Term Debt (continued)**

**Business-Type Activities Debt**

Following is a summary of business-type activity debt transactions for the year ended December 31, 2020:

	Balance at December 31, 2019	Additions	Payments	Balance at December 31, 2020	Due Within One Year
<b>Notes Payable</b>					
Waste Water - CWRPDA note payable (2016)	\$ 38,133,664	\$ -	\$ (1,734,802)	\$ 36,398,862	\$ 1,770,692
Water - CWRPDA note payable (2013)	623,964	-	(155,994)	467,970	155,991
Storm Drainage - CWRPDA note payable (2020)	-	8,392,372	-	8,392,372	5,000
	38,757,628	8,392,372	(1,890,796)	45,259,204	1,931,683
<b>Other Obligations</b>					
Compensated Absences	68,254	52,394	(56,079)	64,569	-
<b>Total</b>	<u>\$ 38,825,882</u>	<u>\$ 8,444,766</u>	<u>\$ (1,946,875)</u>	<u>\$ 45,323,773</u>	<u>\$ 1,931,683</u>

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 wastewater treatment facility. The loan bears interest of 1.7%.

During 2020, the City entered into a loan agreement with the CWRPDA for a principal amount of approximately \$8.4 million and is payable in semi-annual payments ranging from \$2,500 to \$482,801 with a maturity date of August 1, 2041. 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 wastewater treatment facility. The loan bears interest of 0%.

The following are considered to be events of default under the loan agreement:

- (a) failure by the City to pay or cause to be paid any amounts required to be paid when due, which failure shall continue for a period of ten days;
- (b) failure by the City to make or cause to be made any required payments of principal of redemption premium if any and interest on any bonds notes or other obligations for borrowed money, after giving effect to the applicable grace period, the payments of which are secured by pledged property;

**City of Evans, Colorado**  
**Notes to Financial Statements (continued)**  
**December 31, 2020**

**5. Long-Term Debt (continued)**

- (c) failure by the City to pay or cause to be paid the Administrative Fee or any portion thereof when due or to observe and perform any duty covenant obligation or agreement on its part to be observed or performed under the loan agreement and other than a failure to comply with the provisions of the loan agreement, which failure shall continue for a period of thirty days after written notice specifying such failure and requesting that it be remedied is given to the City by the Trustee;
- (d) a petition is filed by or against the City under any federal or state bankruptcy or insolvency law or other similar law in effect on the date of the loan agreement or thereafter enacted unless in the case of any such petition filed against the City such petition shall be dismissed within thirty days after such filing and such dismissal shall be final and not subject to appeal or the City shall become insolvent or bankrupt or make an assignment for the benefit of its creditors or a custodian including without limitation a receiver liquidator or trustee of the City or any of its property shall be appointed by court order to take possession of the City or its property or assets if such order remains in effect or such possession continues for more than thirty days.

In the event of default, the lender may initiate legal proceedings to enforce their rights under the loan agreement.

Following is a summary of the future debt service requirements for the City's business-type activity notes payable for the year ended December 31, 2020:

<u>Year ending December 31,</u>	<u>Principal</u>	<u>Interest and Servicing Fees</u>	<u>Total</u>
2021	\$ 1,931,683	\$ 747,876	\$ 2,679,559
2022	2,328,906	733,471	3,062,377
2023	2,367,405	696,121	3,063,526
2024	2,247,866	658,571	2,906,437
2025	2,287,015	622,471	2,909,486
2026-2030	11,826,958	2,714,044	14,541,002
2031-2035	12,596,977	1,953,711	14,550,688
2036-2040	9,189,593	469,356	9,658,949
2041	482,801	5,884	488,685
Total	<u>\$ 45,259,204</u>	<u>\$ 8,601,505</u>	<u>\$ 53,860,709</u>

**City of Evans, Colorado**  
**Notes to Financial Statements (continued)**  
**December 31, 2020**

**6. Interfund Transfers**

The following table summarizes interfund transfers for the year ended December 31, 2020

	<b>Transfers Out</b>						Total
	General Fund	Water Fund	Wastewater	Storm Drainage	Nonmajor Governmental Funds	Fiduciary	
<b>Transfers in:</b>							
General Fund	\$ -	\$557,092	\$365,056	\$133,505	\$ 39,689	\$ 376	\$1,095,718
Street Construction Fund	850,000	-	-	-	-	-	850,000
Evans Redevelopment Agency	57,347	-	-	-	-	-	57,347
<b>Total</b>	<u>\$ 907,347</u>	<u>\$557,092</u>	<u>\$365,056</u>	<u>\$133,505</u>	<u>\$ 39,689</u>	<u>\$ 376</u>	<u>\$2,003,065</u>

Transfers are used to reimburse the General Fund for indirect costs associated with administrative and operational support related to providing water, wastewater, 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 2020 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.

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 (assets). Amounts due in the future year on claims as of December 31, 2020 are recognized as other liabilities (assets) in the statement of net position.

Changes in claims payable were as follows:

	<u><b>2020</b></u>
Claims Premium Liability, <i>Beginning of Year</i>	\$ 3,816
Claims and Changes in Estimates, <i>Current Year</i>	60,784
Claims Payments	<u>(65,012)</u>
Claims and Premium Liability (Asset), <i>End of Year</i>	<u>\$ (412)</u>

**City of Evans, Colorado**  
**Notes to Financial Statements (continued)**  
**December 31, 2020**

**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.

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, 2020 was \$7,586,018. The City's contributions to the Plan for the years ending December 31, 2020, 2019 and 2018 were \$440,444, \$366,114, and \$357,587 respectively.

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

**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 5, 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](http://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. Effective January 1, 2021, a member may also qualify for a normal retirement pension if the member's combined years of service and age equals at least 80, with a minimum age of 50. 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

**City of Evans, Colorado**  
**Notes to Financial Statements (continued)**  
**December 31, 2020**

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**8. Retirement Commitments (continued)**

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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 ("SWDB Plan"). 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. Effective January 1, 2021, contribution rates for employers and members may be increased equally by the FPPA Board of Directors upon approval through an election by both the employers and members.

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 pensionable earnings. Employer contributions are 8 percent in 2019 and 2020. Employer contributions will increase 0.5 percent annually beginning in 2021 through 2030 to a total of 13 percent of pensionable earnings. In 2019, members of the SWDB plan and their employers are contributing at the rate of 10.5 percent and 8 percent, respectively, of pensionable earnings for a total contribution rate of 18.5 percent.

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 22.5 percent and 23.0 percent of pensionable earnings in 2019 and 2020, respectively. It is a local decision as to whether the member or employer pays the additional 4 percent contribution. The member and employer contribution rates will increase through 2030 as described above for the non-reentering departments. Effective January 1, 2021, reentry departments may submit a resolution to the FPPA Board of Directors to reduce the additional 4 percent contribution, to reflect the actual cost of reentry by department, to the plan for reentry contributions. Each reentry department is responsible to remit contributions to the plan in accordance with their most recent FPPA Board of Directors approved resolution.

The contribution rate for members and employers of affiliated social security employers is 5.25 percent and 4 percent, respectively, of pensionable earnings for a total contribution rate of 9.25 percent in 2019 and 9.50 percent in 2020. 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 pensionable earnings. Employer contributions are 4

**City of Evans, Colorado**  
**Notes to Financial Statements (continued)**  
**December 31, 2020**

**8. Retirement Commitments (continued)**

percent in 2019 and 2020. Employer contributions will increase 0.25 percent annually beginning in 2021 through 2030 to a total of 6.5 percent of pensionable earnings. Contributions to the Plan from the City were \$26,071 for the year ended December 31, 2020.

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

At December 31, 2020, the City reported a net pension asset of \$36,193 for its proportionate share of the net pension asset. The net pension liability was measured as of December 31, 2019 and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of January 1, 2020. 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, 2019, the City's proportion was 0.0640 percent, which was a decrease of 0.0235 from its proportion measured as of December 31, 2018.

