City of Evans, Colorado

Financial Statements
with Independent Auditor's Report

December 31, 2025

HINKLE & COMPANY PC
Strategic Business Advisors

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Supplementary Information

June 16, 2026

To the Honorable Mayor, Evans 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 annual financial report of the City of Evans for the fiscal year ended December 31, 2025.

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 Hinkle & Company, P.C., 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, 2025, 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, 2025, 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, ICMA-CM, MPA, CPM
City Manager

Jacque Troudt, CPA, CPFO
Deputy City Manager/
Chief Financial Officer

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HINKLE & COMPANY PC
Strategic Business Advisors

Independent Auditor's Report

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the business-type activities and each major fund of the City of Evans, Colorado (the City) as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the basic financial statements of the City, as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and each major fund of the City as of December 31, 2025, and the respective changes in financial position and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) 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 the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

The City's 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's 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.

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Auditor's Responsibilities for the Audit of the Financial Statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS 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 GAAS 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.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The supplementary information and the local highway finance report listed in the table of contents 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. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling the information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Hinkle & Company, pc

Englewood, Colorado
June 2, 2026

City of Evans, Colorado

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, 2025. Please read the information presented here in conjunction with the City's financial statements beginning on page 4.

FINANCIAL SUMMARY

- The assets of the City exceeded its liabilities at the close of 2025 by $253.8 million (net position). Of this amount, $91 million (unrestricted net position) may be used to meet the City's ongoing obligations to citizens and creditors. Of the remaining balance, $144.8 million is invested in capital assets and $18.1 million is restricted for other purposes.
- The City's total net position increased by $15.5 million. The governmental and business-type activities drove this change with an increase in revenue.
- Sales and use tax collections decreased by $685 thousand, a 3.3 percent decrease from the prior year. Although many industries reported strong collections, use tax declines contributed to this result.
- At the end of 2025, the City's governmental funds reported combined ending fund balances of $69.5 million, an increase of $17.7 million in comparison to the ending balances of 2024. Of this total amount, $11 million, or 15.8 percent, is available for spending at the City's discretion (unassigned fund balance).
- At the end of 2025, the unassigned fund balance for the General Fund was $11 million, which was 40 percent of total General Fund 2025 expenditures. Evans City Charter requires the Emergency Contingency Fund to maintain a balance of 25 percent of the preceding fiscal year's (2025) audited General Fund expenditures, not to exceed $1 million. The resulting 2025 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 2025 year-end for the General Fund, including the Emergency Contingency Fund, amount to $23.1 million.

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, wastewater, 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 4-5 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, food tax fund, and the Evans Redevelopment Agency, which are major funds. Data from the remaining 10 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 6-9 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, wastewater 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, wastewater and storm drainage funds. The basic proprietary fund financial statements can be found on pages 10-12 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 13-14 of this report.

<u>Notes to the financial statements</u>

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 15-38 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 39-65 of this report.

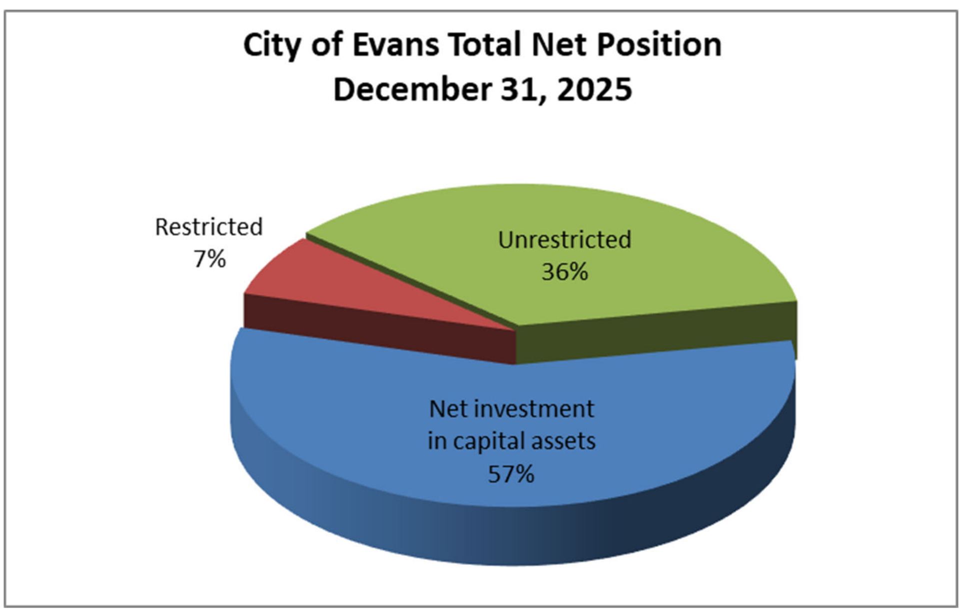
<u>GOVERNMENT-WIDE FINANCIAL ANALYSIS - City of Evans as a Whole</u>

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 $253.8 million at the close of 2025.

By far the largest portion (57 percent) of the City's net position reflects its investment in capital assets (e.g., land, buildings, machinery and equipment and infrastructure) less than 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 (7.1 percent) represents resources that are subject to external and internal restrictions on how they may be used. The remaining balance of unrestricted net position ($91 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 2025 as compared to 2024.

Table 1						
City of Evans						
Net Position ($000's)						
	Governmental Activities		Business-Type Activities		Total	
	2025	2024	2025	2024	2025	2024
Assets:						
Current and other assets	$75,987	$56,196	$38,592	$33,181	$114,579	$89,377
Capital assets	98,331	78,657	110,881	111,850	209,212	190,507
Total assets	174,318	134,853	149,473	145,031	323,791	279,884
Deferred outflows of resources						
Deferred outflows of resources relating to pensions	1,001	1,699	-	-	1,001	1,699
Liabilities:						
Current liabilities	6,179	3,851	3,973	3,396	10,152	7,247
Long-term liabilities	27,772	364	31,991	34,226	59,763	34,590
Total liabilities	33,951	4,215	35,964	37,622	69,915	41,837
Deferred inflows of resources						
Deferred revenue	1,029	1,347	-	-	1,029	1,347
Deferred inflows of resources relating to pensions	17	27	-	-	17	27
Total Deferred inflows of resources	1,046	1,374	-	-	1,046	1,374
Net Position:						
Net investment in capital assets	77,149	77,149	67,664	67,665	144,813	144,814
Restricted	18,056	18,056	-	-	18,056	18,056
Unrestricted	45,117	35,758	45,845	39,744	90,962	75,502
Total net position	$140,322	$130,963	$113,509	$107,409	$253,831	$238,372



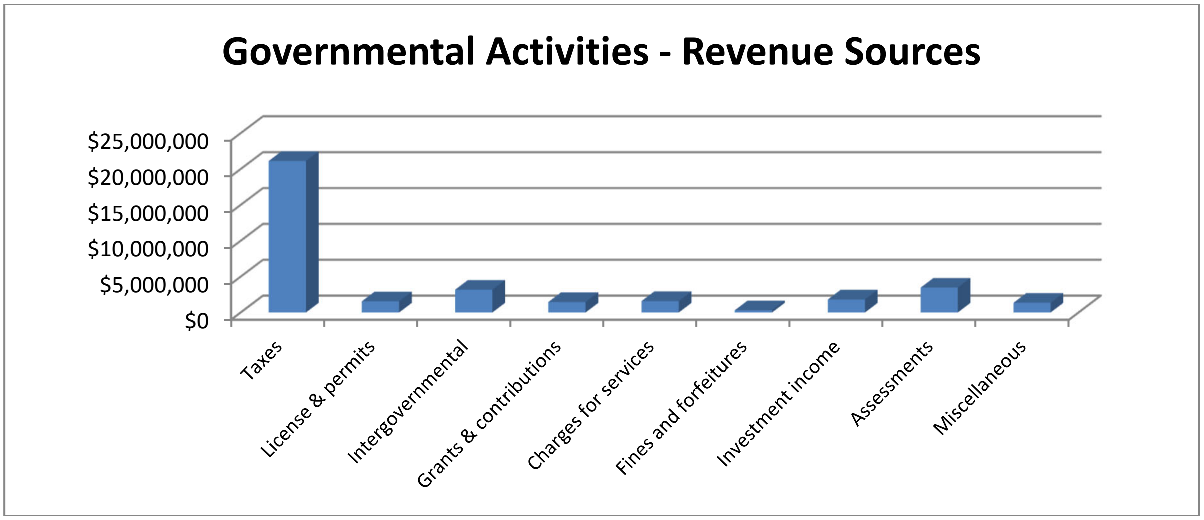
At the end of the current fiscal year and previous fiscal year, the City is able to report positive balances in all three categories of net position, for the City as a whole, as well as for its separate governmental and business-type activities.

Table 2 shows the changes in net position for the fiscal year 2025 compared to the fiscal year 2024.

