City of Evans, Colorado

Annual Financial Statements and Independent Auditor's Report

December 31, 2022

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City of Evans, Colorado

June 6, 2023

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, 2022.

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, 2022, 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, 2022 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,

Cody R. Sims
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, 2022 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 accompanying 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, 2022 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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.

Responsibilities of Management 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 and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Evans, Colorado ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our 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 and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, 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 are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Evans, Colorado's basic financial statements. The accompanying combining and individual nonmajor fund financial statements, budgetary comparison schedules, schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards,* and Local Highway Finance Report, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements, budgetary comparison schedules, schedule of expenditures of federal awards, and Local Highway Finance Report are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the report. The other information comprises the introductory section Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 25, 2023, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Haynie & Company

Littleton, Colorado
May 25, 2023

City of Evans, Colorado
Management's Discussion and Analysis
December 31, 2022

June 6, 2023

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, 2022. 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 2022 by $201.4 million (net position). Of this amount, $59 million (unrestricted net position) may be used to meet the City's ongoing obligations to citizens and creditors. Of the remaining balance, $127.5 million is investments in capital assets and $14.9 million is restricted for other purposes.
- The City's total net position increased by $11.6 million. The governmental and business-type activities drove this change with an increase in revenue.
- Sales and use tax collections increased by $2.7 million, a 19 percent increase from the prior year. Strong collections from online sales and motor vehicle sales contributed to this increase.
- At the end of 2022, the City's governmental funds reported combined ending fund balances of $35.2 million, an increase of $2.6 million in comparison to the ending balances of 2021. Of this total amount, $5.8 million, or 16 percent, is available for spending at the City's discretion (unassigned fund balance).
- At the end of 2022, the unassigned fund balance for the General Fund was $5.8 million, which was 32 percent of total General Fund 2022 expenditures. Evans City Charter requires the Emergency Contingency Fund to maintain a balance of 25 percent of the preceding fiscal year's (2021) audited General Fund expenditures, not to exceed $1 million. The resulting 2022 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 2022-year end for the General Fund, including the Emergency Contingency Fund, amount to $19.6 million.
- As required under Accounting Principle GASB 68, the City reported an asset of $4.5 million for its proportionate share of the net pension assets of the State of Colorado Fire and Police Pension Association plans at December 31, 2022. 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 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 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 used to maintain control over resources 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, road tax fund, and the Evans Redevelopment Agency, which are major funds. Data from the remaining 11 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 funds. To demonstrate compliance, a budgetary comparison is provided for each fund.

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 43-63 of this report.

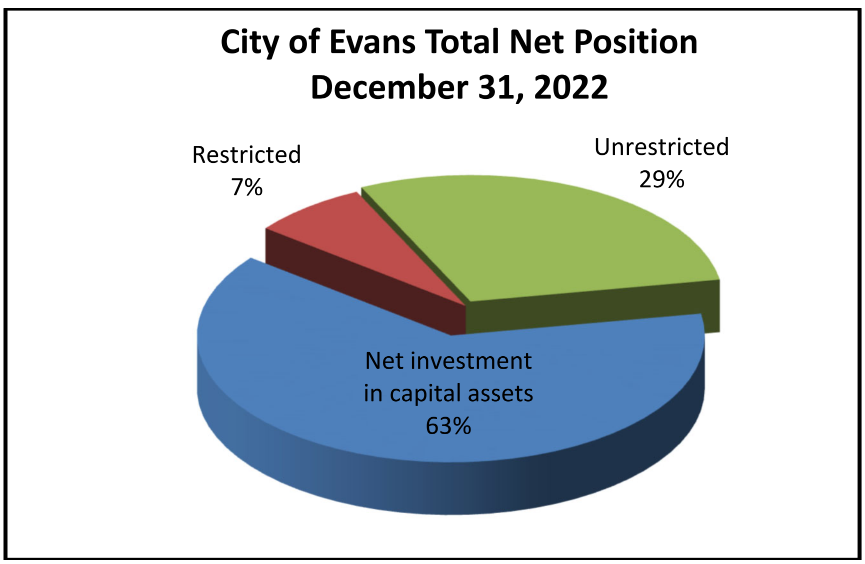
GOVERNMENT-WIDE FINANCIAL ANALYSIS – City of Evans as a Whole

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 $201 million at the close of 2022.

By far the largest portion (63 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 (7 percent) represents resources that are subject to external and internal restrictions on how they may be used. The remaining balance of unrestricted net position ($59 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 2022 as compared to 2021.

Table 1						
City of Evans						
Net Position ($000's)						
	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Assets:						
Current and other assets	$42,096	$ 37,678	$36,445	$ 36,654	$78,541	$ 74,332
Capital assets	65,856	59,177	102,645	102,820	168,501	161,997
Net pension asset	4,526	3,185	-	-	4,526	3,185
Total assets	112,478	100,040	139,090	139,474	251,569	239,514
Deferred outflows of resources	1,400	1,764	-	-	1,400	1,764
Liabilities:						
Current liabilities	2,788	1,601	1,626	1,658	4,414	3,259
Long-term liabilities	500	444	41,087	43,399	41,587	43,843
Total liabilities	3,288	2,045	42,713	45,057	46,001	47,102
Deferred inflows of resources						
Deferred revenue	4,131	3,498	-	-	4,131	3,498
Deferred inflows of resources relating to pensions	1,463	943	-	-	1,463	943
Total Deferred inflows of resources	5,594	4,441	-	-	5,594	4,441
Net Position:						
Net investment in capital assets	65,856	59,177	61,646	59,492	127,503	118,669
Restricted	14,070	9,404	811	1,018	14,881	10,422
Unrestricted	25,072	26,737	33,920	33,907	58,992	60,644
Total net position	$104,998	$ 95,318	$96,377	$94,417	$201,375	$ 189,735



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 2022 compared to the fiscal year 2021.

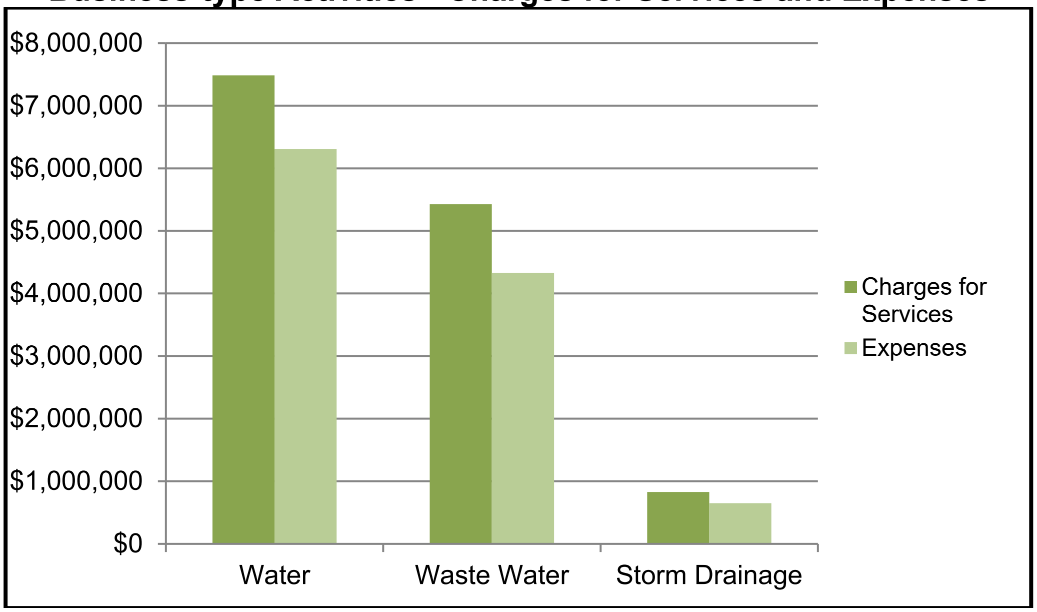
Table 2
City of Evans
Condensed Statement of Activities ($000's)

	Governmental Activities		Business-Type Activities		Total	
	2022	**2021**	**2022**	**2021**	**2022**	**2021**
Revenues:						
Program revenues:						
Charges for services	$2,568	$2,923	$13,738	$13,081	$16,306	$ 16,004
Operating grants and contributions	667	259	214	15	881	274
Capital grants and contributions	-	-	421	744	421	744
General revenues:						
Sales and use taxes	17,198	14,497	-	-	17,198	14,497
Property taxes	607	779	-	-	607	779
Specific Ownership taxes	121	108	-	-	121	108
Franchise taxes	833	730	-	-	833	730
Other taxes	1,445	434	-	-	1,445	434
Intergovernmental	4,075	1,993	-	-	4,075	1,993
Unrestricted Investment Earnings/ (Loss)	(910)	(139)	193	118	(717)	(21)
Other general revenue	2,088	2,177	-	3	2,088	2,180
Gain (Loss) on disposition of capital assets	0	5	29	-	29	5
Total revenues	28,692	23,766	14,595	13,961	43,287	37,727
Expenses:						
General government	5,969	4,933	-	-	5,969	4,933
Public safety	6,281	5,590	-	-	6,281	5,590
Public works	4,533	4,072	-	-	4,533	4,072
Culture, parks and recreation	2,461	2,019	-	-	2,461	2,019
Community development	1,121	1,275	-	-	1,121	1,275
Water enterprise	-	-	6,306	5,813	6,306	5,813
Waste Water enterprise	-	-	4,328	4,571	4,328	4,571
Storm Drainage enterprise	-	-	649	694	649	694
Interest on Long Term Debt	-	-	-	-	-	-
Total expenses	20,365	17,889	11,283	11,078	31,649	28,967
Excess before transfers	8,327	5,877	3,312	2,883	11,639	8,760
Transfers in (out)	1,353	1,200	(1,352)	(1,200)	1	-
Increase (decrease) in net position	9,679	7,077	1,960	1,683	11,640	8,760
Net position – Beginning	95,318	88,241	94,417	92,734	189,736	180,975
Net position – Ending	$104,998	$95,318	$96,377	$94,417	$201,375	$189,735

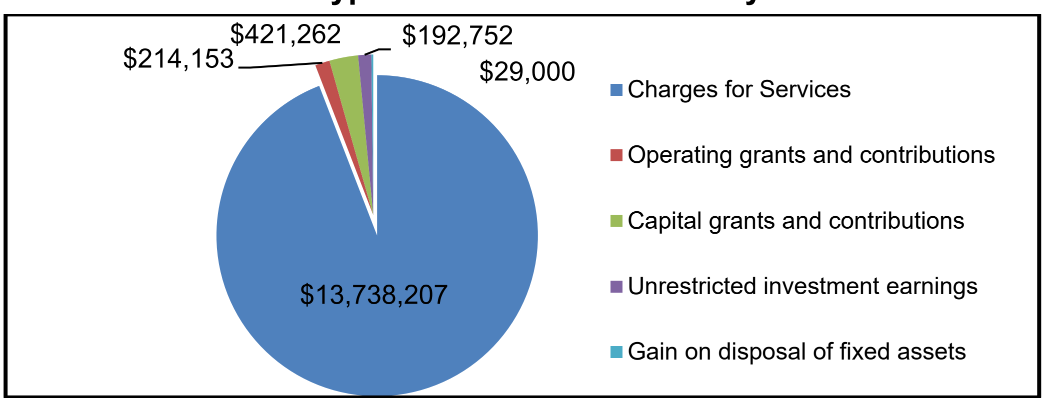
Governmental Activities - Governmental activities increased the City's net position by $9.7 million, thereby accounting for a portion of the total growth in the net position of the City. Contributing to this growth was both the City's increase in revenues driven by sales tax recovery and decreases in expenditures due to staffing challenges and operational savings.