For the year ended December 31, 2020, the City recognized pension expense of \$41,604. At December 31, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 122,484	\$ 709
Changes of assumptions or other inputs	68,723	-
Net difference between projected and actual earnings on plan investments	-	56,896
Changes in proportionate share of contributions	78,714	-
City Contributions subsequent to the measurement date	26,071	-
	<u>\$ 295,992</u>	<u>\$ 57,605</u>

The \$26,701 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, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<b>Year ended December 31,</b>	<b>Amortization</b>
2021	\$ 19,216
2022	31,664
2023	28,051
2024	12,693
2025	40,110
Thereafter	80,582
	<u>\$ 212,316</u>

**City of Evans, Colorado**  
**Notes to Financial Statements (continued)**  
**December 31, 2020**

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**8. Retirement Commitments (continued)**

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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, 2019. The valuations used the following actuarial assumption and other inputs:

Actuarial Valuation Date	January 1, 2019
Actuarial Method	Entry Age Normal
Amortization Method	Level % of Payroll, Open
Amortization Period	30 Years
Long-term investment rate of return	7.0%
Projected salary increases	4.25 – 11.25 percent
Cost of Living Adjustment	0.0 percent
Inflation	2.5 percent

For determining the total pension liability and actuarially determined contributions, the post-retirement mortality tables for non-disabled retirees uses the 2006 central rates from the RP-2014 Annuitant Mortality Tables projected to 2018 using the MP-2017 projection scales, and the projected prospectively using the ultimate rates of the scale for all years. The preretirement off-duty mortality tables are adjusted to 50% of the RP-2014 mortality tables for active employees. The on-duty mortality rate is 0.00015.

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. 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, 2019 are summarized in the following table:

**City of Evans, Colorado**  
**Notes to Financial Statements (continued)**  
**December 31, 2020**

**8. Retirement Commitments (continued)**

Asset Class	Target Allocation	Long Term Expected Rate of Return
Global Equity	38.0%	7.00%
Equity Long/Short	8.0%	6.00%
Private Markets	25.0%	9.20%
Fixed Income	15.0%	5.20%
Absolute Return	8.0%	5.50%
Managed Futures	4.0%	5.00%
Cash	2.0%	2.52%
Total	100%	

*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 2.75 percent (based on the weekly rate closest to but not later than the measurement date of the "state ft 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)	\$219,447	\$(36,193)	\$(248,212)

**City of Evans, Colorado**  
**Notes to Financial Statements (continued)**  
**December 31, 2020**

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**8. Retirement Commitments (continued)**

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*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 ft 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 ft 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>.

*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 of reach 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

**City of Evans, Colorado**  
**Notes to Financial Statements (continued)**  
**December 31, 2020**

**8. Retirement Commitments (continued)**

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, 2019 through June 30, 2020 was 13.80 percent. The Defined Benefit Component contribution rate from July 1, 2018 through June 30, 2019 was 13.40 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 \$197,965 for the year ended December 31, 2020.

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

At December 31, 2020, the City reported a net pension asset of \$2,188,366 for its proportionate share of the net pension asset. The net pension asset was measured as of December 31, 2019, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of January 1, 2020. 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, 2019, the City's proportion was 11.237 percent, which was an increase of 0.648 from its proportion measured as of December 31, 2018.

For the year ended December 31, 2020, the City recognized pension expense of \$132,024. At December 31, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 1,038,226	\$ -
Changes of assumptions or other inputs	185,493	-
Net difference between projected and actual earnings on pension plan investments	-	268,531
Changes in proportion and differences between contributions recognized and proportionate share of contributions	-	241,431
City Contributions subsequent to the measurement date	197,965	-
	<u>\$ 1,421,684</u>	<u>\$ 509,962</u>

**City of Evans, Colorado**  
**Notes to Financial Statements (continued)**  
**December 31, 2020**

**8. Retirement Commitments (continued)**

The \$197,965 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:

<u>Year ended December 31,</u>	<u>Amortization</u>
2021	\$ 120,462
2022	139,942
2023	220,559
2024	107,059
2025	97,044
Thereafter	28,691
	<u>\$ 713,757</u>

*Actuarial assumptions.* The actuarial valuations for the plan were used to determine the actuarially determined contributions for the fiscal year ending December 31, 2019. The valuations used the following actuarial assumption and other inputs:

Actuarial Valuation Date	January 1, 2019
Actuarial Method	Entry Age Normal
Amortization Method	Level % of Payroll, Open
Amortization Period	30 Years
Long-term investment rate of return	7.0%
Projected salary increases	4.25 – 11.25 percent
Cost of Living Adjustment	0.0 percent
Inflation	2.5 percent

For determining the total pension liability and actuarially determined contributions, the post-retirement mortality tables for non-disabled retirees uses the 2006 central rates from the RP-2014 Annuitant Mortality Tables projected to 2018 using the MP-2017 projection scales, and the projected prospectively using the ultimate rates of the scale for all years. The preretirement off-duty mortality tables are adjusted to 50% of the RP-2014 mortality tables for active employees. The on-duty mortality rate is 0.00015.

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. The actuarial assumptions impact actuarial factors for benefit purposes such as purchases of service credit and other benefits where actuarial factors are used.

**City of Evans, Colorado**  
**Notes to Financial Statements (continued)**  
**December 31, 2020**

**8. Retirement Commitments (continued)**

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, 2019 are summarized in the following table:

Asset Class	Target Allocation	Long Term Expected Rate of Return
Global Equity	38.0%	7.00%
Equity Long/Short	8.0%	6.00%
Private Markets	25.0%	9.20%
Fixed Income	15.0%	5.20%
Absolute Return	8.0%	5.50%
Managed Futures	4.0%	5.00%
Cash	2.0%	2.52%
Total	100%	

*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).

For the purpose of this valuation, the expected rate of return on pension plan investments is 7.00 percent; the municipal bond rate is 2.75 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.

**City of Evans, Colorado**  
**Notes to Financial Statements (continued)**  
**December 31, 2020**

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**8. Retirement Commitments (continued)**

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*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)	\$(1,330,992)	\$(2,188,366)	\$(2,905,626)

*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, 2020, 2019, and 2018 were \$4,831, \$4,645, and \$5,144, respectively.

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**9. Rate Maintenance**

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The 2016, 2016 and 2020 Colorado Water Resources and Power Development Authority loan agreements (Waste Water Fund, Water Fund, and Storm Drainage) 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.

**Water Fund (2013)**

2020 Gross revenues	\$ 7,889,791
2020 Operation and maintenance expense	<u>(4,865,087)</u>
Net revenues as defined in CWRPDA loan agreement	3,024,704
110% of 2016 loan debt service	<u>(171,590)</u>
Amount 2020 net revenue exceeded the 2013 loan requirements	<u>\$ 2,853,114</u>

**City of Evans, Colorado**  
**Notes to Financial Statements (continued)**  
**December 31, 2020**

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**9. Rate Maintenance (continued)**

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**Waste Water Fund (2016)**

2020 Gross revenues	\$ 6,513,779
2020 Operation and maintenance expense	<u>(1,457,412)</u>
Net revenues as defined in CWRPDA loan agreement	5,056,367
110% of 2016 loan debt service	<u>(2,659,257)</u>
Amount 2020 net revenue exceeded the 2016 loan requirements	<u>\$ 2,397,110</u>

**Storm Drainage Fund (2020)**

2020 Gross revenues	\$ 957,542
2020 Operation and maintenance expense	<u>(155,155)</u>
Net revenues as defined in CWRPDA loan agreement	802,387
110% of 2020 loan debt service	<u>(116,668)</u>
Amount 2020 net revenue exceeded the 2020 loan requirements	<u>\$ 685,719</u>

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**10. Commitments and Contingencies**

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***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 2020.

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.

**City of Evans, Colorado**  
**Notes to Financial Statements (continued)**  
**December 31, 2020**

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**10. Commitments and Contingencies (continued)**

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*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, 2020, 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

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**11. Related Party Transactions**

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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 \$392,718 in 2020.

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**12. Northern Integrated Supply Project**

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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, 2020, the District has paid \$1,200,000 to enter this project with total expenditures of \$2,791,704, which has been classified as construction in progress.