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

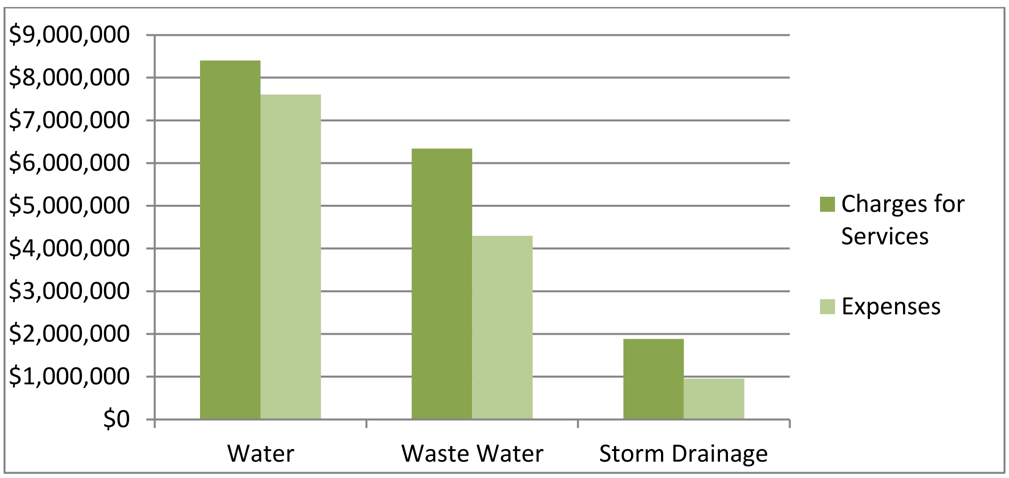
	Governmental Activities		Business-Type Activities		Total	
	2025	2024	2025	2024	2025	2024
Revenues:						
Program revenues:						
Charges for services	$6,926	$9,365	$16,626	$15,127	$23,552	$24,492
Operating grants and contributions	631	16	-	-	631	16
Capital grants and contributions	1,639	1,058	3,266	5,840	4,905	6,898
General revenues:						
Sales and use taxes	19,830	20,515	-	-	19,830	20,515
Property taxes	936	1,052	-	-	936	1,052
Specific Ownership taxes	36	102	-	-	36	102
Franchise taxes	18	838	-	-	18	838
Other taxes	300	1,029	-	-	300	1,029
Intergovernmental	2,362	3,480	-	-	2,362	3,480
Unrestricted Investment Earnings/ (Loss)	1,815	1,834	645	546	2,460	2,380
Other general revenue	1,354	3,405	-	-	1,354	3,405
Gain (Loss) on disposition of capital assets	1,282	53	56	-	1,338	53
Transfers	1,638	-	-	204	1,638	204
Total revenues and transfers	38,767	42,747	20,593	21,717	59,360	64,464
Expenses:						
General government	7,618	6,922	-	-	7,618	6,922
Public safety	9,405	8,928	-	-	9,405	8,928
Public works	7,136	7,240	-	-	7,136	7,240
Culture, parks and recreation	2,920	3,121	-	-	2,920	3,121
Community development	1,563	1,909	-	-	1,563	1,909
Water enterprise	-	-	7,604	7,178	7,604	7,178
Waste Water enterprise	-	-	4,298	5,218	4,298	5,218
Storm Drainage enterprise	-	-	956	983	956	983
Interest on Long-Term Debt	766	1	-	-	766	1
Total expenses	29,408	28,121	12,858	13,379	42,266	41,500
Excess before transfers	9,359	14,626	7,735	8,338	17,094	22,964
Transfers out	-	-200	-1,635	-	-1,635	-200
Increase (decrease) in net position	9,359	14,426	6,100	8,338	15,459	22,764
Net position – Beginning	130,963	116,537	107,409	99,071	238,372	215,608
Net position – Ending	$140,322	$130,963	$113,509	$107,409	$253,831	$238,372

Governmental Activities - Governmental activities increased the City's net position by $9.4 million, thereby accounting for a portion of the total growth in the net position of the City. Contributing to this growth was the City's increase in revenues driven primarily by sales tax collections, unanticipated oil and gas distributions and decreases in expenditures due to staffing challenges, operational savings, and capital projects which were deferred or reevaluated.

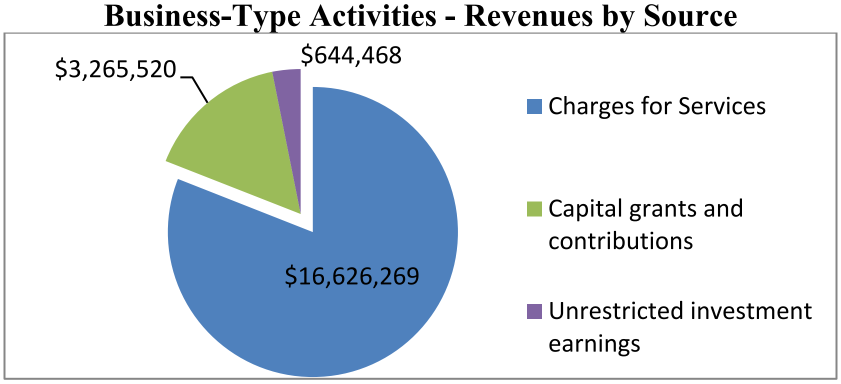


Business-type Activities - Business-type activities increased the City's net position by $6.1 million.

Business-Type Activities - Charges for Services and Expenses



Business-Type Activities - Revenues by Source



DETAILED ANALYSES 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, 2025, the City's governmental funds reported ending fund balances of $69.5 million, an increase of $17.7 million from the prior year. Approximately 15.8 percent of this total amount ($11 million) constitutes unassigned fund balance, which is available for spending at the City's discretion. The remainder of fund balance ($58.5 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, 2025, the unassigned fund balance of the general fund was $11 million. As a measure of the General Fund's liquidity, it may be useful to compare total unassigned fund balance to total fund expenditures. Total unassigned fund balance represents 40 percent of total General Fund expenditures. The decrease in the fund balance of the General Fund was $1.9 million during 2025.

Council priorities in 2025 included identification of realistic and achievable revenue levels to fund essential staffing and operational needs, and complete critical infrastructure and capital projects.

In 2025, taxes were the General Fund's largest source of revenue at 66 percent, or $14.4 million.

The Emergency Contingency Fund ended the 2025 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, Wastewater and Storm Drainage funds as of December 31, 2025, amounted to $66.1 million, $34.9 million, and $12.5 million, respectively. The total change in net position for the three funds during 2025 was $2 million of growth, $3.4 million of growth, and $659 thousand of growth, 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 2025 original budget and the final revised expenditure budget was $8.6 million. The major appropriations approved during the year were:

- Just over $1 million in budget to replace equipment, technology security improvements, and sign shop supplies, in addition to budget for traffic calming improvements.
- $850 thousand to complete projects like streetlight installation, design and construction of a City entryway sign, and redevelopment of Renaissance Park playground.
- Approximately $6 million of project budgets carried forward to the 2025 budget, to include items such as: design cost for the new police station, construction of infrastructure improvements and roadway at Highway 85 and 31st Street, completion of the Ridge Park playground, and replacement of police vehicles and equipment.

During the year, actual revenues and other financing sources were $25.6 million, which exceeded final budgetary estimates by $3.8 million. General fund sales and use tax collections, severance taxes, unanticipated oil and gas royalties, development related revenue and improving interest income all contributed to this increase.

Actual expenditures and other financing uses totaled $27.4 million which was $8.3 million under budgeted expenditures and other financing uses. The fund balance as of December 31, 2025, was $23.1 million. Of this amount, $1 million is restricted for emergencies, $252 thousand is committed for functions related to designated revenue, $10.8 million is assigned for intended projects, and $11 million is unassigned and available for appropriations as the City Council sees fit.

SIGNIFICANT CAPITAL ASSET AND LONG-TERM FINANCING ACTIVITY

Capital Assets - The City's investment in capital assets for its governmental and business-type activities as of December 31, 2025, amounted to $144.8 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, open space, trail, and park improvements, water supply projects, storm drainage improvements, and construction of a new police station.
- New major assets included police vehicle replacements, heavy equipment replacements, infrastructure improvements at Southgate Drive, completion of Ridge Park playground, redevelopment of Renaissance Park and Hunters Reserve Park, and installation of ADA ramps.

City of Evans Capital Assets
(net of depreciation)

	Governmental Activities		Business-Type Activities		Total	
	2025	2024	2025	2024	2025	2024
Land and water shares	$11,116	$11,089	$36,417	$36,446	$47,533	$47,535
Landscaping	1,785	2,637	-	-	1,785	2,637
Construction in progress	27,106	11,362	10,976	9,648	38,082	21,010
Intangible assets	125	120	16	19	141	139
Intangible right-to-use SBITA	798	706	-	-	798	706
Land improvements	10,204	6,941	-	-	10,204	6,941
Building & improvements	7,310	7,709	-	-	7,310	7,709
System improvements	-	-	58,696	60,930	58,696	60,930
Machinery & equipment	3,144	1,503	3,761	3,729	6,905	5,232
Transportation equipment	790	722	-	-	790	722
Infrastructure	25,954	35,869	1,016	1,058	26,970	36,927
Total	$88,332	$78,658	$110,882	$111,830	$199,214	$190,488

Additional information on the City's capital assets can be found in the notes to the financial statements on pages 24-25 of this report.

Debt - As of December 31, 2025, the City had one $26.8 million certificate of participation issued for the construction of the new police station. In addition, the City has $34 million in Colorado Water Resources and Power Development Authority ("CWRPDA") notes payable.

City of Evans Outstanding Debt

	Governmental Activities		Business-Type Activities		Total	
	2025	2024	2025	2024	2025	2024
2025 COP	$26,820	$ -	$ -	$ -	$26,820	$ -
Premium	129	-	-	-	129	$ -
SBITA obligations	701	636	-	-	701	636
Water loans	-	-	-	-	-	-
Wastewater loans	-	-	27,216	29,118	27,216	29,118
Storm Drainage loans	-	-	6,880	7,266	6,880	7,266
Compensated Absences	1,029	872	216	166	1,245	1,038
Total	$28,679	$1,508	$34,312	$36,550	$62,991	$38,058

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 26-28 of this report.

CURRENTLY KNOWN FACTS, DECISIONS, OR CONDITIONS

- Population has fluctuated slightly over the past several years with a current estimate of approximately 22,500.
- The City's sales and use tax revenue decreased by 3.3 percent in 2025, attributed to increases in economic activity and inflationary impacts on pricing. Collections in almost all sales tax categories were up over 2024 collections, with notable growth from convenience stores, industrial collections, and online sales into Evans. In spite of these increases, use tax collections were down from 2024 collections.
- Significant attention was placed on balancing the City's commitment to its workforce, fiscal discipline, and future economic growth in the 2026 budget. A 5 percent reduction in expenditures for supplies and services was necessary to carefully manage resources.
- Economic development efforts to expand opportunities in Evans will remain a key focus area in 2026, as will completion of critical roadway and infrastructure improvements.
- Long-term financial sustainability and fiscal stewardship will drive future budget development for 2026 and beyond.
- Future plans to continue widening the 37th Street corridor, complete construction of a new police station, design expansion and improvements to the Wastewater Treatment Plant will remain high-priority projects for the Evans community.