Business-type Activities - Business-type activities increased the City's net position by $2.0 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. The unassigned fund balance in particular 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, 2022, the City's governmental funds reported ending fund balances of $35.2 million, an increase of $2.6 million from the prior year. Approximately 16 percent of this total amount ($5.8 million) constitutes unassigned fund balance, which is available for spending at the City's discretion. The remainder of fund balance ($29.4 million) is restricted, committed, or assigned to indicate 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, 2022, the unassigned fund balance of the general fund was $5.8 million. As a measure of the General Fund's liquidity, it may be useful to compare total unassigned fund balance to total fund expenditures. Total unassigned fund balance represents 32 percent of total General Fund expenditures. The increase in the fund balance of the General Fund was $2.6 million during 2022.

Revenue recovery experienced in 2021 allowed the 2022 budget to focus on funding deferred maintenance, rehiring staff positions, and investing in long-term capital projects. Sales tax collections exceeded budget projections due primarily to rising costs. Savings in the General Fund was also realized due to staff vacancies and related departmental operating savings.

In 2022, taxes were the General Fund's largest source of revenue at 66 percent, or $13 million.

The Emergency Contingency Fund ended the 2022 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, 2022, amounted to $60.1 million, $25.8 million, and $10.4 million, respectively. The total change in net position for the three funds during 2022 was $1.0 million of growth, $954 thousand of growth, and $3 thousand decline, 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 2022 original budget and the final revised expenditure budget was $3.9 million. The major appropriations approved during the year were:

- $2 million to purchase land and begin design of a new police station.
- $350 thousand for repairs to the Evans Community Complex roof and windows.
- $340 thousand to continue grant funded projects that include land use code updates and an economic resiliency master plan.
- $225 thousand to complete landscaping along 37th Street.
- $180 thousand to replace three police vehicles.
- Various costs to complete projects started in 2021.

During the year, actual revenues and other financing sources were $21.1 million, which exceeded final budgetary estimates by $3.5 million. General fund sales and use tax collections and royalties from oil and gas activity drove this increase.

Actual expenditures and other financing uses totaled $18.5 million which was $3.6 million under budgeted expenditures and other financing uses. The fund balance as of December 31, 2022 was $19.6 million. Of this amount, $404 is non-spendable and related to 2023 expenditures prepaid in 2022, $1 million is restricted for emergencies, $2.2 million is committed for functions related to designated revenue, and $5.8 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, 2022, amounted to $127.5 million (net of accumulated depreciation). This includes 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, waterline replacements, wastewater overflow structure construction, and storm drainage improvements.
- New major assets included police vehicle replacements, improvements to City parks and playgrounds, traffic signal improvements, major roadway improvements which included paving, resurfacing and maintenance.

City of Evans Capital Assets
(net of depreciation)

	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
Land and water shares	$9,258	$ 9,258	$36,659	$ 36,762	$45,917	$ 46,020
Landscaping	2,093	2,093	-	-	2,093	2,093
Construction in progress	9,502	6,818	10,096	7,609	19,598	14,427
Intangible assets	150	160	7	13	157	173
Land improvements	7,756	7,268	-	-	7,756	7,268
Building & improvements	8,131	8,460	-	-	8,131	8,460
System improvements	-	-	58,455	60,920	58,455	60,920
Machinery & equipment	131	194	4,180	4,484	4,311	4,678
Transportation equipment	196	49	-	-	196	49
Infrastructure	28,639	24,877	1,051	834	29,691	25,711
Total	$65,856	$ 59,177	$110,448	$ 110,622	$176,305	$ 169,799

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, 2022, the City had no capital lease obligations outstanding. In addition, the City has $41 million in Colorado Water Resources and Power Development Authority ("CWRPDA") notes payable.

City of Evans Outstanding Debt

	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
Water loans	-	-	156	312	156	312
Wastewater loans	-	-	32,824	34,628	32,824	34,628
Storm Drainage loans	-	-	8,019	8,387	8,019	8,387
Compensated Absences	500	444	89	71	588	515
Total	$500	$ 444	$41,087	$ 43,398	$41,587	$ 43,842

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 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 27-29 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

- Population has increased slightly over the past several years with a 2022 estimate of 22,296.
- The City's sales and use tax revenue increased by 19 percent in 2022, attributed to increases in economic activity and inflationary impacts on pricing. Collections in almost all sales tax categories were up over 2021 collections, with notable growth in motor vehicle sales taxes and online sales into Evans.
- Significant attention was placed on capital improvements and rebuilding staff capacity to serve the community during 2022.
- Future plans for roadway expansion and improvement drive a substantial portion of the capital improvement plans for the upcoming years.

All of these factors were considered in preparing the City's budget for the 2023 fiscal year.

Requests for Information

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

Basic Financial Statements

City of Evans, Colorado
Statement of Net Position
December 31, 2022

	PRIMARY GOVERNMENT		
	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
ASSETS			
Cash, cash equivalents and investments	$ 37,252,863	$ 18,161,758	$ 55,414,621
Receivables	3,842,850	9,670,537	13,513,387
Prepaid items	404	-	404
Restricted cash, cash equivalents and investments	1,000,000	810,921	1,810,921
Investment in Greeley water	-	7,802,013	7,802,013
Capital assets, not being depreciated	20,853,704	38,952,918	59,806,622
Capital assets, net of accumulated depreciation	45,002,775	63,692,007	108,694,782
Net pension asset	4,525,863	-	4,525,863
TOTAL ASSETS	112,478,459	139,090,153	251,568,612
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows of resources relating to pensions	1,400,475	-	1,400,475
Total Deferred Outflows of Resources	1,400,475	-	1,400,475
LIABILITIES			
Accounts payable	1,829,638	1,000,748	2,830,386
Accrued payroll	276,994	39,201	316,195
Deposits and escrows	404,272	201,132	605,404
Unearned revenue	800	-	800
Other liabilities	276,450	249,141	525,591
Accrued interest payable	-	135,489	135,489
Noncurrent liabilities:			
Accrued compensated absences	499,507	88,564	588,071
Due within one year	-	2,367,405	2,367,405
Due in more than one year	-	38,631,210	38,631,210
TOTAL LIABILITIES	3,287,661	42,712,890	46,000,551
DEFERRED INFLOWS OF RESOURCES			
Deferred revenue	4,130,812	-	4,130,812
Deferred inflows of resources relating to pensions	1,462,688	-	1,462,688
TOTAL DEFERRED INFLOWS OF RESOURCES	5,593,500	-	5,593,500
NET POSITION			
Net investment in capital assets	65,856,479	61,646,310	127,502,789
Restricted for:			
Emergencies	1,000,000	-	1,000,000
Debt service	-	810,921	810,921
Street construction	7,615,131	-	7,615,131
Parks and recreation	928,748	-	928,748
Pensions	4,525,863	-	4,525,863
Unrestricted	25,071,552	33,920,033	58,991,585
TOTAL NET POSITION	$ 104,997,773	$ 96,377,263	$ 201,375,036

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

City of Evans, Colorado
Statement of Activities
For the Year Ended December 31, 2022

FUNCTIONS / PROGRAMS	EXPENSES	PROGRAM REVENUES: CHARGES FOR SERVICES	PROGRAM REVENUES: OPERATING GRANTS AND CONTRIBUTIONS	PROGRAM REVENUES: CAPITAL GRANTS AND CONTRIBUTIONS	NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION – Primary Government: GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
Primary Government							
Governmental activities:							
General government	$ 5,968,793	$ 945,974	$ 667,113	$ -	$ (4,355,706)	$ -	$ (4,355,706)
Public safety	6,281,011	431,563	-	-	(5,849,448)	-	(5,849,448)
Public works	4,533,124	1,137,971	-	-	(3,395,153)	-	(3,395,153)
Culture, parks and recreation	2,461,354	52,328	-	-	(2,409,026)	-	(2,409,026)
Community development	1,120,965	-	-	-	(1,120,965)	-	(1,120,965)
Total Governmental Activities	20,365,247	2,567,836	667,113	-	(17,130,298)	-	(17,130,298)
Business-Type Activities:							
Water	6,306,228	7,484,563	122,771	222,578	-	1,523,684	1,523,684
Wastewater	4,328,122	5,424,904	-	173,626	-	1,270,408	1,270,408
Storm drainage	649,129	828,740	91,382	25,058	-	296,051	296,051
Total Business-Type Activities	11,283,479	13,738,207	214,153	421,262	-	3,090,143	3,090,143
Total Primary Government	$ 31,648,726	$ 16,306,043	$ 881,266	$ 421,262	$ (17,130,298)	$ 3,090,143	$ (14,040,155)
General revenues							
Taxes:							
Property taxes					$ 607,446	$ -	$ 607,446
Specific Ownership Taxes					120,994	-	120,994
Sales and Use Taxes					17,198,159	-	17,198,159
Franchise fees					832,601	-	832,601
Other taxes					1,445,020	-	1,445,020
Intergovernmental					4,074,587	-	4,074,587
Earnings (Losses) on Investments					(909,938)	192,752	(717,186)
Other revenues					2,088,035	-	2,088,035
Gain on disposal of capital assets					121	29,000	29,121
Subtotal general revenues					25,457,025	221,752	25,678,777
Transfers in (out)					1,352,685	(1,351,778)	907
Total general revenues and transfers					26,809,710	(1,130,026)	25,679,684
Changes in net position					9,679,412	1,960,117	11,639,529
NET POSITION, BEGINNING					95,318,361	94,417,146	189,735,507
NET POSITION, ENDING					$ 104,997,773	$ 96,377,263	$ 201,375,036

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

City of Evans, Colorado
Balance Sheet
Governmental Funds
December 31, 2022

ASSETS	GENERAL	STREET CONSTRUCTION	ROAD TAX	EVANS REDEVELOPMENT AGENCY	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
Equity in pooled cash, cash equivalents and investments	$ 20,969,838	$ 2,321,098	$ 3,707,698	$ 591,611	$ 9,662,618	$ 37,252,863
Restricted cash, cash equivalents and investments	1,000,000	-	-	-	-	1,000,000
Receivables	2,930,767	180,470	428,290	369	302,954	3,842,850
Prepaid items	404	-	-	-	-	404
TOTAL ASSETS	$ 24,901,009	$ 2,501,568	$ 4,135,988	$ 591,980	$ 9,965,572	$ 42,096,117
LIABILITIES, DEFERRED INFLOW OF RESOURCES AND FUND BALANCES						
LIABILITIES						
Accounts payable	$ 505,462	$ 173,781	$ 123,838	$ 3,390	$ 1,023,167	$ 1,829,638
Unearned revenue	-	-	-	-	800	800
Accrued payroll	276,994	-	-	-	-	276,994
Deposits and escrows	404,272	-	-	-	-	404,272
Other liabilities	28,596	141,854	-	-	106,000	276,450
TOTAL LIABILITIES	1,215,324	315,635	123,838	3,390	1,129,967	2,788,154
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue	4,130,812	-	-	-	-	4,130,812
TOTAL DEFERRED INFLOWS OF RESOURCES	4,130,812	-	-	-	-	4,130,812
FUND BALANCES						
Nonspendable	404	-	-	-	-	404
Restricted	1,000,000	2,185,933	4,012,150	-	2,386,591	9,584,674
Committed	2,239,743	-	-	-	-	2,239,743
Assigned	10,549,846	-	-	588,590	6,449,014	17,587,450
Unassigned	5,764,880	-	-	-	-	5,764,880
TOTAL FUND BALANCES	19,554,873	2,185,933	4,012,150	588,590	8,835,605	35,177,151
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	$ 24,901,009	$ 2,501,568	$ 4,135,988	$ 591,980	$ 9,965,572	$ 42,096,117