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**13. Riverside Library and Cultural Center**

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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

**City of Evans, Colorado**  
**Notes to Financial Statements (continued)**  
**December 31, 2020**

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**14. Risks and Uncertainties**

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On March 11, 2020, the World Health Organization declared the outbreak of coronavirus (COVID-19) a pandemic. In response, many state and local governments instituted restrictions that substantially limited the operations of non-essential businesses and the activities of individuals. While some of these restrictions have been eased, there is still significant uncertainty around the extent and duration of those still in place and the possibility for restrictions to be increased again in the future. The extent to which the pandemic will impact the City's financial results in the coming periods depends on future developments, including where there are additional outbreaks of COVID-19 and the actions taken to contain or address the virus. However, the City believes it will be able to continue operations under current governmental guidelines while mitigating the impact as much as possible to minimize losses.

No additional events requiring recognition or disclosure were identified.

**City of Evans, Colorado**

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**Required Supplementary Information**

**City of Evans, Colorado**  
**General Fund**  
**Schedule of Revenues, Expenditures**  
**and Changes in Fund Balances—Budget and Actual**  
**For the Year Ended December 31, 2020**

	<b>BUDGETED AMOUNTS</b>		<b>ACTUAL</b>	<b>VARIANCE WITH</b>
	<b>ORIGINAL</b>	<b>FINAL</b>		<b>FINAL BUDGET</b>
				<b>POSITIVE</b>
				<b>(NEGATIVE)</b>
<b>REVENUES</b>				
Taxes	\$ 11,137,203	\$ 11,263,932	\$ 10,453,208	\$ (810,724)
Licenses and permits	1,525,044	1,525,044	1,220,786	(304,258)
Intergovernmental	1,767,880	2,975,192	2,244,654	(730,538)
Grants and contributions				
Other	-	-	38,720	38,720
Charges for services	422,000	422,000	141,453	(280,547)
Fines and forfeitures	522,872	522,872	224,143	(298,729)
Earnings on investments	-	-	431,197	431,197
Miscellaneous	<u>203,221</u>	<u>232,192</u>	<u>338,387</u>	<u>106,195</u>
<b>TOTAL REVENUES</b>	<u>15,578,220</u>	<u>16,941,232</u>	<u>15,092,548</u>	<u>(1,848,684)</u>
<b>EXPENDITURES</b>				
General Government	4,756,314	4,780,950	4,194,893	586,057
Public Safety	6,251,143	6,281,143	5,611,102	670,041
Public Works	1,726,511	1,735,845	1,441,833	294,012
Culture, parks and Recreation	1,541,766	1,556,766	1,030,653	526,113
Community development	1,140,171	1,140,171	702,108	438,063
Capital outlay	<u>351,000</u>	<u>798,341</u>	<u>226,980</u>	<u>571,361</u>
<b>TOTAL EXPENDITURES</b>	<u>15,766,905</u>	<u>16,293,216</u>	<u>13,207,569</u>	<u>3,085,647</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(188,685)</u>	<u>648,016</u>	<u>1,884,979</u>	<u>1,236,963</u>
<b>OTHER FINANCING SOURCES AND (USES)</b>				
Coronavirus relief activity	-	(974,312)	(487,862)	486,450
Transfers out	(850,000)	(850,000)	(907,347)	(57,347)
Transfers in	<u>1,110,952</u>	<u>1,110,952</u>	<u>1,095,718</u>	<u>(15,234)</u>
<b>TOTAL OTHER FINANCING SOURCES AND (USES)</b>	<u>260,952</u>	<u>(713,360)</u>	<u>(299,491)</u>	<u>413,869</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ 72,267</u>	<u>\$ (65,344)</u>	<u>1,585,488</u>	<u>\$ 1,650,832</u>
<b>FUND BALANCES, BEGINNING OF YEAR</b>			<u>12,514,570</u>	
<b>FUND BALANCES, END OF YEAR</b>			<u>\$ 14,100,058</u>	

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

**City of Evans, Colorado**  
**Evans Redevelopment Agency**  
**Schedule of Revenues, Expenditures**  
**And Changes in Fund Balance—Budget and Actual**  
**For the Year Ended December 31, 2020**

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
<b>REVENUES</b>				
Property tax revenue	\$ 2,169	\$ 2,169	\$ 2,025	\$ (144)
Miscellaneous revenue	-	-	600	600
<b>TOTAL REVENUES</b>	<u>2,169</u>	<u>2,169</u>	<u>2,625</u>	<u>456</u>
<b>EXPENDITURES</b>				
Community development	<u>143,570</u>	<u>143,570</u>	<u>85,391</u>	<u>58,179</u>
<b>TOTAL EXPENDITURES</b>	<u>143,570</u>	<u>143,570</u>	<u>85,391</u>	<u>58,179</u>
<b>OTHER FINANCING SOURCES</b>				
Transfers in	<u>-</u>	<u>-</u>	<u>57,347</u>	<u>57,347</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ (141,401)</u>	<u>\$ (141,401)</u>	<u>(25,419)</u>	<u>\$ 58,635</u>
<b>FUND BALANCE, BEGINNING OF YEAR</b>			<u>240,514</u>	
<b>FUND BALANCE, END OF YEAR</b>			<u>\$ 215,095</u>	

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

**City of Evans, Colorado**  
**Retirement Plan Supplementary Information**  
**For the Year Ended December 31, 2020**

Schedule of Proportionate Share of the Net Pension and OPEB Liability (Asset) and Related Ratios

**FPPA - Defined Benefit Plan**

<u>Year Ending*</u>	<u>Proportion of the Net Pension Liability (Asset)</u>	<u>Proportionate Share of the Net Pension Liability (Asset)</u>	<u>Actual Member Payroll</u>	<u>Net Pension Liability (Asset) as a Percentage of Member Payroll</u>	<u>Fiduciary Net Position as a Percentage of Total Pension Liability (Asset)</u>
12/31/2014	0.108%	\$ (135,044)	\$ 468,813	28.81%	105.80%
12/31/2015	0.106%	\$ (119,765)	\$ 477,223	25.10%	106.80%
12/31/2016	0.102%	\$ (1,802)	\$ 495,725	0.36%	100.10%
12/31/2017	0.104%	\$ 37,554	\$ 531,901	7.06%	98.21%
12/31/2018	0.098%	\$ (141,055)	\$ 573,503	24.60%	106.30%
12/31/2019	0.875%	\$ 110,655	\$ 586,294	18.87%	95.20%
12/31/2020	0.640%	\$ (36,193)	\$ 471,668	7.67%	101.90%

**FPPA - Statewide Hybrid Plan**

<u>Year Ending*</u>	<u>Proportion of the Net Pension Liability (Asset)</u>	<u>Proportionate Share of the Net Pension Liability (Asset)</u>	<u>Actual Member Payroll</u>	<u>Net Pension Liability (Asset) as a Percentage of Member Payroll</u>	<u>Fiduciary Net Position as a Percentage of Total Pension Liability (Asset)</u>
12/31/2014	8.521%	\$ (984,539)	\$ 1,377,913	71.45%	139.00%
12/31/2015	9.310%	\$ (1,104,158)	\$ 1,440,309	76.66%	140.60%
12/31/2016	8.839%	\$ (930,991)	\$ 1,460,325	63.75%	129.44%
12/31/2017	11.264%	\$ (1,226,115)	\$ 1,820,819	67.34%	127.50%
12/31/2018	10.493%	\$ (2,051,567)	\$ 2,005,423	102.30%	138.86%
12/31/2019	10.589%	\$ (1,461,670)	\$ 2,109,605	69.29%	123.46%
12/31/2020	11.237%	\$ (2,188,366)	\$ 2,325,777	94.09%	130.06%

Note: This schedule is intended to show information for ten years. Additional years will be displayed as they become available.

\* The data provided in this schedule is based as of the measurement date of the Authority's net pension liability, which is as of the beginning of the year.