All of these factors were considered in preparing the City's budget for the 2026 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, 2025

	Governmental Activities	Business-Type Activities	Totals
Assets			
Cash and Investments	$ 47,360,014	$ 31,577,458	$ 78,937,472
Restricted Cash and Investments	1,000,000	1,015,225	2,015,225
Funds Held by Trustee	23,327,550	-	23,327,550
Accounts Receivable	4,299,745	5,999,965	10,299,710
Prepaid Expenses	252	-	252
Capital Assets, *Not Being Depreciated*	38,221,930	47,392,788	85,614,718
Capital Assets, *Net of Accumulated Depreciation*	60,108,980	63,488,217	123,597,197
Total Assets	174,318,471	149,473,653	323,792,124
Deferred Outflow of Resources			
Pension	1,000,532	-	1,000,532
Liabilities			
Accounts Payable	3,455,284	1,340,317	4,795,601
Retainage Payable	562,948	-	562,948
Accrued Liabilities	136,063	16,014	152,077
Accrued Interest Payable	107,267	90,468	197,735
Deposits and Escrows	263,673	-	263,673
Unearned Revenue	347,225	205,111	552,336
Other Liabilities	399,216	-	399,216
Noncurrent Liabilities			
Due Within One Year	907,176	2,321,009	3,228,185
Due in More Than One Year	27,772,353	31,991,379	59,763,732
Total Liabilities	33,951,205	35,964,298	69,915,503
Deferred Inflows of Resources			
Deferred Property Taxes	1,028,957	-	1,028,957
Pension	16,714	-	16,714
Deferred Inflows of Resources	1,045,671	-	1,045,671
Net Positions			
Net Investment in Capital Assets	77,149,040	67,663,966	144,813,006
Restricted for:			
Emergencies	1,000,000	-	1,000,000
Street Construction	15,821,673	-	15,821,673
Parks and Recreation	1,234,691	-	1,234,691
Unrestricted	45,116,723	45,845,389	90,962,112
Total Net Position	$ 140,322,127	$ 113,509,355	$ 253,831,482

City of Evans, Colorado
Statement of Activities
For the Year Ended December 31, 2025

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Change in Net Position: Governmental Activities	Net (Expense) Revenue and Change in Net Position: Business-Type Activities	Net (Expense) Revenue and Change in Net Position: Totals
Primary Government							
Governmental Activities							
General Government	$ 7,617,841	$ 933,669	$ 605,406	$ -	$ (6,078,766)	$ -	$ (6,078,766)
Public Safety	9,404,601	659,594	25,148	-	(8,719,859)	-	(8,719,859)
Public Works	7,135,531	3,169,273	-	1,639,036	(2,327,222)	-	(2,327,222)
Culture, Parks and Recreation	2,920,258	1,178,548	-	-	(1,741,710)	-	(1,741,710)
Community Development	1,562,524	985,069	-	-	(577,455)	-	(577,455)
Interest and Fiscal Charges	765,862	-	-	-	(765,862)	-	(765,862)
Total Governmental Activities	29,406,617	6,926,153	630,554	1,639,036	(20,210,874)	-	(20,210,874)
Business-Type Activities							
Water	7,603,518	8,401,713	-	1,572,862	-	2,371,057	2,371,057
Wastewater	4,297,680	6,341,108	-	1,583,466	-	3,626,894	3,626,894
Storm Drainage	955,992	1,883,448	-	109,192	-	1,036,648	1,036,648
Total Business-Type	12,857,190	16,626,269	-	3,265,520	-	7,034,599	7,034,599
Total Primary Government	$ 42,263,807	$ 23,552,422	$ 630,554	$ 4,904,556	(20,210,874)	7,034,599	(13,176,275)

	Governmental Activities	Business-Type Activities	Totals
General Revenues			
Taxes:			
Property Taxes	936,115	-	936,115
Specific Ownership Taxes	35,846	-	35,846
Sales and Use Taxes	19,829,728	-	19,829,728
Franchise Taxes	17,950	-	17,950
Other Taxes	300,083	-	300,083
Grants and Contributions not Restricted to Specific Programs	2,361,875	-	2,361,875
Investment Income	1,813,755	644,468	2,458,223
Other Revenues	1,353,793	-	1,353,793
Gain on Disposal of Capital Assets	1,282,024	56,893	1,338,917
Transfers	1,637,956	(1,635,370)	2,586
Total General Revenues and Transfers	29,569,125	(934,009)	28,635,116
Change in Net Position	9,358,251	6,100,590	15,458,841
Net Position, *Beginning of Year*	130,963,876	107,408,765	238,372,641
Net Position, *End of Year*	$ 140,322,127	$ 113,509,355	$ 253,831,482

City of Evans, Colorado
Balance Sheet
Governmental Funds
December 31, 2025

	General	Street Construction	Road Tax	Food Tax	Evans Redevelopment Agency	Nonmajor Governmental Funds	Totals
Assets							
Cash and Investments	$ 21,110,773	$ 2,848,764	$ 4,895,163	$ 3,779,090	$ 1,770,806	$ 12,955,418	$ 47,360,014
Restricted Cash and Investments	1,000,000	-	-	-	-	-	1,000,000
Funds Held by Trustee	-	-	-	23,327,550	-	-	23,327,550
Accounts Receivable	202,158	178,723	441,452	229,470	369	355,797	1,407,969
Taxes Receivable	968,221	-	-	-	-	-	968,221
Property Taxes Receivable	1,748,220	-	-	-	-	-	1,748,220
Grants Receivable	175,335	-	-	-	-	-	175,335
Prepaid Expenditures	252	-	-	-	-	-	252
Total Assets	$ 25,204,959	$ 3,027,487	$ 5,336,615	$ 27,336,110	$ 1,771,175	$ 13,311,215	$ 75,987,561
Liabilities							
Accounts Payable	$ 635,489	$ 98,879	$ 566,798	$ 1,669,517	$ 129,969	$ 354,632	$ 3,455,284
Retainage Payable	-	156,862	205,223	162,166	-	38,697	562,948
Accrued Liabilities	136,063	-	-	-	-	-	136,063
Deposits and Escrow	263,673	-	-	-	-	-	263,673
Unearned Revenue	60,788	-	-	-	-	586,453	647,241
Other Liabilities	10,213	283,003	-	-	-	106,000	399,216
Total Liabilities	1,106,226	538,744	772,021	1,831,683	129,969	1,085,782	5,464,425
Deferred Inflows of Resources							
Deferred Property Taxes	1,028,957	-	-	-	-	-	1,028,957
Deferred Inflows of Resources	1,028,957	-	-	-	-	-	1,028,957
Fund Balances							
Nonspendable	252	-	-	-	-	-	252
Restricted	1,000,000	2,488,743	4,564,594	25,504,427	-	602,472	34,160,236
Committed	251,544	-	-	-	-	-	251,544
Assigned	10,809,709	-	-	-	1,641,206	11,622,961	24,073,876
Unrestricted, Unassigned	11,008,271	-	-	-	-	-	11,008,271
Total Fund Balances	23,069,776	2,488,743	4,564,594	25,504,427	1,641,206	12,225,433	69,494,179
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 25,204,959	$ 3,027,487	$ 5,336,615	$ 27,336,110	$ 1,771,175	$ 13,311,215	$ 75,987,561

See Notes to the Financial Statements.

City of Evans, Colorado
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position
December 31, 2025

Amounts Reported for Governmental Activities in the Statement of Net Position are Different Because:

Total Fund Balances of Governmental Funds	$ 69,494,179
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in governmental funds.	98,330,910
Revenues earned and not received within 60 days of year-end are reported as deferred inflows of resources in the governmental funds.	300,016
Long-term liabilities and related items are not due and payable in the current year and, therefore, are not reported in governmental funds:	
Certificate of Participation	(26,820,000)
Certificate of Participation Premium	(129,095)
Right-to-Use SBITDA Obligations	(701,236)
Accrued Interest Payable	(107,267)
Compensated Absences Payable	(1,029,198)
Pension asset and related deferred inflows and deferred outflows of resources are not current financial resources and, therefore, are not reported in the governmental funds.	
Deferred Outflows of Resources	1,000,532
Deferred Inflows of Resources	(16,714)
Total Net Position of Governmental Activities	$ 140,322,127

See Notes to the Financial Statements.