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, 2022

Amounts reported for governmental activities in the statement of net position are different because:	
Total fund balance - governmental funds	$ 35,177,151
Capital assets used in governmental activities are not current financial resources and therefore are not reported as assets in governmental funds:	
Capital assets	93,137,130
Accumulated depreciation	(27,280,651)
Net capital assets	65,856,479
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	4,525,863
Deferred outflows related to pension	1,400,475
Deferred inflows related to pension	(1,462,688)
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	(499,507)
Total net position - governmental activities	$ 104,997,773

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

City of Evans, Colorado
Governmental Funds
Combined Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended December 31, 2022

	GENERAL	STREET CONSTRUCTION	ROAD TAX	EVANS REDEVELOPMENT AGENCY	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
REVENUES:						
Taxes	$ 13,031,524	$ -	$ 3,612,490	$ 2,868	$ 1,677,727	$ 18,324,609
Licenses and Permits	1,176,780	-	-	-	1,200	1,177,980
Intergovernmental	3,790,606	1,047,010		-	283,981	5,121,597
Grants and contributions	166,767	500,346		-	-	667,113
Charges for Services	357,187	-	-	-	1,136,771	1,493,958
Fines and Forfeitures	359,873	-	-	-	-	359,873
Earnings (loss) on investments	(1,074,450)	25,184	34,906	-	104,422	(909,938)
Assessments	-	-	-	-	368,627	368,627
Miscellaneous	1,874,168	-	-	185,706	28,160	2,088,034
TOTAL REVENUES	19,682,455	1,572,540	3,647,396	188,574	3,600,888	28,691,853
EXPENDITURES:						
General Government	5,573,558	-	-	-	23,731	5,597,289
Public Safety	6,575,269	-	-	-	39,267	6,614,536
Public Works	1,607,510	188,930		-	1,114,423	2,910,863
Culture, Parks and Recreation	1,457,414	-	-	-	20,559	1,477,973
Community Development	952,227	-	-	165,104	-	1,117,331
Capital outlay	1,596,553	2,610,689	2,150,946	-	3,370,066	9,728,254
TOTAL EXPENDITURES	17,762,531	2,799,619	2,150,946	165,104	4,568,046	27,446,246
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	1,919,924	(1,227,079)	1,496,450	23,470	(967,158)	1,245,607
OTHER FINANCING SOURCES (USES)						
Proceeds from the sale of capital assets	121	-	-	-	-	121
Transfers in	1,398,888	600,000	-	96,628	-	2,095,516
Transfers out	(696,628)	-	-	-	(46,203)	(742,831)
NET CHANGE IN FUND BALANCES	2,622,305	(627,079)	1,496,450	120,098	(1,013,361)	2,598,413
FUND BALANCES, BEGINNING OF YEAR	16,932,568	2,813,012	2,515,700	468,492	9,848,966	32,578,738
FUND BALANCES, END OF YEAR	$ 19,554,873	$ 2,185,933	$ 4,012,150	$ 588,590	$ 8,835,605	$ 35,177,151

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, 2022

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

Net change in fund balances - total governmental funds	$ 2,598,413
Capital outlays are reported in the governmental funds as expenditures; 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	9,728,254
Depreciation expense	(3,049,172)
Net amount	6,679,082
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	(55,916)
	(55,916)
Changes in pension assets, deferred inflows and deferred outflows related to 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.	457,833
Change in net position - governmental activities	$ 9,679,412

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

City of Evans, Colorado
Proprietary Funds
Statement of Net Position
December 31, 2022

	Water	Wastewater	Storm Drainage	Total
ASSETS				
Current Assets:				
Equity in pooled cash, cash equivalents and investments	$ 5,656,163	$ 11,431,099	$ 1,074,496	$ 18,161,758
Accounts receivable, net	636,095	545,042	8,489,400	9,670,537
Total Current Assets	6,292,258	11,976,141	9,563,896	27,832,295
Non-Current Assets:				
Restricted cash, cash equivalents and investments	155,991	519,964	134,966	810,921
Investment in Greeley water	7,802,013	-	-	7,802,013
Capital assets, not being depreciated	32,490,534	3,743,841	2,718,543	38,952,918
Capital assets, net of accumulated depreciation	13,997,685	43,462,706	6,231,616	63,692,007
Total Non-Current Assets	54,446,223	47,726,511	9,085,125	111,257,859
TOTAL ASSETS	60,738,481	59,702,652	18,649,020	139,090,153
LIABILITIES				
Current Liabilities:				
Accounts payable	396,450	598,026	6,272	1,000,748
Accrued expenses	13,196	270,204	4,942	288,342
Deposits and escrows	33,603	36,205	131,324	201,132
Accrued interest payable	-	108,708	26,781	135,489
Notes payable, current portion	155,991	1,836,911	374,503	2,367,405
Total Current Liabilities	599,240	2,850,054	543,822	3,993,116
Non-Current Liabilities:				
Accrued compensated absences	30,536	43,777	14,251	88,564
Notes payable	-	30,986,854	7,644,356	38,631,210
Total Non-Current Liabilities	30,536	31,030,631	7,658,607	38,719,774
TOTAL LIABILITIES	629,776	33,880,685	8,202,429	42,712,890
NET POSITION				
Net investment in capital assets	46,332,228	14,382,782	931,300	61,646,310
Restricted	155,991	519,964	134,966	810,921
Unrestricted	13,620,486	10,919,221	9,380,326	33,920,033
TOTAL NET POSITION	$ 60,108,705	$ 25,821,967	$ 10,446,591	$ 96,377,263

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, 2022

OPERATING REVENUES	Water	Wastewater	Storm Drainage	Total
Water/sewer/storm drainage sales	$ 6,616,054	$ 5,424,904	$ 828,740	$ 12,869,698
Non-potable water sales	819,390	-	-	819,390
Water meters	8,977	-	-	8,977
Other sales	40,142	-	-	40,142
TOTAL OPERATING REVENUES	7,484,563	5,424,904	828,740	13,738,207
OPERATING EXPENSES				
Water supply and administrative	5,367,669	-	-	5,367,669
Wastewater and administrative	-	1,610,640	-	1,610,640
Storm drainage and administrative	-	-	226,628	226,628
Depreciation expense	938,559	2,118,418	303,655	3,360,632
TOTAL OPERATING EXPENSES	6,306,228	3,729,058	530,283	10,565,569
OPERATING INCOME	1,178,335	1,695,846	298,457	3,172,638
NON-OPERATING REVENUES (EXPENSES)				
Grants and contributions	122,771	-	91,382	214,153
Earnings on investments	55,297	123,388	14,067	192,752
Miscellaneous		29,000	-	29,000
Interest expense	-	(599,064)	(118,846)	(717,910)
TOTAL NON-OPERATING REVENUES (EXPENSES)	178,068	(446,676)	(13,397)	(282,005)
INCOME BEFORE CONTRIBUTIONS AND TRANSFERS	1,356,403	1,249,170	285,060	2,890,633
Transfers out	(569,328)	(469,216)	(313,234)	(1,351,778)
Plant investment fees and cash in lieu of fees	222,578	173,626	25,058	421,262
CHANGE IN NET POSITION	1,009,653	953,580	(3,116)	1,960,117
NET POSITION, BEGINNING OF YEAR	59,099,052	24,868,387	10,449,707	94,417,146
NET POSITION, END OF YEAR	$ 60,108,705	$ 25,821,967	$ 10,446,591	$ 96,377,263

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

City of Evans, Colorado
Proprietary Funds
Statement of Cash Flows
For the Year Ended December 31, 2022

	Water	Wastewater	Storm Drainage	Total
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from customers	$ 7,470,334	$ 5,342,360	$ 809,718	$ 13,622,412
Cash paid for goods and services	(4,366,792)	(994,679)	(20,739)	(5,382,210)
Cash paid to employees	(859,239)	(821,703)	(141,203)	(1,822,145)
NET CASH FROM OPERATING ACTIVITIES	2,244,303	3,525,978	647,776	6,418,057
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES				
Transfers to other funds	(569,328)	(469,216)	(313,234)	(1,351,778)
Grants and contributions	122,771	-	91,382	214,153
NET CASH FROM NON-CAPITAL FINANCING ACTIVITIES	(446,557)	(469,216)	(221,852)	(1,137,625)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Plant investment fees and cash in lieu of fees	222,578	173,626	25,058	421,262
Principal paid on debt	(155,991)	(1,804,402)	(368,513)	(2,328,906)
Interest paid on debt	-	(612,814)	(120,659)	(733,473)
Proceeds from sale of capital assets	103,500	29,000	-	132,500
Acquisition of capital assets	(1,044,337)	(1,600,355)	(644,568)	(3,289,260)
NET CASH FROM CAPITAL AND RELATED FINANCING ACTIVITIES	(874,250)	(3,814,945)	(1,108,682)	(5,797,877)
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds from sale of investments	323,100	861,600	143,600	1,328,300
Purchases of investments	(348,415)	(929,106)	(154,851)	(1,432,372)
Earnings on investments	80,612	190,894	25,318	296,824
NET CASH FROM CAPITAL AND RELATED FINANCING ACTIVITIES	55,297	123,388	14,067	192,752
NET CHANGE IN CASH AND CASH EQUIVALENTS	978,793	(634,795)	(668,691)	(324,693)
CASH, CASH EQUIVALENTS				
Beginning of Year	4,833,361	12,585,858	1,878,153	19,297,372
End of Year	5,756,857	11,827,675	1,195,395	18,779,927
INVESTMENTS	55,297	123,388	14,066	192,751
Cash, cash equivalents and investments at end of year	$ 5,812,154	$ 11,951,063	$ 1,209,461	$ 18,972,678
Cash, cash equivalents and investments at end of year consist of:				
Equity in pooled cash, cash equivalents and investments	$ 5,656,163	$ 11,431,099	$ 1,074,496	$ 18,161,758
Restricted cash, cash equivalnents, and investments	155,991	519,964	134,966	810,921
Total cash, cash equivalents and investments at end of year	$ 5,812,154	$ 11,951,063	$ 1,209,461	$ 18,972,678
RECONCILIATION OF OPERATING INCOME TO NET CASH FROM OPERATING ACTIVITIES				
Operating income	$ 1,178,335	$ 1,695,846	$ 298,457	$ 3,172,638
Adjustments to reconcile operating income to net cash flows from operating activities				
Depreciation	938,559	2,118,418	303,655	3,360,632
Change in operating assets:				
Receivables	(14,229)	(82,544)	(19,022)	(115,795)
Change in operating liabilities:				
Accounts payable and accrued expenses	141,638	(205,742)	64,686	582
NET CASH FROM OPERATING ACTIVITIES	$ 2,244,303	$ 3,525,978	$ 647,776	$ 6,418,057

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, 2022

ASSETS	
Restricted cash and investments	$ 49,470
TOTAL ASSETS	$ 49,470
NET POSITION	
Restricted	$ 49,470
TOTAL NET POSITION	$ 49,470

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, 2022

Additions	
Earnings on investments	$ 907
TOTAL ADDITIONS	907
Transfers	
Transfers out	(907)
TOTAL TRANSFERS	(907)
CHANGE IN NET POSITION	-
NET POSITION, BEGINNING OF YEAR	49,470
NET POSITION, END OF YEAR	$ 49,470

1. Summary of Significant Accounting Policies

Reporting Entity

The City of Evans, Colorado (the "City") was founded on November 22, 1869, as a statutory city. On April 30, 1973, the City adopted a home rule charter which provided for adoption of a Council-Manager Government. The City's major operations include general government; public safety; public works; culture, parks and recreation; and community development. The accompanying financial statements conform to accounting principles generally accepted in the United States of America ("GAAP") as applied to government units. The Governmental Accounting Standards Board ("GASB") is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the more significant policies.