Schedule of Employer Contributions

**FPPA - Defined Benefit Plan**

<u>Year Ending</u>	<u>Statutorily Required Contributions</u>	<u>Actual Employer Contributions</u>	<u>Contribution Excess/(Deficiency)</u>	<u>Actual Covered Member Payroll</u>	<u>Contributions as a Percentage of Covered Payroll</u>
12/31/2013	37,505	37,505	-	468,813	8.0%
12/31/2014	38,178	38,178	-	477,223	8.0%
12/31/2015	39,658	39,658	-	495,725	8.0%
12/31/2016	42,552	42,552	-	531,901	8.0%
12/31/2017	45,880	45,880	-	573,503	8.0%
12/31/2018	46,903	46,903	-	586,294	8.0%
12/31/2019	37,706	37,706	-	471,668	8.0%
12/31/2020	26,071	26,071	-	325,887	8.0%

**FPPA - Defined Benefit Plan**

<u>Year Ending</u>	<u>Statutorily Required Contributions</u>	<u>Actual Employer Contributions</u>	<u>Contribution Excess/(Deficiency)</u>	<u>Actual Covered Member Payroll</u>	<u>Contributions as a Percentage of Covered Payroll</u>
12/31/2013	110,233	110,233	-	1,377,913	8.0%
12/31/2014	115,244	115,244	-	1,440,309	8.0%
12/31/2015	116,826	116,826	-	1,460,325	8.0%
12/31/2016	145,665	145,665	-	1,820,819	8.0%
12/31/2017	160,443	160,443	-	2,005,423	8.0%
12/31/2018	168,768	168,768	-	2,109,605	8.0%
12/31/2019	186,062	186,062	-	2,325,777	8.0%
12/31/2020	197,965	197,965	-	2,474,566	8.0%

Note: This schedule is intended to show information for ten years. Additional years will be displayed as they become available.

**City of Evans, Colorado**

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**Other Supplementary Information**

# City of Evans, Colorado

## Combining Balance Sheet Nonmajor Governmental Funds December 31, 2020

	<u>PARKS IMPACT</u>	<u>CONSERVATION TRUST</u>	<u>FIRE IMPACT</u>	<u>REFUSE COLLECTION</u>	<u>STREET IMPACT</u>	<u>CEMETARY PERPETUAL CARE</u>	<u>PARKS CONSTRUCTION</u>	<u>POLICE IMPACT</u>	<u>ROAD TAX</u>	<u>FOOD TAX</u>	<u>TOTAL NONMAJOR GOVERNMENTAL FUNDS</u>
<b>ASSETS</b>											
Equity in pooled cash, cash equivalents, and investments	\$ 3,854,785	\$ 634,676	\$ 138,369	\$ 433,922	\$ 2,793,728	\$ 70,082	\$ -	\$ 206,289	\$ 587,400	\$ 1,449,525	\$ 10,168,776
Receivables	-	-	-	92,800	-	-	547,768	-	280,958	100,710	1,022,236
Due (to)/from other fund	-	-	-	-	-	-	(244,830)	-	-	-	(244,830)
<b>TOTAL ASSETS</b>	<u>\$ 3,854,785</u>	<u>\$ 634,676</u>	<u>\$ 138,369</u>	<u>\$ 526,722</u>	<u>\$ 2,793,728</u>	<u>\$ 70,082</u>	<u>\$ 302,938</u>	<u>\$ 206,289</u>	<u>\$ 868,358</u>	<u>\$ 1,550,235</u>	<u>\$ 10,946,182</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>											
<b>LIABILITIES</b>											
Accounts payable	\$ -	\$ 1,900	\$ 87,000	\$ 76,465	\$ 10,242	\$ -	\$ 3,019	\$ -	\$ -	\$ 6,031	\$ 184,657
Other liabilities	106,000	-	-	-	-	-	-	-	-	-	106,000
Unearned revenue	-	-	-	400	-	-	-	-	-	-	400
<b>TOTAL LIABILITIES</b>	<u>106,000</u>	<u>1,900</u>	<u>87,000</u>	<u>76,865</u>	<u>10,242</u>	<u>-</u>	<u>3,019</u>	<u>-</u>	<u>-</u>	<u>6,031</u>	<u>291,057</u>
<b>FUND BALANCES</b>											
Restricted	-	632,776	-	-	-	-	-	-	868,358	1,544,204	3,045,338
Committed	-	-	-	-	40,795	-	-	-	-	-	40,795
Assigned	3,748,785	-	51,369	449,857	2,742,691	70,082	299,919	206,289	-	-	7,568,992
<b>TOTAL FUND BALANCES</b>	<u>3,748,785</u>	<u>632,776</u>	<u>51,369</u>	<u>449,857</u>	<u>2,783,486</u>	<u>70,082</u>	<u>299,919</u>	<u>206,289</u>	<u>868,358</u>	<u>1,544,204</u>	<u>10,655,125</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 3,854,785</u>	<u>\$ 634,676</u>	<u>\$ 138,369</u>	<u>\$ 526,722</u>	<u>\$ 2,793,728</u>	<u>\$ 70,082</u>	<u>\$ 302,938</u>	<u>\$ 206,289</u>	<u>\$ 868,358</u>	<u>\$ 1,550,235</u>	<u>\$ 10,946,182</u>

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

**City of Evans, Colorado**  
**Nonmajor Governmental Funds**  
**Combining Statement of Revenues, Expenditures**  
**And Changes in Fund Balance**  
**For the Year Ended December 31, 2020**

	<u>PARKS IMPACT</u>	<u>CONSERVATION TRUST</u>	<u>FIRE IMPACT</u>	<u>REFUSE COLLECTION</u>	<u>STREET IMPACT</u>	<u>CEMETARY PERPETUAL CARE</u>	<u>PARKS CONSTRUCTION</u>	<u>POLICE IMPACT</u>	<u>ROAD TAX</u>	<u>FOOD TAX</u>	<u>TOTAL</u>
<b>REVENUES</b>											
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,266,611	\$ 1,146,305	\$ 2,412,916
Intergovernmental	-	216,565	-	-	-	-	-	-	-	-	216,565
Licenses and permits	-	-	-	2,000	-	-	-	-	-	-	2,000
Grants and contributions other	-	-	-	-	-	14,750	34,689	-	-	-	49,439
Charges for services	-	-	-	941,168	-	-	-	-	-	-	941,168
Investment Income	39,188	5,666	526	4,867	29,452	798	(2,329)	1,699	1,747	8,290	89,904
Assessments	1,053,681	-	225,842	-	1,122,862	8,450	-	67,437	-	-	2,478,272
Miscellaneous	-	-	-	8,682	-	-	-	-	-	-	8,682
<b>TOTAL REVENUES</b>	<u>1,092,869</u>	<u>222,231</u>	<u>226,368</u>	<u>956,717</u>	<u>1,152,314</u>	<u>23,998</u>	<u>32,360</u>	<u>69,136</u>	<u>1,268,358</u>	<u>1,154,595</u>	<u>6,198,946</u>
<b>EXPENDITURES</b>											
Public Works	-	-	-	936,305	-	-	-	-	-	-	936,305
Public safety	-	-	174,999	-	-	-	-	-	-	-	174,999
Culture, parks and recreation	-	8,314	-	-	-	-	-	-	-	-	8,314
Flood recovery	-	-	-	-	-	-	20,487	-	-	-	20,487
Capital Outlay	1,340,918	49,494	-	-	830,269	29,500	8,995	-	400,000	230,768	2,889,944
<b>TOTAL EXPENDITURES</b>	<u>1,340,918</u>	<u>57,808</u>	<u>174,999</u>	<u>936,305</u>	<u>830,269</u>	<u>29,500</u>	<u>29,482</u>	<u>-</u>	<u>400,000</u>	<u>230,768</u>	<u>4,030,049</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>(248,049)</u>	<u>164,423</u>	<u>51,369</u>	<u>20,412</u>	<u>322,045</u>	<u>(5,502)</u>	<u>2,878</u>	<u>69,136</u>	<u>868,358</u>	<u>923,827</u>	<u>2,168,897</u>
<b>OTHER FINANCING USES</b>											
Transfers in (out)	-	-	-	(39,689)	-	-	-	-	-	-	(39,689)
<b>TOTAL OTHER FINANCING USES</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(39,689)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(39,689)</u>
<b>NET CHANGES IN FUND BALANCE</b>	<u>(248,049)</u>	<u>164,423</u>	<u>51,369</u>	<u>(19,277)</u>	<u>322,045</u>	<u>(5,502)</u>	<u>2,878</u>	<u>69,136</u>	<u>868,358</u>	<u>923,827</u>	<u>2,129,208</u>
<b>FUND BALANCE, BEGINNING OF YEAR</b>	<u>3,996,834</u>	<u>468,353</u>	<u>-</u>	<u>469,134</u>	<u>2,461,441</u>	<u>75,584</u>	<u>297,041</u>	<u>137,153</u>	<u>-</u>	<u>620,377</u>	<u>8,525,917</u>
<b>FUND BALANCE, END OF YEAR</b>	<u>\$ 3,748,785</u>	<u>\$ 632,776</u>	<u>\$ 51,369</u>	<u>\$ 449,857</u>	<u>\$ 2,783,486</u>	<u>\$ 70,082</u>	<u>\$ 299,919</u>	<u>\$ 206,289</u>	<u>\$ 868,358</u>	<u>\$ 1,544,204</u>	<u>\$ 10,655,125</u>