City of Evans, Colorado

Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2025

	General	Street Construction	Road Tax	Food Tax	Evans Redevelopment Agency	Nonmajor Governmental Funds	Totals
Revenues							
Taxes	$ 14,381,663	$ -	$ 4,401,832	$ 2,336,227	$ -	$ -	$ 21,119,722
Licenses and Permits	1,562,004	-	-	-	-	1,200	1,563,204
Intergovernmental	2,086,160	810,043	-	-	-	275,715	3,171,918
Grants and Contributions	630,554	179,190	-	-	-	649,803	1,459,547
Charges for Services	331,926	-	-	-	-	1,256,264	1,588,190
Fines and Forfeitures	305,620	-	-	-	-	-	305,620
Investment Income	1,178,786	67,299	175,879	116,353	-	275,438	1,813,755
Assessments	-	-	-	-	-	3,469,139	3,469,139
Miscellaneous	1,247,209	3,662	-	-	69,412	33,510	1,353,793
Total Revenues	21,723,922	1,060,194	4,577,711	2,452,580	69,412	5,961,069	35,844,888
Expenditures							
Current							
General Government	6,662,697	-	-	-	-	316,845	6,979,542
Public Safety	8,075,288	-	-	-	-	191,714	8,267,002
Public Works	3,203,390	30,409	92,868	-	-	1,226,195	4,552,862
Culture, Parks and Recreation	1,754,665	-	-	-	-	30,952	1,785,617
Community Development	1,352,035	-	-	-	191,565	-	1,543,600
Capital Outlay	6,396,971	1,411,684	8,404,322	5,232,667	-	2,534,856	23,980,500
Debt Service							
Interest and Fees	-	-	-	654,327	-	-	654,327
Debt Issuance Cost	-	-	-	321,322	-	-	321,322
Total Expenditures	27,445,046	1,442,093	8,497,190	6,208,316	191,565	4,300,562	48,084,772
Excess of Revenues Over (Under) Expenditures	(5,721,124)	(381,899)	(3,919,479)	(3,755,736)	(122,153)	1,660,507	(12,239,884)
Other Financing Sources (Uses)							
Proceeds from:							
Subscription Agreements	1,787,768	-	-	-	1,300,000	-	3,087,768
Sale of Capital Assets	1,369	-	-	-	-	-	1,369
Issuance of Debt	-	-	-	25,164,890	-	-	25,164,890
Transfers In	1,697,909	-	-	-	-	-	1,697,909
Transfers Out	371,686	-	-	(371,686)	-	(59,953)	(59,953)
Total Other Financing Sources (Uses)	3,858,732	-	-	24,793,204	1,300,000	(59,953)	29,891,983
Net Change in Fund Balances	(1,862,392)	(381,899)	(3,919,479)	21,037,468	1,177,847	1,600,554	17,652,099
Fund Balances, *Beginning of Year*	24,932,168	2,870,642	8,484,073	4,466,959	463,359	10,624,879	51,842,080
Fund Balances, *End of Year*	$ 23,069,776	$ 2,488,743	$ 4,564,594	$ 25,504,427	$ 1,641,206	$ 12,225,433	$ 69,494,179

City of Evans, Colorado

Reconciliation of the Statement of Revenues, Expenditures and Changes in
Fund Balances of Governmental Funds to the Statement of Activities
Governmental Funds
For the Year Ended December 31, 2025

Amounts Reported for Governmental Activities in the Statement of Activities are Different Because:

Net Change in Fund Balances of Governmental Funds	$ 17,652,099
Capital outlays to purchase or construct capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are capitalized in the statement of net position and are allocated over their estimated useful lives as annual depreciation expense in the statement of activities.	
Capital Outlay	24,160,960
Depreciation Expense	(4,467,222)
Loss on Disposal of Assets	(19,347)
Repayments of debt principal are expenditures in governmental funds, but the repayments reduce long-term liabilities in the statement of net position and do not affect the statement of activities.	
Debt Principal Payment	257,307
Amortization of COP Premiums	3,563
Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position and does not affect the statement of activities. This is the net effect of these differences in the treatment of long-term debt and related items.	
Proceeds from Issuance of New Debt	(27,275,543)
Pension asset and related deferred inflows and deferred outflows of resources are not current financial resources and, therefore, are not reported in the governmental funds.	
Deferred Outflows of Resources	(698,781)
Deferred Inflows of Resources	9,858
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	
Accrued Interest Payable	(107,267)
Compensated Absences Payable	(157,376)
Change in Net Position of Governmental Activities	$ 9,358,251

City of Evans, Colorado
Statement of Net Position
Proprietary Funds
December 31, 2025

	Water	Wastewater	Strom Drainage	Totals
Assets				
Current Assets				
Cash and Investments	$ 11,326,446	$ 19,220,032	$ 1,030,980	$ 31,577,458
Restricted Cash and Investments	-	819,679	195,546	1,015,225
Accounts Receivable	633,770	555,753	156,535	1,346,058
Loan Proceeds Receivable, net	-	-	4,653,907	4,653,907
Total Current Assets	11,960,216	20,595,464	6,036,968	38,592,648
Noncurrent Assets				
Capital Assets*, Not Being Depreciated*	43,017,718	2,050,845	2,324,225	47,392,788
Capital Assets*, Net of Accumulated Depreciation*	12,460,049	39,777,808	11,250,360	63,488,217
Total Noncurrent Assets	55,477,767	41,828,653	13,574,585	110,881,005
Total Assets	67,437,983	62,424,117	19,611,553	149,473,653
Liabilities				
Current Liabilities				
Accounts Payable	1,184,551	116,320	39,446	1,340,317
Accrued Liabilities	6,328	6,706	2,980	16,014
Accrued Interest Payable	-	70,687	19,781	90,468
Deposits and Escrow	43,603	36,205	125,303	205,111
Current Portion of Noncurrent Liabilities				
Note Payable	-	1,932,942	388,067	2,321,009
Total Current Liabilities	1,234,482	2,162,860	575,577	3,972,919
Noncurrent Liabilities				
Compensated Absences	82,767	106,083	27,209	216,059
Note Payable	-	25,283,289	6,492,031	31,775,320
Total Noncurrent Liabilities	82,767	25,389,372	6,519,240	31,991,379
Total Liabilities	1,317,249	27,552,232	7,094,817	35,964,298
Net Position				
Net Investment in Capital Assets	46,911,075	14,207,054	6,545,837	67,663,966
Unrestricted	19,209,659	20,664,831	5,970,899	45,845,389
Total Net Position	$ 66,120,734	$ 34,871,885	$ 12,516,736	$ 113,509,355

City of Evans, Colorado
Statement of Revenues, Expenses and Changes in Net Position
Proprietary Funds
For the Year Ended December 31, 2025

	Water	Wastewater	*(Nonmajor)* Strom Drainage	Totals
Operating Revenues				
Water/Sewer/Drainage Sales	$ 7,168,447	$ 6,341,108	$ 1,883,448	$ 15,393,003
Non-Potable Water Sales	1,037,419	-	-	1,037,419
Water Meters	124,540	-	-	124,540
Other Sales	71,307	-	-	71,307
Miscellaneous	56,893	-	-	56,893
Total Operating Revenues	8,458,606	6,341,108	1,883,448	16,683,162
Operating Expenses				
Water Supply and Administration	6,814,623	-	-	6,814,623
Wastewater and Administration	-	1,663,232	-	1,663,232
Storm Drainage and Administration	-	-	381,960	381,960
Depreciation	788,895	2,128,968	471,374	3,389,237
Total Operating Expenses	7,603,518	3,792,200	853,334	12,249,052
Net Operating Income	855,088	2,548,908	1,030,114	4,434,110
Nonoperating Revenues (Expenses)				
Investment Income	218,731	417,253	8,484	644,468
Debt Interest and Fiscal Charges	-	(505,480)	(102,658)	(608,138)
Total Nonoperating Revenues (Expenses)	218,731	(88,227)	(94,174)	36,330
Net Income Before Capital Contributions and Transfers	1,073,819	2,460,681	935,940	4,470,440
Capital Contributions and Transfers				
Plant Investment Fees and Cash in Lieu of Fees	1,572,862	1,583,466	109,192	3,265,520
Transfers Out	(624,101)	(625,509)	(385,760)	(1,635,370)
Change in Net Position	2,022,580	3,418,638	659,372	6,100,590
Net Position, *Beginning of Year*	64,098,154	31,453,247	11,857,364	107,408,765
Net Position, *End of Year*	$ 66,120,734	$ 34,871,885	$ 12,516,736	$ 113,509,355

See Notes to the Financial Statements.

City of Evans, Colorado
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2025

	Water	Wastewater	Storm Water	Totals
Cash Flows From Operating Activities				
Cash Received from Customers	$ 8,411,623	$ 6,316,578	$ 1,829,032	$ 16,557,233
Cash Received from Others	56,893	-	-	56,893
Cash Payments to Employees	4,511	(3,205)	984	2,290
Cash Payments to Vendors and Suppliers	(5,937,385)	(1,789,054)	(491,982)	(8,218,421)
Net Cash Provided by Operating Activities	2,535,642	4,524,319	1,338,034	8,397,995
Cash Flows From Noncapital Financing Activities				
Transfers to Other Funds	(624,101)	(625,509)	(385,760)	(1,635,370)
Net Cash Used in Noncapital Financing Activities	(624,101)	(625,509)	(385,760)	(1,635,370)
Cash Flows From Capital and Related Financing Activities				
Purchases of Capital Assets	(1,553,574)	(632,003)	(234,342)	(2,419,919)
Water Dedication Fees Received	1,572,862	-	-	1,572,862
System Investment Fees Received	-	1,583,466	109,192	1,692,658
Debt Principal Payments	-	(1,901,333)	(385,682)	(2,287,015)
Debt Interest Payments	-	(517,564)	(104,908)	(622,472)
Net Cash Provided by (Used in) Capital and Related Financing Activities	19,288	(1,467,434)	(615,740)	(2,063,886)
Cash Flows From Investing Activities				
Interest Received	218,731	417,253	8,484	644,468
Net Increase In Cash	2,149,560	2,848,629	345,018	5,343,207
Cash, *Beginning of Year*	9,176,886	17,191,082	881,508	27,249,476
Cash, *End of Year*	$ 11,326,446	$ 20,039,711	$ 1,226,526	$ 32,592,683
Reconciliation of Net Operating Income to Net Cash Provided by (Used in) Operating Activities				
Net Operating Income	$ 855,088	$ 2,548,908	$ 1,030,114	$ 4,434,110
Adjustments to Reconcile Net Operating Income to Net Cash Provided by (Used in) Operating Activities				
Depreciation	798,895	2,128,968	471,374	3,399,237
Changes in Assets and Liabilities				
Accounts Receivable	9,910	(24,530)	(54,416)	(69,036)
Accounts Payable	867,238	(125,822)	(110,022)	631,394
Accrued Liabilities	(16,656)	(22,040)	(9,434)	(48,130)
Compensated Absences Payable	21,167	18,835	10,418	50,420
Net Cash Provided by (Used in) Operating Activities	$ 2,535,642	$ 4,524,319	$ 1,338,034	$ 8,397,995

See Notes to the Financial Statements.