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

1) Appointment of a voting majority of the component unit's governing board, and either, a) the ability to impose its will by the primary government, or b) there is a potential for the component unit to provide specific financial benefits to, or impose specific financial burdens on, the primary government; or

2) Fiscal dependency on the primary government and there is a potential for the organization to provide specific benefits to or impose specific financial burdens on the primary government regardless of whether the organization has (1) a separately elected governing board, (2) a governing board appointed by a higher level of government or (3) a jointly appointed board.

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

Blended Component Unit

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

Government-wide and Fund Financial Statements

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

1. Summary of Significant Accounting Policies (continued)

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.

1. Summary of Significant Accounting Policies (continued)

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.

Road Tax Fund - The Road Tax Fund is a capital projects fund. It is used to maintain, operate, and improve the safety of the streets of the City, including resurfacing, reconstruction, paving dirt roads, arterial capacity expansion, and related concrete work in the public rights of way.

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.

<u>Proprietary Funds</u> - 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.

<u>Fiduciary Funds</u> – 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.

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
Governmental funds:			
General	$ 18,178,922	$ 3,966,231	$ 22,145,153
Special revenue funds:			
Parks Impact	367,000	148,051	515,051
Conservation Trust	282,298	262,054	544,352
Refuse Collection	1,059,135	145,000	1,204,135
Street Impact	1,750,000	1,119,804	2,869,804
Fire Impact	301,027	-	301,027
Police Impact	-	73,700	73,700
School Impact	194,580	-	194,580
Cemetery Perpetual Care	-	-	-
Evans Redevelopment	210,100	-	210,100
Capital projects funds:			
Street Construction	1,915,500	2,556,998	4,472,498
Parks Construction	-	54,752	54,752
Road Tax	3,662,000	664,700	4,326,700
Food Tax	2,050,000	1,000,000	3,050,000
Business-type funds:			
Water	8,108,687	536,827	8,645,514
Waste Water	10,377,477	2,001,585	12,379,062
Storm Drainage	1,699,137	9,035,640	10,734,777
Fiduciary fund:			
Cemetery Endowment	6,000	-	6,000
Total funds	$ 50,161,863	$ 21,565,342	$ 71,727,205

1. Summary of Significant Accounting Policies (continued)

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 2022, 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, 2022, 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.

1. Summary of Significant Accounting Policies (continued)

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.

1. Summary of Significant Accounting Policies (continued)

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.

1. Summary of Significant Accounting Policies (continued)

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.

As of December 31, 2022, fund balances are composed of the following:

1. Summary of Significant Accounting Policies (continued)

	General Fund	Street Construction Fund	Road Tax	Evans Redevelopment Agency	Nonmajor Funds	Total Governmental Funds
Nonspendable:						
Prepaid items	$ 404	$ -	$ -	$ -	$ -	$ 404
Restricted:						
Emergency reserve	1,000,000	-	-	-	-	1,000,000
Parks and recreation	-	-	-	-	928,748	928,748
Street construction	-	2,185,933	4,012,150	-	1,417,048	7,615,131
Committed:						-
Surcharge fees	239,743	-	-	-	-	239,743
Highway 85	2,000,000					2,000,000
Street construction	-	-	-	-	40,795	40,795
Assigned:						-
Special revenue funds	-	-	-	588,590	790,101	1,378,691
Street construction	-	-	-	-	1,505,152	1,505,152
Park construction	-	-	-	-	4,153,761	4,153,761
Police Station	3,329,872					3,329,872
Fund balance policy	7,219,974	-	-	-	-	7,219,974
Unassigned:	5,764,880	-	-	-	-	5,764,880
Total	$ 19,554,873	$ 2,185,933	$ 4,012,150	$ 588,590	$ 8,835,605	$ 35,177,151

Pensions

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

Accounting Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, and deferred inflows of resources and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

2. Cash and Investments

A summary of cash and investments as of December 31, 2022, follows:

Petty Cash	$ 1,962
Cash deposits	17,615,306
Investments	39,657,744
Total	$ 57,275,012

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

Restricted cash and investments	
Governmental activities	$ 1,000,000
Business-type activities	810,921
Fiduciary funds	49,470
Unrestricted cash and investments	
Governmental activities	37,252,863
Business-type activities	18,161,758
Total cash and investments	$ 57,275,012

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, 2022, the City had deposits with financial institutions with a carrying amount of $17,615,257. The bank balances with the financial institutions were $18,127,732, of which $1,000,000 was covered by federal depository insurance. The remaining balance of $17,127,732 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.

2. Cash and Investments (continued)

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, 2022, the City had the following investments:

Investments	S&P Rating	Moody Rating	Fair Value	Weighted Average Maturity Date (in days)	Concentration of Credit Risk
COLOTRUST	AAAm	NR	$ 17,127,434	N/A	43.19%
CSAFE	AAAm	NR	2,322	N/A	0.01%
Money market funds	NR	NR	1,040,744	N/A	2.62%
US Treasury	AAA	Aaa	2,372,270	713	5.98%
US Instrumentality	AAA	Aaa	9,934,307	2,556	25.05%
Certificates of Deposit	NR	NR	9,180,667	629	23.15%
Total Investments			$ 39,657,744		

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.

2. Cash and Investments (continued)

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

Investments	Level 1	Level 2	Level 3	Total
Money Market Funds	$ 1,040,744	$ -	$ -	$ 1,040,744
U.S. Treasury	-	2,372,270	-	2,372,270
U.S. Instrumentality	-	9,934,307	-	9,934,307
Certificates of deposit	-	9,180,667	-	9,180,668
Investments measured at amortized cost - CSAFE	-	-	-	2,322
Investments measured at net asset value - ColoTrust	-	-	-	17,127,434
Total	$ 1,040,744	$ 21,487,244	$ -	$ 39,657,744

At December 31, 2022, the City had invested $17,127,434 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 threes portfolios, COLOTRUST PRIME and COLOTRUST PLUS+ and EDGE. 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, 2022, the City had invested balances of $2,322 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. There are no unfunded commitments, the redemption frequency is daily or weekly, and there is no redemption notice period.

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.

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, 2022 consist of the following:

Receivables	General	Special Revenue	Capital Projects	Enterprise	Total
Taxes	$ 867,384	$ -	$ -	$ -	$ 867,384
Accounts	214,095	106,937	621,506	1,137,319	2,079,857
Intergovernmental	1,714,884	183,640	-	83,230	1,981,754
Other	134,404	-	-	8,449,988	8,584,392
Total	$ 2,930,767	$ 290,577	$ 621,506	$ 9,670,537	$13,513,387

4. Capital Assets

Governmental capital assets activity for the year ended December 31, 2022 is summarized below:

	Balance December 31, 2021	Transfers/ Additions	Transfers/ Retirements	Balance December 31, 2022
Governmental Activities				
Capital assets, *not being depreciated* :				
Land	$ 9,258,150	$ -	$ -	$ 9,258,150
Landscaping	2,093,197	-	-	2,093,197
Construction in progress	6,818,240	4,032,701	(1,348,584)	9,502,357
Total capital assets, *not being depreciated*	18,169,587	4,032,701	(1,348,584)	20,853,704
Capital assets, being depreciated:				
Intangible assets	379,981	21,850	-	401,831
Land improvements	11,589,628	1,241,951	-	12,831,579
Infrastructure	35,080,763	5,491,610	-	40,572,373
Buildings and improvements	13,162,895	-	-	13,162,895
Machinery and Equipment	2,746,613	79,687	-	2,826,300
Transportation equipment	2,149,562	209,039	-	2,358,601
Total capital assets, being depreciated	65,109,442	7,044,137	-	72,153,579

4. Capital Assets (continued)

	Balance December 31, 2021	Transfers/ Additions	Transfers/ Retirements	Balance December 31, 2022
Governmental Activities				
Less accummulated depreciation:				
Intangible assets	(220,181)	(31,925)	-	(252,106)
Land improvements	(4,321,583)	(753,536)	-	(5,075,119)
Infrastructure	(10,203,366)	(1,729,858)	-	(11,933,224)
Buildings and improvements	(4,702,983)	(328,722)	-	(5,031,705)
Machinery and Equipment	(2,553,090)	(142,462)	-	(2,695,552)
Transportation equipment	(2,100,429)	(62,669)	-	(2,163,098)
Total Accumulated Depreciation	(24,101,632)	(3,049,172)	-	(27,150,804)
Total capital assets, *being depreciated* , net	41,007,810	3,994,965	-	45,002,775
Capital assets, net	$ 59,177,397	$ 8,027,666	$ (1,348,584)	$ 65,856,479

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

General government	$ 362,229
Public safety	88,279
Public works	1,616,584
Culture parks and recreation	979,446
Community development	2,634
Total depreciation expense - governmental activities	$ 3,049,172

Business-type capital assets activity for the year ended December 31, 2022 is summarized below:

	Balance December 31, 2021	Transfers/ Additions	Transfers/ Retirements	Balance December 31, 2022
Business-Type Activities				
Capital assets, *not being depreciated* :				
Investment in Greeley water	$ 7,802,013	$ -	$ -	$ 7,802,013
Water rights	28,629,205	-	(103,500)	28,525,705
Land	331,189	-	-	331,189
Construction in progress	7,608,671	2,542,640	(55,284)	10,096,027
Total capital assets, *not being depreciated*	44,371,078	2,542,640	(158,784)	46,754,934

4. Capital Assets (continued)

Business-Type Activities	Balance December 31, 2021	Transfers/ Additions	Transfers/ Retirements	Balance December 31, 2022
Capital assets, being depreciated:				
System improvements	91,721,477	361,358	-	92,082,835
Machinery and Equipment	7,861,872	191,854	(50,964)	8,002,762
Intangible assets	178,134	-	-	178,134
Infrastructure	1,047,156	248,694	-	1,295,850
Total capital assets, being depreciated	100,808,639	801,906	(50,964)	101,559,581
Less accummulated depreciation:				
System improvements	(30,801,351)	(2,826,750)	-	(33,628,101)
Machinery and Equipment	(3,378,183)	(495,754)	50,964	(3,822,973)
Intangible assets	(165,567)	(5,600)	-	(171,167)
Infrastructure	(212,808)	(32,528)	-	(245,336)
Total Accumulated Depreciation	(34,557,909)	(3,360,632)	50,964	(37,867,577)
Total capital assets, *being depreciated*, net	66,250,730	(2,558,726)	-	63,692,004
Capital assets, net	$ 110,621,808	$ (16,086)	$ (158,784)	$ 110,446,938

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

Water enterprise	$ 938,559
Waste water enterprise	2,118,418
Drainage enterprise	303,655
Total depreciation expense - business-type activities	$ 3,360,632

5. Long-Term Debt

Governmental Activities

Following is a summary of governmental activity debt transactions for the year ended December 31, 2022:

	December 31, 2021	Additions	Payments	Balance at December 31, 2022	Due Within One Year
Other Obligations					
Compensated Absences	443,591	513,679	(457,763)	499,507	-
Total	$ 443,591	$ 513,679	$ (457,763)	$ 499,507	$ -

Business-Type Activities Debt

Following is a summary of business-type activity debt transactions for the year ended December 31, 2022:

	Balance at December 31, 2021	Additions	Payments	Balance at December 31, 2022	Due Within One Year
Notes Payable					
Waste Water - CWRPDA note payable (2016)	$ 34,628,167	$ -	$ (1,804,402)	$ 32,823,765	$ 1,804,442
Water - CWRPDA note payable (2013)	311,982	-	(155,991)	155,991	155,991
Storm Drainage - CWRPDA note payable (2020)	8,387,372	-	(368,513)	8,018,859	368,513
	43,327,524	-	(2,328,906)	40,998,615	2,328,946
Other Obligations					
Compensated Absences	71,355	245,223	(228,014)	88,564	-
Total	$ 43,398,879	$ 245,223	$ (2,556,920)	$ 41,087,179	$ 2,367,405

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

5. Long-Term Debt (continued)

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;

(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.