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

**City of Evans, Colorado**  
**Parks Impact Fund**  
**Schedule of Revenues, Expenditures**  
**And Changes in Fund Balance—Budget and Actual**  
**For the Year Ended December 31, 2020**

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<b>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</b>
	<u>ORIGINAL</u>	<u>FINAL</u>		<u>(NEGATIVE)</u>
<b>REVENUES</b>				
Assessments - impact fees	\$ 483,797	\$ 483,797	\$ 1,053,681	\$ 569,884
Earnings on investments	<u>59,251</u>	<u>59,251</u>	<u>39,188</u>	<u>(20,063)</u>
<b>TOTAL REVENUES</b>	<u>543,048</u>	<u>543,048</u>	<u>1,092,869</u>	<u>549,821</u>
<b>EXPENDITURES</b>				
Capital outlay	<u>-</u>	<u>1,353,737</u>	<u>1,340,918</u>	<u>12,819</u>
<b>TOTAL EXPENDITURES</b>	<u>-</u>	<u>1,353,737</u>	<u>1,340,918</u>	<u>12,819</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ 543,048</u>	<u>\$ (810,689)</u>	<u>(248,049)</u>	<u>\$ 562,640</u>
<b>FUND BALANCE, BEGINNING OF YEAR</b>			<u>3,996,834</u>	
<b>FUND BALANCE, END OF YEAR</b>			<u>\$ 3,748,785</u>	

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

**City of Evans, Colorado**  
**Conservation Trust Fund**  
**Schedule of Revenues, Expenditures**  
**And Changes in Fund Balance—Budget and Actual**  
**For the Year Ended December 31, 2020**

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<b>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</b>
	<u>ORIGINAL</u>	<u>FINAL</u>		
<b>REVENUES</b>				
Intergovernmental				
State shared revenue	\$ 204,500	\$ 204,500	\$ 216,565	\$ 12,065
Investment Income	<u>6,776</u>	<u>6,776</u>	<u>5,666</u>	<u>(1,110)</u>
<b>TOTAL REVENUES</b>	<u>211,276</u>	<u>211,276</u>	<u>222,231</u>	<u>10,955</u>
<b>EXPENDITURES</b>				
Culture and recreation	-	-	8,314	(8,314)
Capital outlay	<u>145,000</u>	<u>85,000</u>	<u>49,494</u>	<u>35,506</u>
<b>TOTAL EXPENDITURES</b>	<u>145,000</u>	<u>85,000</u>	<u>57,808</u>	<u>27,192</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ 66,276</u>	<u>\$ 126,276</u>	164,423	<u>\$ 38,147</u>
<b>FUND BALANCE, BEGINNING OF YEAR</b>			<u>468,353</u>	
<b>FUND BALANCE, END OF YEAR</b>			<u>\$ 632,776</u>	

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

**City of Evans, Colorado**  
**Fire Impact Fund**  
**Schedule of Revenues, Expenditures**  
**And Changes in Fund Balance—Budget and Actual**  
**For the Year Ended December 31, 2020**

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
<b>REVENUES</b>				
Assessments - Impact fees	\$ 175,000	\$ 175,000	\$ 225,842	\$ 50,842
Earnings on investments	<u>2</u>	<u>2</u>	<u>526</u>	<u>524</u>
<b>TOTAL REVENUES</b>	<u>175,002</u>	<u>175,002</u>	<u>226,368</u>	<u>51,366</u>
<b>EXPENDITURES</b>				
Public safety	<u>175,002</u>	<u>175,002</u>	<u>174,999</u>	<u>3</u>
<b>TOTAL EXPENDITURES</b>	<u>175,002</u>	<u>175,002</u>	<u>174,999</u>	<u>3</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ -</u>	<u>\$ -</u>	51,369	<u>\$ 51,369</u>
<b>FUND BALANCE, BEGINNING OF YEAR</b>			-	
<b>FUND BALANCE, END OF YEAR</b>			<u>\$ 51,369</u>	

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

**City of Evans, Colorado**  
**Refuse Collection Fund**  
**Schedule of Revenues, Expenditures**  
**And Changes in Fund Balance—Budget and Actual**  
**For the Year Ended December 31, 2020**

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
<b>REVENUES</b>				
Licenses and permits				
Trash haulers' license	\$ 800	\$ 800	\$ 2,000	\$ 1,200
Charges for services				
Refuse collection charges	785,349	785,349	941,168	155,819
Earnings on investments	7,638	7,638	4,867	(2,771)
Miscellaneous	<u>-</u>	<u>-</u>	<u>8,682</u>	<u>8,682</u>
<b>TOTAL REVENUES</b>	<u>793,787</u>	<u>793,787</u>	<u>956,717</u>	<u>162,930</u>
<b>EXPENDITURES</b>				
Public works				
Sanitation	<u>797,233</u>	<u>797,233</u>	<u>936,305</u>	<u>(139,072)</u>
<b>TOTAL EXPENDITURES</b>	<u>797,233</u>	<u>797,233</u>	<u>936,305</u>	<u>(139,072)</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	(3,446)	(3,446)	20,412	23,858
<b>OTHER FINANCING SOURCES AND (USES)</b>				
Transfers out	<u>(39,689)</u>	<u>(39,689)</u>	<u>(39,689)</u>	<u>-</u>
<b>TOTAL OTHER FINANCING USES</b>	<u>(39,689)</u>	<u>(39,689)</u>	<u>(39,689)</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ (43,135)</u>	<u>\$ (43,135)</u>	(19,277)	<u>\$ 23,858</u>
<b>FUND BALANCE, BEGINNING OF YEAR</b>			<u>469,134</u>	
<b>FUND BALANCE, END OF YEAR</b>			<u>\$ 449,857</u>	

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

**City of Evans, Colorado**  
**Street Impact Fund**  
**Schedule of Revenues, Expenditures**  
**And Changes in Fund Balance—Budget and Actual**  
**For the Year Ended December 31, 2020**

	<b>BUDGETED AMOUNTS</b>		<b>ACTUAL</b>	<b>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</b>
	<b>ORIGINAL</b>	<b>FINAL</b>		
<b>REVENUES</b>				
Assessments				
Impact fees	\$ 697,751	\$ 697,751	\$ 1,122,862	\$ 425,111
Earnings on investments	<u>25,423</u>	<u>25,423</u>	<u>29,452</u>	<u>4,029</u>
<b>TOTAL REVENUES</b>	<u>723,174</u>	<u>723,174</u>	<u>1,152,314</u>	<u>429,140</u>
<b>EXPENDITURES</b>				
Capital outlay	<u>1,650,000</u>	<u>2,103,429</u>	<u>830,269</u>	<u>1,273,160</u>
<b>TOTAL EXPENDITURES</b>	<u>1,650,000</u>	<u>2,103,429</u>	<u>830,269</u>	<u>1,273,160</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ (926,826)</u>	<u>\$ (1,380,255)</u>	322,045	<u>\$ 1,702,300</u>
<b>FUND BALANCE, BEGINNING OF YEAR</b>			<u>2,461,441</u>	
<b>FUND BALANCE, END OF YEAR</b>			<u>\$ 2,783,486</u>	