City of Evans, Colorado
Statement of Fiduciary Net Position
Fiduciary Funds
December 31, 2025

		Cemetery Endowment
Assets		
Restricted Cash and Investments	$	49,470
Total Assets	$	49,470
Net Position		
Restricted	$	49,470
Total Net Position	$	49,470

See Notes to the Financial Statements.

City of Evans, Colorado

Statement of Changes in Fiduciary Net Position
Fiduciary Funds
December 31, 2025

	Cemetery Endowment
Additions	
Earnings on Investments	$ 2,586
Total Additions	2,586
Transfers	
Transfers Out	(2,586)
Total Transfers	(2,586)
Change in Net Position	-
Net Position, *Beginning of Year*	49,470
Net Position, *End of Year*	$ 49,470

See Notes to the Financial Statements.

Note 1: Summary of Significant Accounting Policies

The financial statements of the City of Evans, Colorado (the City) have been prepared in conformity with generally accepted accounting principles (GAAP) as applicable to governmental entities. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the City's accounting policies are described below.

Reporting Entity

The City of Evans, Colorado (the "City") was founded on November 22, 1869, as a statutory city. On April 30, 1970, 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.

As defined by GAAP, 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; of

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 this criteria, the City does include additional organizations in its 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.

Note 1: Summary of Significant Accounting Policies (Continued)

Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all activities of the City. For the most part, the effect of interfund activity has been removed from these statements. Exceptions to this general rule are charges for interfund services that are reasonably equivalent to the services provided. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of the given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *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 segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*. Internally dedicated resources are reported as general revenues rather than as program revenues.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual 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 financial statements. Revenues are recorded when earned and expenses are recorded when the 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.

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 collected within the current year or soon enough thereafter to pay liabilities of the current year. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current year.

Taxes, intergovernmental revenues, and interest associated with the current year are considered to be susceptible to accrual and so have been recognized as revenues of the current year. All other revenues are considered measurable and available only when cash is received by the City.

Note 1: Summary of Significant Accounting Policies (Continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation *(Continued)*

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, are recorded only when payment is due.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a fund's principal ongoing operations. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for a specific use, it is the City's practice to use restricted resources first, then unrestricted resources as they are needed.

In the fund financial statements, the City reports the following major governmental funds:

> *General Fund* - The General Fund is the general operating fund of the City. It is used for all financial resources, except those required to be accounted for in another fund. In addition, the Emergency Contingency Reserve Fund, used for the 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.

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

Note 1: Summary of Significant Accounting Policies (Continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation *(Continued)*

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 include the cost of operations and maintenance and depreciation on capital assets. All revenue and expenses not meeting this definition are reported as non-operating revenues and expenses.

In addition, the City reports the following major proprietary funds:

> The *Water Fund* accounts for the financial activities associated with the provision of water services to the City residents.
>
> The *Wastewater Fund* accounts for the financial activities associated with the operation and maintenance of the sewer system.
>
> The Storm Drainage Fund accounts for the financial activities associated with the operation and maintenance of the storm drainage system.

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

Assets, Liabilities and Net Position/Fund Balances

Cash Equivalents - For purposes of the statement of cash flows, cash equivalents include investment with original maturities of three months or less.

Receivables - Receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

Prepaid Expenses - Certain payments to vendors reflect costs applicable to future years and are reported as prepaid expenses using the consumption method.

Capital Assets - Capital assets, which include land, buildings, utility systems, equipment, and all infrastructure owned by the City, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and the proprietary funds in the fund 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 are recorded at the acquisition value on the date of donation. The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend asset lives are not capitalized.

Note 1: Summary of Significant Accounting Policies (Continued)

Assets, Liabilities and Net Position/Fund Balances *(Continued)*

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

Land Improvements	5 - 50 years
Buildings and Improvements	5 - 50 years
Infrastructure	10 - 30 years
Machinery and Equipment	5 – 20 years
Transportation Equipment	6 – 15 years
System Improvement	5 – 40 years
Intangible Assets	10 years
Subscription Based Technology Arrangements (“SBITAs)	Life of the Contract

Deferred Inflows of Resources - Property taxes earned but are levied for a subsequent year are reported as deferred inflows of resources in the financial statements.

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

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

Long-Term Debt - In the government-wide financial statements and the proprietary funds in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities. Debt premiums, discounts and accounting losses resulting from debt refunding’s are deferred and amortized over the life of the debt using the straight-line method. In the governmental fund financial statements, the face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts are reported as other financing uses.

Debt issuance costs, whether or not withheld from the debt proceeds, are reported as current expenses or expenditures.

Net Position/Fund Balances - In the government-wide and fund financial statements, net position and fund balances are restricted when constraints placed on the use of resources are externally imposed. In the fund financial statements, governmental funds report committed fund balances when the City Council approves an ordinance that places constraints on the use of resources for a specific purpose. Assigned fund balances arise from an informal action of the City Council.

Note 1: Summary of Significant Accounting Policies (Continued)

Assets, Liabilities and Net Position/Fund Balances *(Continued)*

The City has not established a formal policy for its use of restricted and unrestricted fund balances. However, if both restricted and unrestricted fund balances are available for a specific purpose, the City uses restricted fund balances first, followed by committed, assigned, and unassigned balances.

SBITA Obligations

The City's subscription-based information technology arrangements (SBITAs) that are long term in nature are recorded at the present value of the future payments required under the arrangements. Right-to-use SBITA assets are recorded at the present value and amortized over the term of the arrangement. For individual SBITA contracts, where information about the discount rate implicit in the arrangement is not included, the City has elected to use the incremental borrowing rate to calculate the present value of expected returns.

Property Taxes

Property taxes are levied prior to December 31st and attach as an enforceable lien on property on January 1st. Taxes are payable in full on April 30 or in two installments on February 28th and June 15th. 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, receivables and corresponding deferred inflows of resources are reported at year end.

Subsequent Event

We have evaluated subsequent events through June 2, 2026, the date the financial statements were available to be issued.

Note 2: Cash and Investments

A summary of cash and investments at December 31, 2025, follows:

	Total
Petty Cash	$ 1,964
Deposits	28,431,934
Investments	52,568,269
Total	$ 81,002,167

Note 2: Cash and Investments (Continued)

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

	Total
Unrestricted Cash and Investments	
Governmental Activities	$ 47,360,014
Business-Type Activities	31,577,458
Restricted Cash and Investments	
Governmental Activities	1,000,000
Business-Type Activities	1,015,225
Fiduciary Funds	49,470
Total	$ 81,002,167

Cash Deposits

Cash consists of the following components:

	Total
Bank Deposits	$ 26,048,300
Money Market Funds	1,776,341
Certificates of Deposits	607,293
Total	$ 28,431,934

The Colorado Public Deposit Protection Act (PDPA) requires all local government entities to 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 PDPA allows the financial institution to create a single collateral pool for all public funds held. The pool is to be maintained by another institution or held in trust for all uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits. At December 31, 2025, the City had bank deposits of $24,902,299 collateralized with securities held by the financial institution’s agent but not in the City’s name.

Note 2: Cash and Investments (Continued)

Investments

At December 31, 2025, the City had the following investments:

Investments	S&P Rating	Moody Rating	Less Than 1 Year	1 to 5 Years	Total
ColoTrust	AAAm	NR	$ 28,924,109	$ -	$ 28,924,109
CSAFE	AAAm	NR	2,688	-	2,688
Cash	NR	NR	319,700	-	319,700
US Treasuries	AA+	AAA	488,935	-	488,935
US Instrumentals	AA+	AAA	3,406,747	17,962,552	21,369,299
Certificates of Deposits	NR	NR	1,216,028	247,510	1,463,538
Total Investments			$ 34,358,207	$ 18,210,062	$ 52,568,269

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 price in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

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

Investments	Level 1	Level 2	Level 3	Total
ColoTrust	$ 28,924,109	$ -	$ -	$ 28,924,109
CSAFE	2,688	-	-	2,688
Cash	319,700	-	-	319,700
US Treasuries	-	488,935	-	488,935
US Instrumentals	-	21,369,299	-	21,369,299
Certificates of Deposits	-	1,463,538	-	1,463,538
Total Investments	$ 29,246,497	$ 23,321,772	$ -	$ 52,568,269

The City is required to comply with State statutes which specify investment instruments meeting defined rating, maturity, and concentration risk criteria in which the City may invest, which include the following. State statutes do not address custodial risk.

- Obligations of the United States and certain U.S. Agency securities
- Certain international agency securities
- General obligation and revenue bonds of U.S. local government entities
- Bankers' acceptances of certain banks
- Commercial paper
- Local government investment pools
- Written repurchase agreements collateralized by certain authorized securities
- Certain money market funds
- Guaranteed investment contracts (GICs)

Note 2: Cash and Investments (Continued)

Investments *(Continued)*

Interest Rate Risk - State statutes generally limit the maturity of investment securities to five years from the date of purchase unless the Governing Board authorizes the investment for a period in excess of five years.

Credit Risk - State statutes limit certain investments to those with specified ratings from nationally recognized statistical rating organizations, depending on the type of investment.

Concentration of Credit Risk - State statutes do not limit the amount the City may invest in one issuer of investment securities, except for corporate securities. At December 31, 2025, the City's investments in ColoTrust, U.S. Treasury, US Instruments, and Certificate of Deposits represented 55%, 1%, 41% and 3%, respectively.

Local Government Investment Pools - At December 31, 2025, the City had $28,924,109 invested 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 three portfolios, COLOTRUST PRIME and COLOTRUST PLUS+ and EDGE. COLOTRUST PRIME invests only in U.S. Treasury, government agencies, and in the highest-rate commercial paper. A designated custodial bank services as custodian for the Trust's portfolios pursuant to a custodian agreement.