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5. Long-Term Debt (continued)

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, 2022:

Year ending December 31,	Principal	Interest and Servicing Fees	Total
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	2,321,009	588,071	2,909,080
2027	2,351,016	555,621	2,906,637
2028-2032	12,030,318	2,514,974	14,545,292
2033-2037	13,188,149	1,356,348	14,544,497
2038-2041	4,205,837	127,980	4,333,817
Total	$ 40,998,615	$ 7,120,158	$ 48,118,773

6. Interfund Transfers

The following table summarizes interfund transfers for the year ended December 31, 2022

	Transfers Out						
	General Fund	Nonmajor Funds	Water Fund	Wastewater Fund	Storm Drainage Fund	Fiduciary Fund	Total
Transfers in:							
General Fund	$ -	$ 46,203	$569,328	$ 469,216	$313,234	$ 907	$1,398,888
Evans Redevelopment Agency	96,628	-	-	-	-	-	96,628
Water Fund	600,000	-	-	-	-	-	600,000
Total	$ 696,628	$ 46,203	$569,328	$ 469,216	$313,234	$ 907	$2,095,516

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 2022 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, 2022 are recognized as other liabilities (assets) in the statement of net position.

Changes in claims payable were as follows:

		2022
Claims Premium Liability (Asset), *Beginning of Year*	$	(3,422)
Claims and Changes in Estimates, *Current Year*		63,508
Claims Payments		(65,724)
Claims and Premium Liability (Asset), *End of Year*	$	(5,637)

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%

8. Retirement Commitments (continued)

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, 2022 was $9,315,980. The City's contributions to the Plan for the years ending December 31, 2022, 2021 and 2020 were $521,887 $453,178, and $440,444 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.

The Plan assets are included in the Fire & Police Members' Benefit Investment Fund and the Fire & Police Members' Self-Directed Investment Fund (for Deferred Retirement Option Plan (DROP) assets and Separate Retirement Account assets from eligible retired members).

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 (FPPA) issues a publicly available financial report that can be obtained at 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 (Rule of 80).

The annual normal retirement benefit is 2.0 percent of the average of the member's highest three years' base salary for each year of credited service up to ten years, plus 2.5 percent for each year of service thereafter. The benefit earned prior to January 1, 2007 for members of affiliated Social Security employers will be reduced by the amount of Social Security income payable to the member annually. Effective January 1, 2007, members currently covered under Social Security will receive half the benefit when compared to the Statewide Defined Benefit Plan ("SWDB Plan"). Benefit adjustments paid to retired members are evaluated annually 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 for Urban Wage Earners and Clerical Workers (CPI-W).

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

8. Retirement Commitments (continued)

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' pensionable earnings 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 increased 0.5 percent annually through 2022 to a total of 12 percent of pensionable earnings. Employer contributions increase 0.5 percent annually beginning in 2021 through 2030 to a total of 13 percent of pensionable earnings. In 2021, members of the SWDB plan and their employers are contributing at the rate of 11.5 percent and 8.5 percent, respectively, of pensionable earnings for a total contribution rate of 20.0 percent.

Contributions from members and employers of departments reentering the system are established by resolution and approved by the FPPA Board of Directors. 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 reflect the actual cost of reentry by department, 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 5.75 percent and 4.25 percent, respectively, of pensionable earnings for a total contribution rate of 10.0 percent in 2021. 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 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 $33,655 for the year ended December 31, 2022.

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

At December 31, 2022, the City reported a net pension asset of $234,373 for its proportionate share of the net pension asset. The net pension liability was measured as of December 31, 2021 and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of January 1, 2022. 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, 2021, the City's proportion was 0.0432 percent, which was a decrease of 0.0027 from its proportion measured as of December 31, 2020.

8. Retirement Commitments (continued)

For the year ended December 31, 2022, the City recognized pension income of $26,355. At December 31, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 67,114	$ 5,466
Changes of assumptions or other inputs	33,423	-
Net difference between projected and actual earnings on plan investments	-	156,856
Changes in proportionate share of contributions	90,522	-
City Contributions subsequent to the measurement date	33,655	-
	$ 224,714	$ 162,322

The $33,655 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, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended December 31,	Amortization
2023	$ (13,435)
2024	(21,010)
2025	(1,464)
2026	6,366
2027	26,231
Thereafter	32,049
	$ 28,737

Actuarial assumptions. The actuarial valuations for the plan were used to determine the actuarially determined contributions for the fiscal year ending December 31, 2021. The valuations used the following actuarial assumption and other inputs:

Actuarial Valuation Date	January 1, 2021
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%
Inflation	2.5%

8. Retirement Commitments (continued)

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, 2021 are summarized in the following table:

Asset Class	Target Allocation	Long Term Expected Rate of Return
Global Equity	39%	8.23%
Equity Long/Short	8%	6.87%
Private Markets	26%	10.63%
Fixed Income - Rates	10%	4.01%
Fixed Income - Credit	5%	5.25%
Absolute Return	10%	5.60%
Cash	2%	2.32%
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.

8. Retirement Commitments (continued)

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 1.84 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(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-percentage point lower (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate:

	1.0% Decrease 6.00%	Single Discount Rate Assumption 7.00%	1.00% Increase 8.00%
City's proportionate share of the net pension liability / (asset)	$(32,322)	$(234,373)	$(401,762)

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 Statewide Hybrid Plan (SWH) was established January 1, 2004 as a cost-sharing multiple-employer pension plan covering full-time firefighters and police officers from departments that elect coverage. The Plan may also cover clerical staff, other fire district personnel whose services are auxiliary to fire protection, or chiefs who have opted out of the Statewide Defined Benefit Plan. The Plan is comprised of two components: Defined Benefit and Money Purchase. With the latter component, members have the option of choosing among various investment options offered by an outside investment manager. Employers may not withdraw from the Plan once affiliated.

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

8. Retirement Commitments (continued)

The plan is administered by the FPPA. FPPA issues a publicly available annual comprehensive 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 pensionable earnings. The amount allocated to the Defined Benefit Component is set annually by the FPPA Board of Directors. Excess contributions fund the Money Purchase Component of the Plan. The Defined Benefit Component contribution rate from July 1, 2020 through June 30, 2021 was 13.80 percent. The Defined Benefit Component contribution rate from July 1, 2019 through June 30, 2020 was 13.80 percent. Effective July 1, 2021 the Defined Benefit Component contribution rate is set at 14.10 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 $213,100 for the year ended December 31, 2022.

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

At December 31, 2022, the City reported a net pension asset of $4,219,489 for its proportionate share of the net pension asset. The net pension asset was measured as of December 31, 2021, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of

8. Retirement Commitments (continued)

January 1, 2022. 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, 2021, the City's proportion was 11.317 percent, which was an increase of 0.0582 percent from its proportion measured as of December 31, 2020.

For the year ended December 31, 2022, the City recognized pension income of $152,660. At December 31, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 857,084	$ -
Changes of assumptions or other inputs	105,577	-
Net difference between projected and actual earnings on pension plan investments	-	1,215,726
Changes in proportion and differences between contributions recognized and proportionate share of contributions	-	84,640
City Contributions subsequent to the measurement date	213,100	-
	$ 1,175,761	$ 1,300,366

The $213,100 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, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended December 31,	Amortization
2023	$ (14,088)
2024	(128,702)
2025	(124,645)
2026	(92,997)
2027	20,232
Thereafter	2,495
	$ (337,705)

8. Retirement Commitments (continued)

Actuarial assumptions. The actuarial valuations for the plan were used to determine the actuarially determined contributions for the fiscal year ending December 31, 2021. The valuations used the following actuarial assumption and other inputs:

Actuarial Valuation Date	January 1, 2021
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, 2021 are summarized in the following table:

Asset Class	Target Allocation	Long Term Expected Rate of Return
Global Equity	39.0%	8.23%
Equity Long/Short	8.0%	6.87%
Private Markets	26.0%	10.63%
Fixed Income - Rates	10.0%	4.01%
Fixed Income - Credit	5.0%	5.25%

8. Retirement Commitments (continued)

Absolute Return	10.0%	5.60%
Cash	2.0%	2.32%
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 1.84 percent (based on the weekly rate closest to but not later than the measurement date of the "state & local bonds" rate from Federal Reserve statistical release (H.15)); and the resulting Single Discount Rate is 7.00 percent.

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

	1.0% Decrease 6.00%	Single Discount Rate Assumption 7.00%	1.00% Increase 8.00%
City’s proportionate share of the net pension liability / (asset)	$(3,274,593)	$(4,291,489)	$(5,140,549)

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 annual comprehensive financial report.

8. Retirement Commitments (continued)

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 Empower. 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, 2022, 2021, and 2020 were $2,708, $4,836, and $4,831, respectively.

9. Rate Maintenance

The 2013, 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)

2022 Gross revenues	$ 7,885,209
2022 Operation and maintenance expense	(5,367,669)
Net revenues as defined in CWRPDA loan agreement	2,517,540
110% of 2013 loan debt service	(171,590)
Amount 2022 net revenue exceeded the 2013 loan requirements	$ 2,345,950

Waste Water Fund (2016)

2022 Gross revenues	$ 5,750,918
2022 Operation and maintenance expense	(1,610,640)
Net revenues as defined in CWRPDA loan agreement	4,140,278
110% of 2016 loan debt service	(2,658,397)
Amount 2022 net revenue exceeded the 2016 loan requirements	$ 1,481,881

9. Rate Maintenance (continued)

Storm Drainage Fund (2020)

2022 Gross revenues	$ 959,247
2022 Operation and maintenance expense	(226,628)
Net revenues as defined in CWRPDA loan agreement	732,619
110% of 2020 loan debt service	(539,892)
Amount 2022 net revenue exceeded the 2020 loan requirements	$ 192,727

10. Commitments and Contingencies

TABOR Reserves

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

On April 5, 1994, the voting citizens of the City of Evans authorized the City (retroactive to January 1, 1993) to collect, retain, and expend all revenues, notwithstanding any state restrictions of fiscal year spending. This effectively removed all revenue and spending limits imposed by the Amendment. The City did not increase or incur any new tax or bonded debt in 2022.

The City's Home Rule Charter provision requires an Emergency Contingency Reserve Fund, reported in the General Fund in 2014, that shall maintain a balance equal to 5% of the budgeted General Fund revenues, until such fund is equal in amount to 25% of the prior year's General Fund expenditures. In 2019, 5% of budgeted revenues were $2. 5 million less than 25% of the prior year's General Fund expenditures. In the November 2012 election, the citizens of Evans approved a ballot initiative to provide for a ceiling of $1 million in the Emergency Contingency Fund, allowing any amount exceeding this amount to be transferred to the General Fund. This ceiling was effective starting January 1, 2013.

Litigation

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

10. Commitments and Contingencies (continued)

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, 2022, 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

11. Related Party Transactions

The City has entered into an intergovernmental agreement ("IGA") with the Evans Fire Protection District (the "District") to provide financial support to the District until the District received sufficient revenue to support its operations. In order to provide for the funding of District operations as required in the IGA, the City paid the District $543,710 in 2022.

12. Northern Integrated Supply Project

The City has entered into an agreement with the Northern Colorado Water Conservancy District ("NCWCD"), acting by and through its Northern Integrated Supply Project ("NISP") Water Activity Enterprise. NISP is a collaborative effort between NCWCD and 15 northern Front Range municipalities and water districts to increase the water quantity and reliability of their water supplies. As of December 31, 2022, In 2022, the City paid $570,000 toward this project, with total expenditures of $3,093,952, which has been classified as construction in progress.