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

**City of Evans, Colorado**  
**Police Impact Fund**  
**Schedule of Revenues, Expenditures**  
**And Changes in Fund Balance—Budget and Actual**  
**For the Year Ended December 31, 2020**

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<b>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</b>
	<u>ORIGINAL</u>	<u>FINAL</u>		<u>(NEGATIVE)</u>
<b>REVENUES</b>				
Earnings on investments	\$ 1,658	\$ 1,658	\$ 1,699	\$ 41
Assessments - Impact fees	<u>25,665</u>	<u>25,665</u>	<u>67,437</u>	<u>41,772</u>
<b>TOTAL REVENUES</b>	<u>27,323</u>	<u>27,323</u>	<u>69,136</u>	<u>41,813</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ 27,323</u>	<u>\$ 27,323</u>	69,136	<u>\$ 41,813</u>
<b>FUND BALANCE, BEGINNING OF YEAR</b>			<u>137,153</u>	
<b>FUND BALANCE, END OF YEAR</b>			<u>\$ 206,289</u>	

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

**City of Evans, Colorado**  
**Cemetery Perpetual Care Fund**  
**Schedule of Revenues, Expenditures**  
**And Changes in Fund Balance—Budget and Actual**  
**For the Year Ended December 31, 2020**

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		<u>FINAL BUDGET</u>
				<u>POSITIVE</u>
				<u>(NEGATIVE)</u>
<b>REVENUES</b>				
Assessments - perpetual care fees	\$ 2,700	\$ 2,700	\$ 8,450	\$ 5,750
Earnings on investments	1,456	1,456	798	(658)
Grant Revenue	<u>-</u>	<u>14,750</u>	<u>14,750</u>	<u>-</u>
<b>TOTAL REVENUES</b>	<u>4,156</u>	<u>18,906</u>	<u>23,998</u>	<u>5,092</u>
<b>EXPENDITURES</b>				
Capital outlay	<u>20,000</u>	<u>29,500</u>	<u>29,500</u>	<u>-</u>
<b>TOTAL EXPENDITURES</b>	<u>20,000</u>	<u>29,500</u>	<u>29,500</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ (15,844)</u>	<u>\$ (10,594)</u>	(5,502)	<u>\$ 5,092</u>
<b>FUND BALANCE, BEGINNING OF YEAR</b>			<u>75,584</u>	
<b>FUND BALANCE, END OF YEAR</b>			<u>\$ 70,082</u>	

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

**City of Evans, Colorado**  
**Street Construction Fund**  
**Schedule of Revenues, Expenditures**  
**And Changes in Fund Balance—Budget and Actual**  
**For the Year Ended December 31, 2020**

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<b>VARIANCE WITH</b>
	<u>ORIGINAL</u>	<u>FINAL</u>		<b>FINAL BUDGET</b>
				<b>POSITIVE</b>
				<b>(NEGATIVE)</b>
<b>REVENUES</b>				
Intergovernmental	\$ 1,933,910	\$ 2,332,344	\$ 1,917,879	\$ (414,465)
Grants and contributions				
Other	-	-	1,360,653	1,360,653
Earnings on investments	-	-	49,648	49,648
<b>TOTAL REVENUES</b>	<u>1,933,910</u>	<u>2,332,344</u>	<u>3,328,180</u>	<u>995,836</u>
<b>EXPENDITURES</b>				
Public works	350,000	350,000	512,629	(162,629)
Capital outlay	3,030,000	6,781,346	4,649,987	2,131,359
<b>TOTAL EXPENDITURES</b>	<u>3,380,000</u>	<u>7,131,346</u>	<u>5,162,616</u>	<u>1,968,730</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	<u>(1,446,090)</u>	<u>(4,799,002)</u>	<u>(1,834,436)</u>	<u>2,964,566</u>
<b>OTHER FINANCING SOURCES AND (USES)</b>				
Transfers in	850,000	850,000	850,000	-
<b>TOTAL OTHER FINANCING USES</b>	<u>850,000</u>	<u>850,000</u>	<u>850,000</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ (596,090)</u>	<u>\$ (3,949,002)</u>	(984,436)	<u>\$ 2,964,566</u>
<b>FUND BALANCE, BEGINNING OF YEAR</b>			<u>4,705,606</u>	
<b>FUND BALANCE, END OF YEAR</b>			<u>\$ 3,721,170</u>	

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

**City of Evans, Colorado**  
**Parks Construction Fund**  
**Schedule of Revenues, Expenditures**  
**And Changes in Fund Balance—Budget and Actual**  
**For the Year Ended December 31, 2020**

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
<b>REVENUES</b>				
Grants and contributions				
Grants - flood	\$ -	\$ -	\$ 34,689	\$ 34,689
Earnings on investments	<u>5,209</u>	<u>5,209</u>	<u>(2,329)</u>	<u>(7,538)</u>
<b>TOTAL REVENUES</b>	<u>5,209</u>	<u>5,209</u>	<u>32,360</u>	<u>27,151</u>
<b>EXPENDITURES</b>				
Flood recovery	-	-	20,487	(20,487)
Capital outlay	<u>-</u>	<u>87,000</u>	<u>8,995</u>	<u>78,005</u>
<b>TOTAL EXPENDITURES</b>	<u>-</u>	<u>87,000</u>	<u>29,482</u>	<u>57,518</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ 5,209</u>	<u>\$ (81,791)</u>	2,878	<u>\$ 84,669</u>
<b>FUND BALANCE, BEGINNING OF YEAR</b>			<u>297,041</u>	
<b>FUND BALANCE, END OF YEAR</b>			<u>\$ 299,919</u>	

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

**City of Evans, Colorado**  
**Food Tax Fund**  
**Schedule of Revenues, Expenditures**  
**And Changes in Fund Balance—Budget and Actual**  
**For the Year Ended December 31, 2020**

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<b>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</b>
	<u>ORIGINAL</u>	<u>FINAL</u>		<u>(NEGATIVE)</u>
<b>REVENUES</b>				
Taxes	\$ 1,060,900	\$ 1,060,900	\$ 1,146,305	\$ 85,405
Earnings on investments	<u>7,000</u>	<u>7,000</u>	<u>8,290</u>	<u>1,290</u>
<b>TOTAL REVENUES</b>	<u>1,067,900</u>	<u>1,067,900</u>	<u>1,154,595</u>	<u>86,695</u>
<b>EXPENDITURES</b>				
Capital outlay	<u>500,000</u>	<u>521,011</u>	<u>230,768</u>	<u>290,243</u>
<b>TOTAL EXPENDITURES</b>	<u>500,000</u>	<u>521,011</u>	<u>230,768</u>	<u>290,243</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ 567,900</u>	<u>\$ 546,889</u>	923,827	<u>\$ 376,938</u>
<b>FUND BALANCE, BEGINNING OF YEAR</b>			<u>620,377</u>	
<b>FUND BALANCE, END OF YEAR</b>			<u>\$ 1,544,204</u>	

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

**City of Evans, Colorado**  
**Road Tax Fund**  
**Schedule of Revenues, Expenditures**  
**And Changes in Fund Balance—Budget and Actual**  
**For the Year Ended December 31, 2020**

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		<u>FINAL BUDGET</u>
				<u>POSITIVE</u>
				<u>(NEGATIVE)</u>
<b>REVENUES</b>				
Taxes	\$ -	\$400,000	\$ 1,266,611	\$ 866,611
Earnings on investments	-	-	1,747	1,747
<b>TOTAL REVENUES</b>	<u>-</u>	<u>400,000</u>	<u>1,268,358</u>	<u>868,358</u>
<b>EXPENDITURES</b>				
Capital outlay	-	400,000	400,000	-
<b>TOTAL EXPENDITURES</b>	<u>-</u>	<u>400,000</u>	<u>400,000</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ -</u>	<u>\$ -</u>	868,358	<u>\$ 868,358</u>
<b>FUND BALANCE, BEGINNING OF YEAR</b>			<u>-</u>	
<b>FUND BALANCE, END OF YEAR</b>			<u>\$ 868,358</u>	