At December 31, 2025, the City had $2,688 invested in the Colorado Surplus Asset Fund Trust (CSAFE). The pool is an investment vehicle established for local government entities in Colorado to pool surplus funds. The Colorado Division of Securities administers and enforces the requirements of creating and operating the pools. The pools operate in conformity with the Securities and Exchange Commission's Rule 2a-7. The pool is measured at the net asset value per share, with each share valued at $1. The pool is rated AAAm by Standard and Poor's. Investments of the pool are limited to those allowed by State statutes. A designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. The custodian's internal records identify the investments owned by the participating governments.

City of Evans, Colorado
Notes to Financial Statements
December 31, 2025

Note 3: Capital Assets

Capital asset activity for the year ended December 31, 2025, is summarized below.

	Balance 12/31/24	Additions	Transfers	Deletions	Balance 12/31/25
Governmental Activities					
Capital Assets, *Not Being Depreciated*					
Land	$ 11,089,007	$ 26,845	$ -	$ -	$ 11,115,852
Construction in Progress	11,361,582	15,772,937	(28,441)	-	27,106,078
Total Capital Assets, *Not Being Depreciated*	22,450,589	15,799,782	(28,441)	-	38,221,930
Capital Assets, *Being Depreciated*					
Buildings and Improvements	13,413,671	-	-	-	13,413,671
Infrastructure	52,335,546	6,107,475	28,441	-	58,471,462
Landscaping	2,637,078	-	-	-	2,637,078
Land Improvements	13,709,765	-	-	-	13,709,765
Machinery and Equipment	4,156,640	1,493,568	-	(163,764)	5,486,444
Transportation Equipment	2,964,163	413,969	-	(443,822)	2,934,310
Intangible Assets	403,317	-	-	-	403,317
Right-to-Use SBITA	793,006	346,165	31,628	-	1,170,799
Total Capital Assets, *Being Depreciated*	90,413,186	8,361,177	60,069	(607,586)	98,226,846
Less Accumulated Depreciation					
Buildings and Improvements	(5,776,008)	(327,924)	-	-	(6,103,932)
Infrastructure	(19,743,589)	(2,774,194)	-	-	(22,517,783)
Landscaping	(343,752)	(508,440)	-	-	(852,192)
Land Improvements	(3,462,376)	(42,969)	-	-	(3,505,345)
Machinery and Equipment	(2,228,757)	(270,157)	-	156,174	(2,342,740)
Transportation Equipment	(2,300,201)	(276,601)	-	432,065	(2,144,737)
Intangible Assets	(265,089)	(13,250)	-	-	(278,339)
Right-to-Use SBITA	(87,483)	(253,687)	(31,628)	-	(372,798)
Total Accumulated Depreciation	(34,207,255)	(4,467,222)	(31,628)	588,239	(38,117,866)
Total Capital Assets, *Being Depreciated, net*	56,205,931	3,893,955	28,441	(19,347)	60,108,980
Governmental Activities Capital Assets, *net*	$ 78,656,520	$ 19,693,737	$ -	$ (19,347)	$ 98,330,910

Depreciation expense was charged to programs of the City as follows:

Governmental Activities	Total
General Government	$ 425,634
Public Safety	356,925
Public Works	2,588,196
Culture, Parks and Recreation	1,088,080
Community Development	8,387
Total	$ 4,467,222

Note 3: Capital Assets (Continued)

	Balance 12/31/24	Additions	Transfers	Deletions	Balance 12/31/25
Business-Type Activities					
Capital Assets, *Not Being Depreciated*					
Investment in Greeley Water	$ 7,802,013	$ -	$ -	$ -	$ 7,802,013
Water Rights	28,332,605	-	-	(48,600)	28,284,005
Land	331,189	-	-	-	331,189
Construction in Progress	9,648,100	1,853,369	(525,888)	-	10,975,581
Total Capital Assets, *Not Being Depreciated*	46,113,907	1,853,369	(525,888)	(48,600)	47,392,788
Capital Assets, Being Depreciated					
System Improvements	100,284,823	91,407	525,888	-	100,902,118
Machinery and Equipment	8,285,947	523,743	-	(28,043)	8,781,647
Intangible Assets	200,377	-	-	-	200,377
Infrastructure	1,335,430	-	-	-	1,335,430
Total Capital Assets, *Being Depreciated*	110,106,577	615,150	525,888	(28,043)	111,219,572
Less Accumulated Depreciation					
System Improvements	(39,355,042)	(2,851,548)	-	-	(42,206,590)
Machinery and Equipment	(4,556,538)	(492,591)	-	28,043	(5,021,086)
Intangible Assets	(181,291)	(3,158)	-	-	(184,449)
Infrastructure	(277,290)	(41,940)	-	-	(319,230)
Total Accumulated Depreciation	(44,370,161)	(3,389,237)	-	28,043	(47,731,355)
Total Capital Assets, *Being Depreciated, net*	65,736,416	(2,774,087)	525,888	-	63,488,217
Business-Type Activities Capital Assets, *net*	$ 111,850,323	$ (920,718)	$ -	$ (48,600)	$ 110,881,005

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

Business-Type Activities	Total
Water Enterprise	$ 788,895
Wastewater Enterprise	2,128,968
Storm Drainage Enterprise	471,374
Total	$ 3,389,237

Note 4: Long-Term Debt

Governmental Activities

Following is a summary of long-term debt transactions of the governmental activities for the year ended December 31, 2025:

	Balance 12/31/24	Additions	Payments	Balance 12/31/25	Due Within One Year
2025 COP	$ -	$ 26,820,000	$ -	$ 26,820,000	$ 410,000
Premium	-	132,658	(3,563)	129,095	-
Right-to-Use SBITA Obligations	635,658	322,885	(257,307)	701,236	270,753
Compensated Absences	871,822	349,177	(191,801)	1,029,198	226,423
Total	$ 1,507,480	$ 27,624,720	$ (452,671)	$ 28,679,529	$ 907,176

2025 Certificate of Participation

In 2025 the City issued Certificate of Participation bonds in the amount of $26,800,000 to provide funding for the design and construction of a new police building. The bonds are being repaid by the Capital Improvement Fund and carry an interest rate of 4.80%. The City received a $132,658 premium on the sale of the bond. The bonds are collateralized by the building.

Following is a schedule of the future minimum lease payments required under the outstanding capital lease obligations for the 2025 Certificate of Participation at December 31, 2025:

Year Ended December 31,	Principal	Interest	Total
2026	$ 410,000	$ 1,287,200	$ 1,697,200
2027	430,000	1,266,700	1,696,700
2028	450,000	1,245,200	1,695,200
2029	475,000	1,222,700	1,697,700
2030	500,000	1,198,950	1,698,950
2031-2035	2,890,000	5,594,500	8,484,500
2036-2040	3,690,000	4,796,000	8,486,000
2041-2045	4,665,000	3,482,838	8,147,838
2046-2050	5,915,000	2,914,088	8,829,088
2051-2055	7,395,000	1,086,325	8,481,325
Total	$ 26,820,000	$ 24,094,501	$ 50,914,501

SBITA Obligations

The City entered into multiple subscription-based information technology arrangements (SBITAs) for various software involving both public safety and City administration. Each arrangement provides the City with the right to use software over a specified subscription term in exchange for periodic payments. The agreements vary in non-cancellable terms from three to five years. There are no stated interest rates in the agreements; therefore, the City applied an estimated incremental borrowing rate to calculate the present value of future payments.

Subscription assets related to these three agreements total $1,170,799. With accumulated amortization of $372,798 as of December 31, 2025. These amounts are reported separately from other capital assets.

Note 4: Long-Term Debt (Continued)

Governmental Activities *(Continued)*

SBITA Obligations (Continued)

No variable payments, termination penalties, or impairment losses were recognized in the current period that were not already included in the subscription liability measurement.

Annual debt service requirements for the outstanding SBITAs at December 31, 2025, were as follows:

Year Ended December 31,	Principal	Interest	Total
2026	$ 270,753	$ 19,233	$ 289,986
2027	218,113	26,959	245,072
2028	212,370	40,566	252,936
Total	$ 701,236	$ 86,758	$ 787,994

Compensated absences are expected to be liquidated primarily with revenues of the General Fund.

Business-Type Activities

Following are the changes in long-term debt of the business-type activities for the year ended December 31, 2025:

	Balance 12/31/24	Additions	Payments	Balance 12/31/25	Due Within One Year
2016 CWRPDA	$ 29,117,564	$ -	$ (1,901,333)	$ 27,216,231	$ 1,932,942
2020 CWRPDA	7,265,780	-	(385,682)	6,880,098	388,067
Compensated Absences	165,639	66,984	(16,564)	216,059	-
Total	$ 36,548,983	$ 66,984	$ (2,303,579)	$ 34,312,388	$ 2,321,009

2016 CWRPDA Bonds

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 on February 1st and August 1st, with a maturity date of August 1, 2038. The loan is secured by Pledge Property as defined in the agreement. Proceeds from the loan provided financing for the construction and maintenance of the new wastewater facility. The loan carries interest at 1.7%.

Note 4: Long-Term Debt (Continued)

Business-Type Activities *(Continued)*

2016 CWRPDA Bonds (Continued)

Annual debt service requirements for the outstanding bonds at December 31, 2025, were as follows.

Year Ended December 31,	Principal	Interest	Total
2026	$ 1,932,942	$ 488,564	$ 2,421,506
2027	1,955,373	461,314	2,416,687
2028	1,968,574	448,939	2,417,513
2029	1,979,746	437,064	2,416,810
2030	1,995,890	424,826	2,420,716
2031-2035	10,485,130	1,617,022	12,102,152
2036-2038	6,898,576	314,991	7,213,567
Total	$ 27,216,231	$ 4,192,720	$ 31,408,951

2020 CWRPDA Bonds

During 2020, the City entered into a loan agreement with CWRPDA for a principal amount of approximately $8.4 million and is payable in semi-annual payments on February 1st and August 1st, with a maturity date of August 1, 2041. The loan is secured by Pledge Property as defined within the agreement. Proceeds from the loan provided financing for the construction and maintenance of the new wastewater treatment facility. The loan carries interest at 0.0%.