13. Riverside Library and Cultural Center

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

14. Evans Redevelopment Agency

A 2018 cooperation agreement between the City and the ERA stated that the ERA would use any incremental sales tax revenue to repay the City for outstanding loans made from the City to the ERA. During 2022, $479,414 was applied to the loan. As of December 31, 2022 the loan balance owed to the City from the ERA was $847,057. The fund components of this intragovernmental agreement have been eliminated from the fund financial statements.

City of Evans, Colorado

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, 2022

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET POSITIVE
	ORIGINAL	FINAL	ACTUAL	(NEGATIVE)
REVENUES				
Taxes	$ 11,259,233	$ 11,259,233	$ 13,031,524	$ 1,772,291
Licenses and permits	1,545,148	1,545,148	1,176,780	(368,368)
Intergovernmental	1,370,653	1,608,153	3,790,606	2,182,453
Grants and contributions				
Other	369,075	369,075	166,767	(202,308)
Charges for services	386,598	386,598	357,187	(29,411)
Fines and forfeitures	366,500	366,500	359,873	(6,627)
Earnings (losses) on investments	-	-	(1,074,450)	(1,074,450)
Miscellaneous	486,000	486,000	1,874,168	1,388,168
TOTAL REVENUES	15,783,207	16,020,707	19,682,455	3,661,748
EXPENDITURES				
General Government	5,961,527	6,730,861	5,573,560	1,157,301
Public Safety	6,092,685	6,131,185	6,575,269	(444,084)
Public Works	1,938,621	1,988,621	1,607,510	381,111
Culture, parks and Recreation	1,421,004	1,421,004	1,457,414	(36,410)
Community development	1,165,085	1,180,085	952,227	227,858
Capital outlay	1,000,000	4,093,397	1,596,553	2,496,844
TOTAL EXPENDITURES	17,578,922	21,545,153	17,762,533	3,782,620
Excess (deficiency) of revenues over expenditures	(1,795,715)	(5,524,446)	1,919,922	7,444,368
OTHER FINANCING SOURCES AND (USES)				
Coronavirus relief activity	-	-	2	2
Proceeds from sale of capital assets	-	-	121	121
Transfers out	(600,000)	(600,000)	(696,628)	(96,628)
Transfers in	1,597,896	1,597,896	1,398,888	(199,008)
TOTAL OTHER FINANCING SOURCES AND (USES)	997,896	997,896	702,383	(295,513)
NET CHANGE IN FUND BALANCE	$ (797,819)	$ (4,526,550)	2,622,305	$ 7,148,855
FUND BALANCES, BEGINNING OF YEAR			16,932,568	
FUND BALANCES, END OF YEAR			$ 19,554,873	

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, 2022

	BUDGETED AMOUNTS ORIGINAL	BUDGETED AMOUNTS FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES				
Property tax revenue	$ 2,626	$ 2,626	$ 2,868	$ 242
Miscellaneous revenue	-	-	185,706	185,706
TOTAL REVENUES	2,626	2,626	188,574	185,948
EXPENDITURES				
Community development	210,100	210,100	165,104	44,996
TOTAL EXPENDITURES	210,100	210,100	165,104	44,996
OTHER FINANCIING SOURCES				
Transfers in	210,100	210,100	96,628	(113,472)
NET CHANGE IN FUND BALANCE	$ 2,626	$ 2,626	120,098	$ 117,472
FUND BALANCE, BEGINNING OF YEAR			468,492	
FUND BALANCE, END OF YEAR			$ 588,590	

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, 2022

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

FPPA - Defined Benefit Plan

Year Ending*	Proportion of the Net Pension Liability (Asset)	Proportionate Share of the Net Pension Liability (Asset)	Actual Member Payroll	Net Pension Liability (Asset) as a Percentage of Member Payroll	Fiduciary Net Position as a Percentage of Total Pension Liability (Asset)
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%
12/31/2021	0.041%	$ (88,085)	$ 325,887	27.03%	106.70%
12/31/2022	0.043%	$ (234,373)	$ 348,146	67.32%	116.20%

FPPA - Statewide Hybrid Plan

Year Ending*	Proportion of the Net Pension Liability (Asset)	Proportionate Share of the Net Pension Liability (Asset)	Actual Member Payroll	Net Pension Liability (Asset) as a Percentage of Member Payroll	Fiduciary Net Position as a Percentage of Total Pension Liability (Asset)
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%
12/31/2021	11.259%	$ (3,096,837)	$ 2,474,566	125.15%	137.99%
12/31/2022	11.317%	$ (4,219,489)	$ 2,485,693	169.75%	149.01%

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

Year Ending	Statutorily Required Contributions	Actual Employer Contributions	Contribution Excess/(Deficiency)	Actual Covered Member Payroll	Contributions as a Percentage of Covered Payroll
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%
12/31/2021	$ 29,593	$ 29,593	-	$ 348,146	8.5%
12/31/2022	$ 33,655	$ 33,655	-	$ 373,943	9.0%

FPPA -Statewide Hybrid Plan

Year Ending	Statutorily Required Contributions	Actual Employer Contributions	Contribution Excess/(Deficiency)	Actual Covered Member Payroll	Contributions as a Percentage of Covered Payroll
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%
12/31/2021	$ 198,855	$ 198,855	-	$ 2,485,693	8.0%
12/31/2022	$ 213,100	$ 213,100	-	$ 2,663,745	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

Other Supplementary Information

City of Evans, Colorado
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2022

	PARKS IMPACT	CONSERVATION TRUST	FIRE IMPACT	REFUSE COLLECTION	STREET IMPACT	CEMETARY PERPETUAL CARE	PARKS CONSTRUCTION	POLICE IMPACT	SCHOOL IMPACT	FOOD TAX	TOTAL NONMAJOR GOVERNMENTAL FUNDS
ASSETS											
Equity in pooled cash, cash equivalents, and investments	$ 4,101,915	$ 801,959	$ 10,003	$ 434,099	$ 2,061,096	$ 79,289	$ 294,394	$ 252,291	$ 2,510	$ 1,625,062	$ 9,662,618
Receivables	-	-	-	109,738	-	-	-	-	-	193,216	302,954
TOTAL ASSETS	$ 4,101,915	$ 801,959	$ 10,003	$ 543,837	$ 2,061,096	$ 79,289	$ 294,394	$ 252,291	$ 2,510	$ 1,818,278	$ 9,965,572
LIABILITIES, DEFFERRED INFLOWS OF RESOURCES AND FUND BALANCES											
LIABILITIES											
Accounts payable	$ 9,759	$ -	$ 10,003	$ 84,516	$ 515,149	$ -	$ -	$ -	$ 2,510	$ 401,230	$ 1,023,167
Other liabilities	106,000	-	-	-	-	-	-	-	-	-	106,000
Unearned revenue	-	-	-	800	-	-	-	-	-	-	800
TOTAL LIABILITIES	115,759	-	10,003	85,316	515,149	-	-	-	2,510	401,230	1,129,967
FUND BALANCES											
Restricted	126,789	801,959	-	-	40,795	-	-	-	-	1,417,048	2,386,591
Committed	-	-	-	-	-	-	-	-	-	-	-
Assigned	3,859,367	-	-	458,521	1,505,152	79,289	294,394	252,291	-	-	6,449,014
TOTAL FUND BALANCES	3,986,156	801,959	-	458,521	1,545,947	79,289	294,394	252,291	-	1,417,048	8,835,605
TOTAL LIABILITIES AND FUND BALANCES	$ 4,101,915	$ 801,959	$ 10,003	$ 543,837	$ 2,061,096	$ 79,289	$ 294,394	$ 252,291	$ 2,510	$ 1,818,278	$ 9,965,572

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, 2022

	PARKS IMPACT	CONSERVATION TRUST	FIRE IMPACT	REFUSE COLLECTION	STREET IMPACT	CEMETARY PERPETUAL CARE	PARKS CONSTRUCTION	POLICE IMPACT	SCHOOL IMPACT	FOOD TAX	TOTAL
REVENUES											
Taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 1,677,727	$ 1,677,727
Intergovernmental	-	283,981	-	-	-	-	-	-	-	-	283,981
Licenses and permits	-	-	-	1,200	-	-	-	-	-	-	1,200
Grants and contributions other	-	-	-	-	-			-	-	-	-
Charges for services	-	-	-	1,136,771	-	-	-	-	-	-	1,136,771
Investment Income	43,762	6,958	77	4,743	23,955	836	3,136	2,568	34	18,353	104,422
Assessments	50,380	-	38,252	-	220,916	1,949	-	33,438	23,692	-	368,627
Miscellaneous	-	-	-	16,978	-	-	2,500	-	-	8,682	28,160
TOTAL REVENUES	94,142	290,939	38,329	1,159,692	244,871	2,785	5,636	36,006	23,726	1,704,762	3,600,888
EXPENDITURES											
General Government	-	-	-	-	-	-	-	-	23,731	-	23,731
Public Works	-	-	-	1,114,423	-	-	-	-	-	-	1,114,423
Public safety	-	-	39,267	-	-	-	-	-	-	-	39,267
Culture, parks and recreation	-	14,941	-	-	-	-	5,618	-	-	-	20,559
Capital Outlay	57,003	199,733	-	-	974,689	-	-	-	-	2,138,641	3,370,066
TOTAL EXPENDITURES	57,003	214,674	39,267	1,114,423	974,689	-	5,618	-	23,731	2,138,641	4,568,046
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	37,139	76,265	(938)	45,269	(729,818)	2,785	18	36,006	(5)	(433,879)	(967,158)
OTHER FINANCING USES											
Transfers in (out)	-	-	-	(46,203)	-	-	-	-	-	-	(46,203)
TOTAL OTHER FINANCING USES	-	-	-	(46,203)	-	-	-	-	-	-	(46,203)
NET CHANGES IN FUND BALANCE	37,139	76,265	(938)	(934)	(729,818)	2,785	18	36,006	(5)	(433,879)	(1,013,361)
FUND BALANCE, BEGINNING OF YEAR	3,949,017	725,694	938	459,455	2,275,765	76,504	294,376	216,285	5	1,850,927	9,848,966
FUND BALANCE, END OF YEAR	$ 3,986,156	$ 801,959	$ -	$ 458,521	$ 1,545,947	$ 79,289	$ 294,394	$ 252,291	$ -	$ 1,417,048	$ 8,835,605

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, 2022

	BUDGETED AMOUNTS ORIGINAL	BUDGETED AMOUNTS FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES				
Assessments - impact fees	$ 870,991	$ 870,991	$ 50,380	$ (820,611)
Earnings on investments	89,835	89,835	43,762	(46,073)
TOTAL REVENUES	960,826	960,826	94,142	(866,684)
EXPENDITURES				
Capital outlay	367,000	515,051	57,003	458,048
TOTAL EXPENDITURES	367,000	515,051	57,003	458,048
NET CHANGE IN FUND BALANCE	$ 593,826	$ 445,775	37,139	$ (408,636)
FUND BALANCE, BEGINNING OF YEAR			3,949,017	
FUND BALANCE, END OF YEAR			$ 3,986,156	

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, 2022

	BUDGETED AMOUNTS ORIGINAL	BUDGETED AMOUNTS FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES				
Intergovernmental				
State shared revenue	$ 227,800	$ 227,800	$ 283,981	$ 56,181
Investment Income	1,772	1,772	6,958	5,186
TOTAL REVENUES	229,572	229,572	290,939	61,367
EXPENDITURES				
Culture and recreation	101,298	101,298	14,941	86,357
Capital outlay	181,000	443,054	199,733	243,321
TOTAL EXPENDITURES	282,298	544,352	214,674	329,678
NET CHANGE IN FUND BALANCE	$ (52,726)	$ (314,780)	76,265	$ 391,045
FUND BALANCE, BEGINNING OF YEAR			725,694	
FUND BALANCE, END OF YEAR			$ 801,959	