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

**City of Evans, Colorado**  
**Water Fund**  
**Schedule of Revenues, Expenditures**  
**And Changes in Fund Balance—Budget and Actual**  
**For the Year Ended December 31, 2020**

	<b>BUDGETED AMOUNTS</b>		<b>ACTUAL</b>	<b>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</b>
	<b>ORIGINAL</b>	<b>FINAL</b>		
<b>OPERATING REVENUES</b>				
Water sales	\$ 5,550,365	\$ 5,910,365	\$ 5,960,036	\$ 49,671
Non-potable water sales	1,323,170	1,323,170	520,767	(802,403)
Other sales	-	-	34,965	34,965
Water meters	77,000	77,000	45,868	(31,132)
<b>TOTAL OPERATING REVENUES</b>	<u>6,950,535</u>	<u>7,310,535</u>	<u>6,561,636</u>	<u>(748,899)</u>
<b>OPERATING EXPENSES</b>				
Water supply and administrative	4,949,626	5,369,626	4,865,087	504,539
Capital outlay	1,325,733	5,077,628	3,014,197	2,063,431
<b>TOTAL OPERATING EXPENSES</b>	<u>6,275,359</u>	<u>10,447,254</u>	<u>7,879,284</u>	<u>2,567,970</u>
<b>OPERATING INCOME</b>	675,176	(3,136,719)	(1,317,648)	1,819,071
<b>OTHER REVENUES (EXPENSES)</b>				
Earnings on investments	133,332	134,579	76,157	(58,422)
Grants and contributions	-	-	43,601	43,601
Plant investment fees and cash in lieu of fees	20,000	20,000	1,208,397	1,188,397
Transfers to other funds	(600,738)	(680,738)	(557,092)	123,646
<b>TOTAL OTHER REVENUES (EXPENSES)</b>	<u>(447,406)</u>	<u>(526,159)</u>	<u>771,063</u>	<u>1,297,222</u>
<b>CHANGE IN NET POSITION, BUDGETARY BASIS</b>	<u>\$ 227,770</u>	<u>\$ (3,662,878)</u>	<u>\$ (546,585)</u>	<u>\$ 3,116,293</u>
<b>ADJUSTMENTS FROM BUDGETARY BASIS TO GAAP BASIS</b>				
Depreciation expense			(940,406)	
Capital outlay			<u>3,014,197</u>	
<b>CHANGE IN NET POSITION - GAAP BASIS</b>			1,527,206	
<b>NET POSITION, BEGINNING OF YEAR</b>			<u>56,274,370</u>	
<b>NET POSITION, END OF YEAR</b>			<u>\$ 57,801,576</u>	

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

**City of Evans, Colorado**  
**Waste Water Fund**  
**Schedule of Revenues, Expenditures**  
**And Changes in Fund Balance—Budget and Actual**  
**For the Year Ended December 31, 2020**

	<b>BUDGETED AMOUNTS</b>		<b>ACTUAL</b>	<b>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</b>
	<b>ORIGINAL</b>	<b>FINAL</b>		
<b>OPERATING REVENUES</b>				
Sewer sales	\$ 4,570,382	\$ 4,774,289	\$ 4,914,615	\$ 140,326
<b>TOTAL OPERATING REVENUES</b>	<u>4,570,382</u>	<u>4,774,289</u>	<u>4,914,615</u>	<u>140,326</u>
<b>OPERATING EXPENSES</b>				
Wastewater and administration	1,245,473	1,457,412	1,457,412	-
Principal paid	2,416,619	2,416,619	1,734,805	681,814
Capital outlay	1,327,000	1,327,000	317,307	1,009,693
<b>TOTAL OPERATING EXPENSES</b>	<u>4,989,092</u>	<u>5,201,031</u>	<u>3,509,524</u>	<u>1,691,507</u>
<b>OPERATING INCOME</b>	<u>(418,710)</u>	<u>(426,742)</u>	<u>1,405,091</u>	<u>1,831,833</u>
<b>OTHER REVENUES (EXPENSES)</b>				
Earnings on investments	16,772	16,772	107,400	90,628
Grants and contributions	-	-	9,825	9,825
Plant investment fees and cash in lieu of fees	1,144,534	1,144,534	1,481,939	337,405
Transfers to other funds	(425,744)	(425,744)	(365,056)	60,688
Interest expense	-	(1,152,048)	(667,231)	484,817
<b>TOTAL OTHER REVENUES (EXPENSES)</b>	<u>735,562</u>	<u>(416,486)</u>	<u>566,877</u>	<u>983,363</u>
<b>CHANGE IN NET POSITION, BUDGETARY BASIS</b>	<u>\$ 316,852</u>	<u>\$ (843,228)</u>	<u>1,971,968</u>	<u>\$ 2,815,196</u>
<b>ADJUSTMENTS FROM BUDGETARY BASIS TO GAAP BASIS</b>				
Depreciation expense			(2,154,727)	
Principal paid			1,734,805	
Capital outlay			<u>317,307</u>	
<b>CHANGE IN NET POSITION - GAAP BASIS</b>			<u>1,869,353</u>	
<b>NET POSITION, BEGINNING OF YEAR</b>			<u>22,548,259</u>	
<b>NET POSITION, END OF YEAR</b>			<u>\$ 24,417,612</u>	

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

**City of Evans, Colorado**  
**Storm Drainage Fund**  
**Schedule of Revenues, Expenditures**  
**And Changes in Fund Balance—Budget and Actual**  
**For the Year Ended December 31, 2020**

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
<b>OPERATING REVENUES</b>				
Storm drainage sales	\$ 905,736	\$ 906,214	\$ 807,295	\$ (98,919)
<b>TOTAL OPERATING REVENUES</b>	<u>905,736</u>	<u>906,214</u>	<u>807,295</u>	<u>(98,919)</u>
<b>OPERATING EXPENSES</b>				
Storm drainage and administration	416,404	416,405	155,155	261,250
Capital outlay	<u>1,159,000</u>	<u>2,642,205</u>	<u>679,674</u>	<u>1,962,531</u>
<b>TOTAL OPERAING EXPENSES</b>	<u>1,575,404</u>	<u>3,058,610</u>	<u>834,829</u>	<u>2,223,781</u>
<b>OPERATING INCOME</b>	<u>(669,668)</u>	<u>(2,152,396)</u>	<u>(27,534)</u>	<u>2,124,862</u>
<b>OTHER REVENUES (EXPENSES)</b>				
Earnings on investments	-	-	21,147	21,147
Grants and contributions	-	-	4,346	4,346
Plant investment fees	85,960	85,960	124,754	38,794
Debt issuance proceeds	6,750,000	8,600,000	8,392,372	(207,628)
Debt payment	(432,000)	(432,000)	-	432,000
Transfers to other funds	(81,535)	(81,535)	(133,505)	(51,970)
Interest expense	<u>-</u>	<u>-</u>	<u>(13,118)</u>	<u>(13,118)</u>
<b>TOTAL OTHER REVENUES (EXPENSES)</b>	<u>6,322,425</u>	<u>8,172,425</u>	<u>8,395,996</u>	<u>223,571</u>
<b>CHANGE IN NET POSITION, BUDGETARY BASIS</b>	<u>\$ 5,652,757</u>	<u>\$ 6,020,029</u>	<u>8,368,462</u>	<u>\$ 2,348,433</u>
<b>ADJUSTMENTS FROM BUDGETARY BASIS TO GAAP BASIS</b>				
Depreciation			(296,807)	
Capital outlay			679,674	
Debt issuance proceeds			<u>(8,392,372)</u>	
<b>CHANGE IN NET POSITION - GAAP BASIS</b>			358,957	
<b>NET POSITION, BEGINNING OF YEAR</b>			<u>10,155,554</u>	
<b>NET POSITION, END OF YEAR</b>			<u>\$ 10,514,511</u>	

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

**City of Evans, Colorado**  
**Cemetery Endowment Fund**  
**Schedule of Revenues, Expenditures**  
**And Changes in Fund Balance—Budget and Actual**  
**For the Year Ended December 31, 2020**