The loan agreement has certain events of default which include failure to pay amounts required by the loan agreement. There are no financial covenants the City must meet. The City believes they are in compliance with all requirements of the loan agreement.

Following is a summary of debt service requirements under the agreement.

Year Ended December 31,	Principal	Interest	Total
2026	$ 388,067	$ 99,508	$ 487,575
2027	395,643	94,308	489,951
2028	400,328	89,308	489,636
2029	402,289	88,108	490,397
2030	408,106	82,108	490,214
2031-2035	2,111,847	336,689	2,448,536
2036-2040	2,291,017	154,364	2,445,381
2041	482,801	5,884	488,685
Total	$ 6,880,098	$ 950,277	$ 7,830,375

Note 5: Interfund Transactions

Interfund transfers for the year ended December 31, 2025, were comprised of the following:

Transfers In	Transfers Out	Amount
General Fund	Water Fund	$ 624,101
General Fund	Wastewater Fund	625,509
General Fund	Storm Drainage Fund	385,760
Food Tax Fund	General Fund	371,686
Refuse Collection Fund	General Fund	59,953
Cemetery Endowment Fund	General Fund	2,586
Total		$ 2,069,595

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 for costs associated with capital projects.

Note 6: Risk Management

Public Entity Risk Pool

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. For these risks of loss, the City participates in the Colorado Intergovernmental Risk Sharing Agency (CIRSA), a separate and independent governmental and legal entity formed by intergovernmental agreement by member municipalities pursuant to the provisions of 24-10-115.5, Colorado Revised Statutes, and the Colorado Constitution, Article XIV, Section 18(2).

The purposes of CIRSA are to provide members with defined liability, property, and workers compensation coverages and to assist members to prevent and reduce losses and injuries to municipal property and to persons or property which might result in claims being made against members of CIRSA, their employees and officers.

It is the intent of the members of CIRSA to create an entity in perpetuity which will administer and use funds contributed by the members to defend and indemnify, in accordance with the bylaws, any member of CIRSA against stated liability of loss, to the limit of the financial resources of CIRSA. It is also the intent of the members to have CIRSA provide continuing stability and availability of needed coverages at reasonable costs. All income and assets of CIRSA shall be at all times dedicated to the exclusive benefit of its members.

Note 7: Retirement Commitments

Defined Contribution Money Purchase Pension Plan

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

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

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

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

The City's total payroll for the year ended December 31, 2025 was $12,201,387. The City's contributions to the Plan for the years ending December 31, 2025, 2024, and 2023 were $703,086, $683,336 and $574,352, respectively.

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

FPPA Statewide Retirement Plan

Plan Description - The Statewide Retirement Plan (SRP) is a cost-sharing multiple-employer defined benefit pension plan. The plan is administered by the Fire & Police Pension Association of Colorado (FPPA). FPPA issues a publicly available comprehensive annual financial report that can be obtained on FPPA's website at http://www.fppaco.org.

Description of Benefits - A member is eligible for retirement after attainment of age 55 with at least five years of credited service.

Note 7: Retirement Commitments (Continued)

<u>FPPA Statewide Retirement Plan</u> *(Continued)*

The FPPA Board of Directors may change the retirement age on an annual basis, depending upon the results of the actuarial valuation and other circumstances. The Normal Retirement Age should not be less than age 55 or more than age 60. Any member with at least 25 years of service may retire at any time after age 55 and shall be eligible for a normal retirement pension. Members with combined age and years of service totaling 80 or more, with a minimum age of 50 also qualify for a normal retirement pension.

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.

The annual retirement benefit for the Defined Benefit Component 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 of the average of the member's highest three years' base salary for each year of service thereafter.

Beginning January 1, 2007, the annual normal retirement benefit for the Social Security Component is 1.0 percent of the average of the member's highest three years base salary for each year of credited service up to three years plus 1.25 percent of the average of the member's highest three years' base salary for each year thereafter. Prior to 2007, the benefit for members of the Social Security Component will be reduced by the amount of social security income the member receives annually, calculated as if the social security benefit started as of age 62.

The annual retirement benefit of the Hybrid Defined Benefit Component is 1.9 percent of the average of the member's highest three years' base salary for each year of credited service through December 31, 2022 and 1.5 percent of the average of the member's highest three years' base salary for each year of credited service after January 1, 2023.

Benefits paid to retired members and beneficiaries may be increased annually on October 1 via cost-of-living adjustment (COLA). COLAs may be compounding or non-compounding. The increase in benefits, if any, is based on the FPPA Board of Director's discretion. Compounding COLAs can range from 0 percent to the higher of 3 percent or the Consumer Price Index for Urban Wage Earners and Clerical Workers.

Non-compounding COLAs take into consideration the investment returns, compounding COLAs and other economic factors. COLAs may begin once the retired member has been receiving retirement benefits for at least 12 calendar months prior to October 1.

Upon termination, the vested account balance within the Money Purchase Component becomes available to the member.

Upon termination, a member may elect to have their member contributions, along with 5.0 percent as interest, returned as a lump sum distribution in lieu of a retirement benefit.

Note 7: Retirement Commitments (Continued)

FPPA Statewide Retirement Plan *(Continued)*

Contributions - Contribution rates for the Plan are set by state statute. The FPPA Board of Directors may further increase the required contributions, equally between employer and member, upon approval through an election of both employers and members.

Members of the Defined Benefit Component contribute 12.0 percent of base salary. In 2020, legislation was enacted to increase the employer contributions rate to the Plan beginning in 2021. Employer contribution rates will increase 0.5 percent annually through 2030 to a total of 13.0 percent of base salary. These increases result in a combined contribution rate of 25.0 percent of base salary in 2030. In 2023, the total combined member and employer contribution rate was 21.5 percent.

Contributions from Defined Benefit Component members and employers of plans re-entering the Defined Benefit Component are established by resolution and approved by the FPPA Board of Directors. The continuing rate of contribution for re-entry groups is determined for each re-entry group. The additional contribution amount is determined locally and may be paid by the member, the employer or split 50/50. Per the 2020 legislation, the required employer contribution rate for re-entry departments also increases 0.5 percent annually. These increases result in a minimum combined contribution rate of 25.2 percent in 2030. In 2023, the total minimum required member and employer contribution rate was 21.7 percent.

Contributions from members and employers of departments re-entering the system are established by resolution and approved by the FPPA Board of Directors. The re-entry group has a combined contribution rate of 20 percent of base salary through 2014. It is a local decision as to whether the member or employer pays the additional 4 percent contribution. Per the 2014-member election, the re-entry group will also have their required member contribution rate increase 0.5 percent annually beginning in 2015 through 2022 for a total combined member and employer contribution rate of 24 percent in 2022.

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

The City’s contributions to the SWDB Plan for the year ended December 31, 2025, were $274,933, equal to the required contributions.

The City and eligible employees are required to contribute to the SWH Plan at rates established by the City Council. However, the amount allocated to the defined benefit component is set annually by the FPPA Board of Directors, which currently must be at least 8% of base salary for the employee and the employer.

Note 7: Retirement Commitments (Continued)

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

At December 31, 2025, the City reported a net pension liability (asset) of $0 representing its proportionate share of the net pension asset of the Statewide Retirement Plan.

The net pension liability was measured at December 31, 2024, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation at January 1, 2023. The City's proportion of the net pension asset was based on a projection of the City's contributions to the plans for the calendar year ended December 31, 2025, relative to the projected contributions of all participating employers.

At December 31, 2024, the City's proportion of the Statewide Retirement Plan was 0.27783826%, which was an increase of 0.01255291% from its proportion measured at December 31, 2023.

For the year ended December 31, 2025, the City recognized pension expense (Benefit) for the SWDB plan of $(512,874).

At December 31, 2025, 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
Statewide Retirement Plan		
Differences between expected and actual experience	$ 515,567	$ 16,714
Net difference between projected and actual earnings on plan investments	17,463	-
Changes in assumptions and other inputs	176,958	-
Changes in proportion	15,611	-
Contributions subsequent to the measurement date	274,933	-
Total	$ 1,000,532	$ 16,714

Note 7: Employee Retirement Plans (Continued)

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

City's contributions to the SWDB plan subsequent to the measurement date were $70,591 and will be recognized as an increase or decrease to the net pension (asset) liability in the subsequent fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows.

Year Ended December 31,	SWDB
2025	$ 154,711
2026	268,223
2027	45,562
2028	94,156
2029	89,756
Thereafter	56,477
Total	$ 708,885

Actuarial Assumptions - The actuarial valuation at January 1, 2023, determined the total pension liability using the following actuarial assumptions and other inputs, applied to all periods included in the measurement:

Actuarial Method	Entry Age Normal
Amortization Method	Level % of Payroll, Open
Amortization Period	30 Years
Asset Valuation Method	5-Year Smoothed Fair Value
Long-Term Investment Rate of Return*	7.5%
Projected Salary Increases	4.25% - 11.25%
Cost of Living Adjustments (COLA)	0.0%
Includes Inflation at	2.5%

Mortality rates were based on the RP-2014 Mortality Table for Blue Collar Employees projected with Scale BB, using a 55% multiplier for off-duty mortality. The RP-2014 Mortality Table for Blue Collar Employees was used in the projection of post-retirement benefits for members under age 55. For post-retirement members ages 65 and older, the RP-2014 Mortality Tables for Blue Collar Healthy Annuitants were used. For post-retirement members ages 55 through 64, a blend of the previous tables was used.

The current actuarial methods and assumptions were adopted by the FPPA Board of Directors for first use in the actuarial valuation as of January 1, 2016, based upon the actuary's unchanged analysis and recommendations from the 2015 Experience Study.