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, 2022

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET POSITIVE
	ORIGINAL	FINAL	ACTUAL	(NEGATIVE)
REVENUES				
Assessments - Impact fees	$ 300,000	$ 300,000	$ 38,252	$ (261,748)
Earnings on investments	1,027	1,027	77	(950)
TOTAL REVENUES	301,027	301,027	38,329	(262,698)
EXPENDITURES				
Public safety	301,027	301,027	39,267	261,760
TOTAL EXPENDITURES	301,027	301,027	39,267	261,760
NET CHANGE IN FUND BALANCE	$ -	$ -	(938)	$ (938)
FUND BALANCE, BEGINNING OF YEAR			938	
FUND BALANCE, END OF YEAR			$ -	

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, 2022

	BUDGETED AMOUNTS ORIGINAL	BUDGETED AMOUNTS FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES				
Licenses and permits				
Trash haulers' license	$ 800	$ 800	$ 1,200	$ 400
Charges for services				
Refuse collection charges	997,955	1,142,955	1,136,771	(6,184)
Earnings on investments	9,313	9,313	4,743	(4,570)
Miscellaneous	-	-	16,978	16,978
TOTAL REVENUES	1,008,068	1,153,068	1,159,692	6,624
EXPENDITURES				
Public works				
Sanitation	1,008,732	1,153,732	1,114,423	39,309
TOTAL EXPENDITURES	1,008,732	1,153,732	1,114,423	39,309
EXCESS OF REVENUES OVER EXPENDITURES	(664)	(664)	45,269	45,933
OTHER FINANCING SOURCES AND (USES)				
Transfers out	(50,403)	(50,403)	(46,203)	4,200
TOTAL OTHER FINANCING USES	(50,403)	(50,403)	(46,203)	4,200
NET CHANGE IN FUND BALANCE	$ (51,067)	$ (51,067)	(934)	$ 50,133
FUND BALANCE, BEGINNING OF YEAR			459,455	
FUND BALANCE, END OF YEAR			$ 458,521	

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, 2022

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET POSITIVE
	ORIGINAL	FINAL	ACTUAL	(NEGATIVE)
REVENUES				
Assessments				
Impact fees	$ 841,145	$ 841,145	$ 220,916	$ (620,229)
Earnings on investments	40,749	40,749	23,955	(16,794)
TOTAL REVENUES	881,894	881,894	244,871	(637,023)
EXPENDITURES				
Capital outlay	1,750,000	2,869,804	974,689	1,895,115
TOTAL EXPENDITURES	1,750,000	2,869,804	974,689	1,895,115
NET CHANGE IN FUND BALANCE	$ (868,106)	$ (1,987,910)	(729,818)	$ 1,258,092
FUND BALANCE, BEGINNING OF YEAR			2,275,765	
FUND BALANCE, END OF YEAR			$ 1,545,947	

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, 2022

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET POSITIVE
	ORIGINAL	FINAL	ACTUAL	(NEGATIVE)
REVENUES				
Earnings on investments	$ -	$ -	$ 2,568	$ 2,568
Assessments - Impact fees	56,784	56,784	33,438	(23,346)
TOTAL REVENUES	-	-	36,006	(20,778)
EXPENDITURES				
Capital outlay	-	73,700	-	73,700
TOTAL EXPENDITURES	-	73,700	-	73,700
NET CHANGE IN FUND BALANCE	$ -	$ (73,700)	36,006	$ (20,778)
FUND BALANCE, BEGINNING OF YEAR			216,285	
FUND BALANCE, END OF YEAR			$ 252,291	

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, 2022

	BUDGETED AMOUNTS ORIGINAL	BUDGETED AMOUNTS FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES				
Assessments - perpetual care fees	$ 2,700	$ 2,700	$ 1,949	$ (751)
Earnings on investments	-	-	836	836
Grant Revenue	-	-	-	-
TOTAL REVENUES	2,700	2,700	2,785	85
EXPENDITURES				
Capital outlay	-	-	-	-
TOTAL EXPENDITURES	-	-	-	-
NET CHANGE IN FUND BALANCE	$ 2,700	$ 2,700	2,785	$ 85
FUND BALANCE, BEGINNING OF YEAR			76,504	
FUND BALANCE, END OF YEAR			$ 79,289	

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, 2022

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL	ACTUAL	
REVENUES				
Intergovernmental	2,969,183	2,969,183	$ 1,047,010	$ (1,922,173)
Grants and contributions				
Other	-	-	500,346	500,346
Earnings on investments	4,729	4,729	25,184	20,455
TOTAL REVENUES	2,973,912	2,973,912	1,572,540	(1,401,372)
EXPENDITURES				
Public works	350,000	350,000	188,930	161,070
Capital outlay	1,565,500	4,122,498	2,610,689	1,511,809
TOTAL EXPENDITURES	1,915,500	4,472,498	2,799,619	1,672,879
EXCESS OF REVENUES OVER EXPENDITURES	1,058,412	(1,498,586)	(1,227,079)	271,507
OTHER FINANCING SOURCES AND (USES)				
Transfers in	600,000	600,000	600,000	-
TOTAL OTHER FINANCING USES	600,000	600,000	600,000	-
NET CHANGE IN FUND BALANCE	$ 1,658,412	$ (898,586)	(627,079)	$ 271,507
FUND BALANCE, BEGINNING OF YEAR			2,813,012	
FUND BALANCE, END OF YEAR			$ 2,185,933	

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, 2022

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET POSITIVE
	ORIGINAL	FINAL	ACTUAL	(NEGATIVE)
REVENUES				
Grants and contributions				
Miscellaneous	$ -	$ -	$ 2,500	$ 2,500
Earnings on investments	-	-	3,136	3,136
TOTAL REVENUES	-	-	5,636	5,636
EXPENDITURES				
Culture, parks and recreation	-	54,752	5,618	49,134
TOTAL EXPENDITURES	-	54,752	5,618	49,134
NET CHANGE IN FUND BALANCE	$ -	$ (54,752)	18	$ 54,770
FUND BALANCE, BEGINNING OF YEAR			294,376	
FUND BALANCE, END OF YEAR			$ 294,394	

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, 2022

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET POSITIVE
	ORIGINAL	FINAL	ACTUAL	(NEGATIVE)
REVENUES				
Taxes	$ 1,356,929	$ 1,356,929	$ 1,677,727	$ 320,798
Earnings on investments	19,126	19,126	18,353	(773)
Miscellaneous	-	-	8,682	8,682
TOTAL REVENUES	1,376,055	1,376,055	1,704,762	328,707
EXPENDITURES				
Capital outlay	2,050,000	3,050,000	2,138,641	911,359
TOTAL EXPENDITURES	2,050,000	3,050,000	2,138,641	911,359
NET CHANGE IN FUND BALANCE	$ (673,945)	$ (1,673,945)	(433,879)	$ 1,240,066
FUND BALANCE, BEGINNING OF YEAR			1,850,927	
FUND BALANCE, END OF YEAR			$ 1,417,048	

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, 2022

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET POSITIVE
	ORIGINAL	FINAL	ACTUAL	(NEGATIVE)
REVENUES				
Taxes	2,850,130	2,850,130	$ 3,612,490	$ 762,360
Earnings on investments	33,075	33,075	34,906	1,831
TOTAL REVENUES	2,883,205	2,883,205	3,647,396	764,191
EXPENDITURES				
Project Management	110,000	110,000	-	110,000
Capital outlay	3,552,000	4,216,700	2,150,946	2,065,754
TOTAL EXPENDITURES	3,662,000	4,326,700	2,150,946	2,175,754
NET CHANGE IN FUND BALANCE	$ (778,795)	$ (1,443,495)	1,496,450	$ 2,939,945
FUND BALANCE, BEGINNING OF YEAR			2,515,700	
FUND BALANCE, END OF YEAR			$ 4,012,150	

City of Evans, Colorado
School Impact Fund
Schedule of Revenues, Expenditures
And Changes in Fund Balance—Budget and Actual
For the Year Ended December 31, 2022

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET POSITIVE
	ORIGINAL	FINAL	ACTUAL	(NEGATIVE)
REVENUES				
Assessments	194,580	194,580	$ 23,692	$ (170,888)
Investment Income	-	-	34	34
TOTAL REVENUES	194,580	194,580	23,726	(170,854)
EXPENDITURES				
General Government	194,580	194,580	23,731	170,849
TOTAL EXPENDITURES	194,580	194,580	23,731	170,849
NET CHANGE IN FUND BALANCE	$ -	$ -	(5)	$ (5)
FUND BALANCE, BEGINNING OF YEAR			5	
FUND BALANCE, END OF YEAR			$ -	

City of Evans, Colorado

Water Fund

Schedule of Revenues, Expenditures
And Changes in Fund Balance—Budget and Actual
For the Year Ended December 31, 2022

	BUDGETED AMOUNTS ORIGINAL	BUDGETED AMOUNTS FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
OPERATING REVENUES				
Water sales	$ 6,122,928	$ 6,122,928	$ 6,616,054	$ 493,126
Non-potable water sales	480,000	480,000	819,390	339,390
Other sales	8,984	8,984	40,142	31,158
Water meters	61,479	61,479	8,977	(52,502)
TOTAL OPERATING REVENUES	6,673,391	6,673,391	7,484,563	811,172
OPERATING EXPENSES				
Water supply and administrative	5,487,645	5,487,645	5,367,669	119,976
Capital outlay	1,441,000	1,942,826	1,044,335	898,491
TOTAL OPERATING EXPENSES	6,928,645	7,430,471	6,412,004	1,018,467
OPERATING INCOME	(255,254)	(757,080)	1,072,559	1,829,639
OTHER REVENUES (EXPENSES)				
Earnings on investments	11,008	11,008	55,297	44,289
Grants and contributions	-	-	122,771	122,771
Plant investment fees and cash in lieu of fees	1,071,644	1,071,644	222,578	(849,066)
Transfers to other funds	(1,180,042)	(1,215,043)	(569,328)	645,715
TOTAL OTHER REVENUES (EXPENSES)	(97,390)	(132,391)	(168,682)	(36,291)
CHANGE IN NET POSITION, BUDGETARY BASIS	$ (352,644)	$ (889,471)	$ 903,877	$ 1,793,348
ADJUSTMENTS FROM BUDGETARY BASIS TO GAAP BASIS				
Depreciation expense			(938,559)	
Capital outlay			1,044,335	
CHANGE IN NET POSITION - GAAP BASIS			1,009,653	
NET POSITION, BEGINNING OF YEAR			59,099,052	
NET POSITION, END OF YEAR			$ 60,108,705	