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<b>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</b>
	<u>ORIGINAL</u>	<u>FINAL</u>		
<b>REVENUES</b>				
Earnings on investments	\$ 6,000	\$ 6,000	\$ 376	\$ (5,624)
<b>TOTAL REVENUES</b>	<u>6,000</u>	<u>6,000</u>	<u>376</u>	<u>(5,624)</u>
<b>EXPENDITURES</b>				
Transfers out	<u>(6,000)</u>	<u>(6,000)</u>	<u>(376)</u>	<u>5,624</u>
<b>TOTAL EXPENDITURES</b>	<u>(6,000)</u>	<u>(6,000)</u>	<u>(376)</u>	<u>5,624</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>FUND BALANCE, BEGINNING OF YEAR</b>			<u>49,467</u>	
<b>FUND BALANCE, END OF YEAR</b>			<u>\$ 49,467</u>	

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

**City of Evans, Colorado**

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**Compliance Section**



**LOCAL HIGHWAY FINANCE REPORT**

STATE:  
 Colorado  
 YEAR ENDING (mm/yy):  
 December 2020

**II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL**

ITEM	AMOUNT	ITEM	AMOUNT
<b>A.3. Other local imposts:</b>		<b>A.4. Miscellaneous local receipts:</b>	
a. Property Taxes and Assessments		a. Interest on investments	79,099
b. Other local imposts:		b. Traffic Fines & Penalties	161,394
1. Sales Taxes		c. (Specify)	
2. Impact Fees	1,122,862	d. (Specify)	
3. (Specify)		e. (Specify)	
4. (Specify)		f. (Specify)	
5. Specific Ownership & Other	43,169	g. County Road & Bridge	196,958
6. Total (1. through 5.)	1,166,032	h. Local government cooperation	1,124,000
c. Total (a. + b.)	1,166,032	i. Total (a. through h.)	1,561,451
<i>(Carry forward to page 1)</i>		<i>(Carry forward to page 1)</i>	

ITEM	AMOUNT	ITEM	AMOUNT
<b>C. Receipts from State Government</b>		<b>D. Receipts from Federal Government</b>	
1. Highway-user taxes (from Item I.C.5.)	526,648	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	
b. (Specify)		c. HUD	
c. Motor Vehicle Registrations	70,273	d. (Specify)	
d. (Specify)		e. (Specify)	
e. (Specify)		f. Other Federal	1,360,653
f. Total (a. through e.)	70,273	g. Total (a. through f.)	1,360,653
4. Total (1. + 2. + 3.f)	596,921	3. Total (1. + 2.g)	1,360,653
<i>(Carry forward to page 1)</i>		<i>(Carry forward to page 1)</i>	


**III. EXPENDITURES FOR ROAD AND STREET PURPOSES - DETAIL**


	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
<b>A.1. Capital outlay:</b>			
a. Right-Of-Way Costs			
b. Engineering Costs		556,860	556,860
c. Construction:			
(1). New Facilities			
(2). Capacity Improvements			
(3). System Preservation			
(4). System Enhancement And Operation			
(5). Total Construction (1)+(2)+(3)+(4)		5,480,255	5,480,255
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.4)		6,037,114	6,037,114
		<i>(Carry forward to page 1)</i>	


Notes and Comments:



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

To the City Council  
City of Evans, Colorado, 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 City of Evans, Colorado, as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise City of Evans, Colorado’s basic financial statements, and have issued our report thereon dated June 1, 2021.

**Internal Control over Financial Reporting**

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

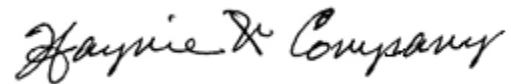
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not 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 City of Evans, Colorado’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.

A handwritten signature in cursive script that reads "Haynie & Company".


Littleton, Colorado

June 1, 2021



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Littleton, CO 80120

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

To the City Council  
City of Evans, Colorado

**Report on Compliance for Each Major Federal Program**

We have audited the City of Evans, Colorado's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of City of Evans, Colorado's major federal programs for the year ended December 31, 2020. City of Evans, Colorado'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 City of Evans, Colorado'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 City of Evans, Colorado'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 City of Evans, Colorado's compliance.

***Opinion on Each Major Federal Program***

In our opinion, City of Evans, Colorado, 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, 2020.

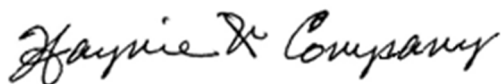
## Report on Internal Control over Compliance

Management of City of Evans, Colorado, 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 of Evans, Colorado'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 City of Evans, Colorado'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.



Littleton, CO  
June 1, 2021

# City of Evans, Colorado

## Supplemental Information

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### Schedule of Findings and Questioned Costs for the Year Ended December 31, 2020

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#### 1. Summary of Auditor's Results

Type of report issued on the financial statements:	<b>Unmodified</b>
Material weaknesses in financial reporting internal control noted:	<b>None</b>
Significant deficiency(s) identified that are not considered to be material weaknesses in financial reporting:	<b>None</b>
Material noncompliance noted:	<b>None</b>
Material weaknesses in internal control over major programs:	<b>None</b>
Significant deficiency(s) identified that are not considered to be material weaknesses over major programs:	<b>None</b>
Type of report issued on compliance for major programs:	<b>Unmodified</b>
Audit findings required to be reported:	<b>None</b>
The following programs are considered to be major:	
<b>Coronavirus Relief Fund — CFDA 21.019</b>	
Dollar threshold used to distinguish Type A and Type B programs:	<b>\$750,000</b>
Risk type qualification:	<b>Not low-risk</b>

#### 2. Findings relating to the financial statements which are required to be reported in accordance with *Government Auditing Standards*.

None

#### 3. Findings and questioned costs for Federal Awards

None

#### 4. Summary Schedule of Prior Audit Findings

None

**City of Evans, Colorado**  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended December 31, 2020**

Federal Agency/Pass-through Entity/Program	CFDA Number	Grant or Identifying Number	Amount	Passed Through to Subrecipients
<i>U.S. Department of Transportation</i>				
Pass Through: Colorado Department of Transportation				
Highway Planning and Construction	20.205	M415-020 (21989)	\$ 982,141	\$ -
<i>Total U.S. Department of Transportation</i>			<u>982,141</u>	<u>-</u>
<i>U.S. Department of the Treasury</i>				
Pass Through: Weld County				
Coronavirus Relief Fund	21.019	CVRF CM-184	608,188	445,000
<i>Total U.S. Department of the Treasury</i>			<u>608,188</u>	<u>445,000</u>
<i>U.S. Environmental Protection Agency</i>				
Pass Through: Colorado Water Resources and Power Development Authority				
Capitalization Grants for Clean Water State Revolving Funds	66.458	Loan No. W16A039	161,459	-
<i>Total U.S. Environmental Protection Agency</i>			<u>161,459</u>	<u>-</u>
<i>U.S. Department of Homeland Security</i>				
Pass Through: Federal Emergency Management Agency				
Disaster Grants - Public Assistance	97.036	62651	29,833	-
Pass Through: Colorado Department of Public Safety				
Emergency Management Performance Grants	97.042	2020 EMPG 20EM-21-64	13,215	-
<i>Total U.S. Department of Homeland Security</i>			<u>43,048</u>	<u>-</u>
<i>U.S. Department of the Interior</i>				
Pass Through: Colorado Department of Local Affairs				
Distribution of Receipts to State and Local Governments	15.227	F19MLG8730	37,788	-
<i>Total U.S. Department of the Interior</i>			<u>37,788</u>	<u>-</u>
<i>U.S. Department of Justice</i>				
Equitable Sharing Program	16.922		2,110	-
<i>Total U.S. Department of Justice</i>			<u>2,110</u>	<u>-</u>
<b>Total Expenditures of Federal Awards</b>			<u>\$ 1,834,734</u>	<u>\$ 445,000</u>

**City of Evans, Colorado**  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended December 31, 2020**

***Notes to the Schedule***

1. This schedule includes the federal awards activity of City of Evans, Colorado and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirement of *the Uniform Guidance*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.
2. City of Evans, Colorado has elected not to use the 10% de minimus indirect cost rate allowed under the Uniform Guidance.