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, 2022

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET POSITIVE
	ORIGINAL	FINAL	ACTUAL	(NEGATIVE)
OPERATING REVENUES				
Sewer sales	$ 5,322,804	$ 5,322,804	$ 5,424,904	$ 102,100
TOTAL OPERATING REVENUES	5,322,804	5,322,804	5,424,904	102,100
OPERATING EXPENSES				
Wastewater and administration	1,451,758	1,501,758	1,610,640	(108,882)
Principal paid	1,804,402	1,804,402	1,804,402	-
Capital outlay	6,005,000	7,956,585	1,600,353	6,356,232
TOTAL OPERATING EXPENSES	9,261,160	11,262,745	5,015,395	6,247,350
OPERATING INCOME	(3,938,356)	(5,939,941)	409,509	6,349,450
OTHER REVENUES (EXPENSES)				
Earnings on investments	168,034	168,034	123,388	(44,646)
Grants and contributions	604,304	604,304	-	(604,304)
Plant investment fees and cash in lieu of fees	1,008,707	1,008,707	173,626	(835,081)
Miscellaneous	-	-	29,000	29,000
Transfers to other funds	(503,503)	(503,503)	(469,216)	34,287
Interest expense	(612,814)	(612,814)	(599,064)	13,750
TOTAL OTHER REVENUES (EXPENSES)	664,728	664,728	(742,266)	(1,406,994)
CHANGE IN NET POSITION, BUDGETARY BASIS	$ (3,273,628)	$ (5,275,213)	(332,757)	$ 4,942,456
ADJUSTMENTS FROM BUDGETARY BASIS TO GAAP BASIS				
Depreciation expense			(2,118,418)	
Principal paid			1,804,402	
Capital outlay			1,600,353	
CHANGE IN NET POSITION - GAAP BASIS			953,580	
NET POSITION, BEGINNING OF YEAR			24,868,387	
NET POSITION, END OF YEAR			$ 25,821,967	

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, 2022

	BUDGETED AMOUNTS ORIGINAL	BUDGETED AMOUNTS FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
OPERATING REVENUES				
Storm drainage sales	$ 1,013,569	$ 1,013,569	$ 828,740	$ (184,829)
TOTAL OPERATING REVENUES	1,013,569	1,013,569	828,740	(184,829)
OPERATING EXPENSES				
Storm drainage and administration	442,344	442,344	226,628	215,716
Capital outlay	414,000	9,449,640	644,568	8,805,072
TOTAL OPERAING EXPENSES	856,344	9,891,984	871,196	9,020,788
OPERATING INCOME	157,225	(8,878,415)	(42,456)	8,835,959
OTHER REVENUES (EXPENSES)				
Earnings on investments	-	-	14,067	14,067
Grants and contributions	-	-	91,382	91,382
Plant investment fees	-	-	25,058	25,058
Debt issuance proceeds	-	8,600,000	-	(8,600,000)
Debt payment	(368,513)	(368,513)	(368,513)	-
Transfers to other funds	(353,623)	(353,623)	(313,234)	40,389
Interest expense	(120,658)	(120,658)	(118,846)	1,812
TOTAL OTHER REVENUES (EXPENSES)	(842,794)	7,757,206	(670,086)	(8,427,292)
CHANGE IN NET POSITION, BUDGETARY BASIS	$ (685,569)	$ (1,121,209)	$ (712,542)	$ 408,667
ADJUSTMENTS FROM BUDGETARY BASIS TO GAAP BASIS				
Depreciation			(303,655)	
Principal Payments			368,513	
Capital outlay			644,568	
CHANGE IN NET POSITION - GAAP BASIS			(3,116)	
NET POSITION, BEGINNING OF YEAR			10,449,707	
NET POSITION, END OF YEAR			$ 10,446,591	

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, 2022

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET POSITIVE
	ORIGINAL	FINAL	ACTUAL	(NEGATIVE)
REVENUES				
Earnings on investments	$ 6,000	$ 6,000	$ 907	$ (5,093)
TOTAL REVENUES	6,000	6,000	907	(5,093)
EXPENDITURES				
Transfers out	(6,000)	(6,000)	(907)	5,093
TOTAL EXPENDITURES	(6,000)	(6,000)	(907)	5,093
NET CHANGE IN FUND BALANCE	$ -	$ -	$ -	$ -
FUND BALANCE, BEGINNING OF YEAR			49,470	
FUND BALANCE, END OF YEAR			$ 49,470	

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

City of Evans, Colorado

Compliance Section

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

Form Approved
OMB No. 2125-0032

LOCAL HIGHWAY FINANCE REPORT	STATE: COLORADO YEAR ENDING (mm/yy): 12/22
This Information From The Records Of: CITY OF EVANS	Prepared By: JACQUE TROUDT

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

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

II. RECEIPTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT
A. Receipts from local sources:	
1. Local highway-user taxes	
a. Motor Fuel (from Item I.A.5.)	
b. Motor Vehicle (from Item I.B.5.)	
c. Total (a.+b.)	
2. General fund appropriations	$ 600,000
3. Other local imposts (from page 2)	$ 3,879,710
4. Miscellaneous local receipts (from page 2	$ 684,417
5. Transfers from toll facilities	
6. Proceeds of sale of bonds and notes:	
a. Bonds - Original Issues	
b. Bonds - Refunding Issues	
c. Notes	
d. Total (a. + b. + c.)	$ -
7. Total (1 through 6)	$ 5,164,127
B. Private Contributions	
C. Receipts from State government (from page 2)	$ 693,570
D. Receipts from Federal Government (from page 2)	$ 500,346
E. Total receipts (A.7 + B + C + D)	$ 6,358,042

III. EXPENDITURES FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT
A. Local highway expenditures:	
1. Capital outlay (from page 2)	$ 8,178,903
2. Maintenance:	$ 655,641
3. Road and street services:	
a. Traffic control operations	$ 10,990
b. Snow and ice removal	$ 9,746
c. Other	
d. Total (a. through c.)	$ 20,736
4. General administration & miscellaneous	$ 143,066
5. Highway law enforcement and safety	$ 444,295
6. Total (1 through 5)	$ 9,442,641
B. Debt service on local obligations:	
1. Bonds:	
a. Interest	
b. Redemption	
c. Total (a. + b.)	$ -
2. Notes:	
a. Interest	
b. Redemption	
c. Total (a. + b.)	$ -
3. Total (1.c + 2.c)	$ -
C. Payments to State for highways	
D. Payments to toll facilities	
E. Total expenditures (A.6 + B.3 + C + D)	$ 9,442,641

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

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

V. LOCAL ROAD AND STREET FUND BALANCE (RECEIPTS AND DISBURSEMENTS ONLY)

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	$ 3,084,598	$ 6,358,042	$ 9,442,641	$ -	$ (1)

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT	STATE: COLORADO
	YEAR ENDING (mm/yy): 12/22

II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL

ITEM	AMOUNT	ITEM	AMOUNT
A.3. Other local imposts:		**A.4. Miscellaneous local receipts:**	
a. Property Taxes and Assesments		a. Interest on investments	$ 84,045
b. Other local imposts:		b. Traffic Fines & Penalties	$ 246,933
1. Sales Taxes	$ 3,612,490	c. Parking Garage Fees	
2. Infrastructure & Impact Fees	$ 220,916	d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	
4. Licenses		f. Charges for Services	
5. Specific Ownership &/or Other	$ 46,304	g. Other Misc. Receipts	$ 138,617
6. Total (1. through 5.)	$ 3,879,710	h. Other	$ 214,822
c. Total (a. + b.)	$ 3,879,710	i. Total (a. through h.)	$ 684,417
(Carry forward to page 1)		***(Carry forward to page 1)***	

ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		**D. Receipts from Federal Government**	
1. Highway-user taxes (from Item I.C.5.)	$ 618,880	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. Project Match		c. HUD	
c. Motor Vehicle Registrations	$ 74,690	d. Federal Transit Administration	
d. DOLA Grant		e. U.S. Corps of Engineers	
e. Other		f. Other Federal	$ 500,346
f. Total (a. through e.)	$ 74,690	g. Total (a. through f.)	$ 500,346
4. Total (1. + 2. + 3.f)	$ 693,570	3. Total (1. + 2.g)	$ 500,346
(Carry forward to page 1)		***(Carry forward to page 1)***	

III. EXPENDITURES FOR ROAD AND STREET PURPOSES - DETAIL

	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
A.1. Capital outlay:			
a. Right-Of-Way Costs			$ -
b. Engineering Costs		$ 470,627	$ 470,627
c. Construction:			
(1). New Facilities			$ -
(2). Capacity Improvements		$ 7,708,277	$ 7,708,277
(3). System Preservation			$ -
(4). System Enhancement And Operation			$ -
(5). Total Construction (1)+(2)+(3)+(4)	$ -	$ 7,708,277	$ 7,708,277
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.4)	$ -	$ 8,178,903	$ 8,178,903
(Carry forward to page 1)			

Notes and Comments:

FORM FHWA-536

Haynie & Company
Certified Public Accountants
& Management Consultants

1221 W. Mineral Avenue, Suite 202
Littleton, CO 80120
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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, 2022, 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 May 25, 2023.

Report on 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) as a basis for designing 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.

Report on 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.

Haynie & Company

Littleton, Colorado

May 25, 2023

Haynie & Company
Certified Public Accountants
& Management Consultants

1221 W. Mineral Avenue, Suite 202
Littleton, CO 80120
303-734-4800
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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

Opinion on Each Major Federal Program

We have audited the City of Evans, Colorado's compliance with the types of compliance requirements identified as subject to audit 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, 2022. 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.

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, 2022.

Basis for Opinion on Each Major Federal Program

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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance 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 relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of City of Evans, Colorado's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to City of Evans, Colorado's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on City of Evans, Colorado's compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about City of Evans, Colorado's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 City of Evans, Colorado's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of City of Evans, Colorado's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 City of Evans, Colorado's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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 Auditor's Responsibilities for the Audit of Compliance section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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.

Haynie & Company

Littleton, CO
May 25, 2023

City of Evans, Colorado
Supplemental Information

Schedule of Findings and Questioned Costs for the Year Ended December 31, 2022

1. Summary of Auditor's Results

Type of report issued on the financial statements:	**Unmodified**
Material weaknesses in financial reporting internal control noted:	**None**
Significant deficiency(s) identified that are not considered to be material weaknesses in financial reporting:	**None identified**
Material noncompliance noted:	**None**
Material weaknesses in internal control over major programs:	**None**
Significant deficiency(s) identified that are not considered to be material weaknesses over major programs:	**None identified**
Type of report issued on compliance for major programs:	**Unmodified**
Audit findings required to be reported:	**None**

The following programs are considered to be major:

Coronavirus Relief Fund — CFDA 21.027

Dollar threshold used to distinguish Type A and Type B programs:	**$750,000**
Risk type qualification:	**Not low-risk**

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, 2022

Federal Agency/Pass-through Entity/Program	Federal Assistance Listing Number	Grant or Identifying Number	Amount
CDBG - Entitlement Grants - Cluster			
Department of Housing and Urban Development			
Pass Through: Weld County			
Community Development Block Grants/Entitlement Grants	14.218		$ 11,544
Community Development Block Grants/Entitlement Grants	14.218		693,000
Total Department of Housing and Urban Development			704,544
Total CDBG - Entitlement Grants - Cluster			704,544
Clean Water State Revolving Fund - Cluster			
United States Environmental Protection Agency			
Capitalization Grants for Clean Water State Revolving Funds	66.458		42,449
Total United States Environmental Protection Agency			42,449
Total Clean Water State Revolving Fund - Cluster			42,449
Department of the Interior			
Pass Through: Energy Mineral Impact Assistance Program			
Minerals Leasing Act	15.437	EAF #928	32,196
Total Department of the Interior			32,196
Department of the Treasury			
Coronavirus State and Local Fiscal Recovery Funds	21.027		2,068,884
Total Department of the Treasury			2,068,884
Total Expenditures of Federal Awards			$ 2,848,073

City of Evans, Colorado
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2022

Notes to the Schedule

1. ***Basis of Presentation***
   The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of the City of Evans under programs of the federal government for the year ended December 31, 2022. The information in this Schedule is presented in accordance with the requirements of Title 2 *U.S. Code of Federal Regulations* Part 200*, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City of Evans, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the City of Evans.
2. **Summary of Significant Accounting Policies**
   Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.
3. City of Evans, Colorado has elected not to use the 10% de minimus indirect cost rate allowed under the Uniform Guidance.