Note 7: Employee Retirement Plans (Continued)

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

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of December 31, 2023, are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Rate of Return
Global Equity	35%	8.33%
Equity Long/Short	6%	7.27%
Private Markets	34%	10.31%
Fixed Income Rates	10%	5.35%
Fixed Income Credit	5%	5.89%
Absolute Return	9%	6.39%
Cash	1%	4.32%
	100%	

Discount Rate - The discount rate used to measure the total pension liability was 7.0%. 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 in the FPPA Board of Director's funding policy, which establishes the contractually required rates under State statutes. Based on this assumption, the Plans' fiduciary net position was projected to be available to make all projected future benefit payments to current members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate at the prior measurement date was 7.0%.

Sensitivity of the Net Pension (Asset) Liability to Changes in the Discount Rate - The following presents the City's proportionate share of the net pension (asset) liability calculated using the discount rate of 7.0%, as well as the City's proportionate share of the net pension (asset) liability if it were calculated using a discount that is one percentage point lower (6.0%) or one percentage point higher (8.0%) than the current rate, as follows:

	1% Decrease (6.0%)	Current Discount Rate (7.0%)	1% Increase (8.0%)
Town's proportionate share of the SRP net pension (asset) liability	$ 1,355,826	$ -	$ -

Note 7: Employee Retirement Plans (Continued)

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

Pension Plan Fiduciary Net Position - Detailed information about the Plans' fiduciary net position is available in FPPA's separately issued financial report, which may be obtained at www.fppaco.org.

Note 8: Rate Maintenance

The 2016 and 2020 Colorado Water Resources and Power Development Authority loan agreements (Wastewater 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.

	2016 CWRDPA Wastewater Fund	2020 CWRDPA Storm Drainage Fund
Operating Revenue	$ 6,341,108	$ 1,883,448
Non-Operating Revenue	2,000,719	117,676
Total Gross Revenue	8,341,827	2,001,124
Operating and Maintenance Expenses	(1,663,232)	-
Net Revenues as defined in the CWRDPA Loan Agreement	$ 6,678,595	$ 2,001,124
2025 Loan Principal	$ 1,901,333	$ 385,682
2025 Loan Interest	517,563	104,908
Total Debt Service	$ 2,418,896	$ 490,590
Rate Covenant Calculation (must exceed 110%)	276%	408%

Note 9: Commitments and Contingencies

Litigation

The City is from time to time involved in various threatened and pending litigation. However, the outcome of this litigation cannot be determined at this time.

Note 9: Commitments and Contingencies (Continued)

TABOR Amendment

In November 1992, Colorado voters passed the TABOR Amendment to the State Constitution which limits state and local government taxing powers and imposes spending limitations. The City is subject to the TABOR Amendment. Fiscal year 1992 provides the basis for limits in future years, to which may be applied allowable increases for inflation and property valuation. Revenue received in excess of the limitations may be required to be refunded unless the City's electorate votes to retain the revenue. The TABOR Amendment is subject to many interpretations, but the City believes it is in substantial compliance with the Amendment.

In November 1994, voters permitted the City, without increasing or adding any taxes of any kind, to collect, retain or expend revenues generated from all sources during 1994 and each subsequent year for trails, parks, and open space, storm water facilities and drainage, street, curb and sidewalk construction, repair and maintenance, police services, and for other basic municipal services and lawful purposes, without limitation.

The City has established an emergency reserve, representing 3% of qualifying expenditures, as required by the Amendment. At December 31, 2025, the emergency reserve was reported as restricted fund balance in the General Fund, in the amount of $515,000.

Note 10: Related Party Transactions

The City has entered into an intergovernmental agreement ("IGA") with the Evans Fire Protection District ("District") to provide financial support to the District until the District receives 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 $200,000 in 2025.

Note 11: 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 quality and reliability of their water supplies. As of December 31, 2025, the City paid $1,002,000 toward this project, with total expenditures of $6,436,454 which has been classified as construction in progress.

Note 12: 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 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.

Required Supplementary Information

City of Evans, Colorado
Budgetary Comparison Schedule
General Fund
For the Year Ended December 31, 2025

Revenues	Original Budget	Final Budget	Actual	Variance *Positive (Negative)*
Taxes	$ 14,322,739	$ 14,322,739	$ 14,381,663	$ 58,924
Licenses and Permits	1,488,362	1,488,362	1,562,004	73,642
Intergovernmental	1,557,000	1,557,000	2,086,160	529,160
Grants and Contributions	410,000	1,022,065	630,554	(391,511)
Charges for Services	429,300	429,300	331,926	(97,374)
Fines and Forfeitures	534,480	534,480	305,620	(228,860)
Investment Income	475,000	475,000	1,178,786	703,786
Miscellaneous	309,000	309,000	1,247,209	938,209
Total Revenues	19,525,881	20,137,946	21,723,922	1,585,976
Expenditures				
Current				
General Government	6,457,706	6,625,706	6,662,697	(36,991)
Public Safety	7,843,981	8,057,068	8,075,288	(18,220)
Public Works	2,899,395	3,119,450	3,203,390	(83,940)
Culture, Parks and Recreation	2,179,205	2,398,205	1,754,665	643,540
Community Development	2,206,489	2,206,489	1,352,035	854,454
Capital Outlay	5,564,140	13,362,243	6,396,971	6,965,272
Total Expenditures	27,150,916	35,769,161	27,445,046	8,324,115
Excess of Revenues Over (Under) Expenditures	(7,625,035)	(15,631,215)	(5,721,124)	9,910,091
Other Financing Sources (Uses)				
Proceeds from Sale of Capital Assets	-	-	1,369	1,369
Proceeds from Subscription Agreements	-	-	1,787,768	1,787,768
Transfers In	1,605,396	1,605,396	1,697,909	92,513
Transfers Out	-	-	371,686	371,686
Total Other Financing Sources (Uses)	1,605,396	1,605,396	3,858,732	2,253,336
Net Change in Fund Balance	(6,019,639)	(14,025,819)	(1,862,392)	12,163,427
Fund Balance, *Beginning of Year*	12,983,371	23,932,169	24,932,168	999,999
Fund Balance, *End of Year*	$ 6,963,732	$ 9,906,350	$ 23,069,776	$ 13,163,426

City of Evans, Colorado
Budgetary Comparison Schedule
Street Construction Fund
For the Year Ended December 31, 2025

	Original Budget	Final Budget	Actual	Variance *Positive (Negative)*
Revenues				
Intergovernmental	$ 770,842	$ 770,842	$ 810,043	$ 39,201
Grants and Contributions	-	199,100	179,190	(19,910)
Investment Income	11,068	11,068	67,299	56,231
Miscellaneous	-	-	3,662	3,662
Total Revenues	781,910	981,010	1,060,194	79,184
Expenditures				
Public Works	350,000	350,000	30,409	319,591
Capital Outlay	615,000	3,342,744	1,411,684	1,931,060
Total Expenditures	965,000	3,692,744	1,442,093	2,250,651
Net Changes in Fund Balance	(183,090)	(2,711,734)	(381,899)	2,329,835
Fund Balance, *Beginning of Year*	331,435	2,847,641	2,870,642	23,001
Fund Balance, *End of Year*	$ 148,345	$ 135,907	$ 2,488,743	$ 2,352,836

City of Evans, Colorado
Budgetary Comparison Schedule
Road Tax Fund
For the Year Ended December 31, 2025

	Original Budget	Final Budget	Actual	Variance *Positive (Negative)*
Revenues				
Taxes	$ 4,127,158	$ 4,127,158	$ 4,401,832	$ 274,674
Investment Income	206,712	206,712	175,879	(30,833)
Total Revenues	4,333,870	4,333,870	4,577,711	243,841
Expenditures				
Project Management	114,670	114,670	92,868	21,802
Capital Outlay	10,930,000	11,298,100	8,404,322	2,893,778
Total Expenditures	11,044,670	11,412,770	8,497,190	2,915,580
Net Changes in Fund Balance	(6,710,800)	(7,078,900)	(3,919,479)	3,159,421
Fund Balance, *Beginning of Year*	6,890,410	8,484,073	8,484,073	-
Fund Balance, *End of Year*	$ 179,610	$ 1,405,173	$ 4,564,594	$ 3,159,421

City of Evans, Colorado
Budgetary Comparison Schedule
Food Tax Fund
For the Year Ended December 31, 2025

	Original Budget	Final Budget	Actual	Variance *Positive (Negative)*
Revenues				
Taxes	$ 2,430,095	$ 2,430,095	$ 2,336,227	$ (93,868)
Bond Proceeds	31,000,000	31,000,000	25,164,890	(5,835,110)
Investment Income	84,646	84,646	116,353	31,707
Total Revenues	33,514,741	33,514,741	27,617,470	(5,897,271)
Expenditures				
Capital Outlay	35,000,000	35,000,000	5,553,989	29,446,011
Debt Service				
Interest and Fees	-	1,000,000	654,327	345,673
Total Expenditures	35,000,000	36,000,000	6,208,316	29,791,684
Excess Revenues Over (Under) Expenditures	(1,485,259)	(2,485,259)	21,409,154	23,894,413
Other Financing Sources (Uses)				
Transfers Out	-	-	(371,686)	(371,686)
Net Change in Fund Balance	(1,485,259)	(2,485,259)	21,037,468	23,522,727
Fund Balance, *Beginning of Year*	4,232,308	4,466,959	4,466,959	-
Fund Balance, *End of Year*	$ 2,747,049	$ 1,981,700	$ 25,504,427	$ 23,522,727

City of Evans, Colorado
Budgetary Comparison Schedule
Evans Redevelopment Agency
For the Year Ended December 31, 2025

	Original Budget	Final Budget	Actual	Variance *Positive (Negative)*
Revenues				
Property Taxes	$ 30,122	$ 30,122	$ -	$ (30,122)
Miscellaneous	-	-	69,412	69,412
Total Revenues	30,122	30,122	69,412	39,290
Expenditures				
Community Development	1,550,500	1,550,500	191,565	1,358,935
Capital Outlay	1,800,000	1,800,000	-	1,800,000
Total Expenditures	3,350,500	3,350,500	191,565	3,158,935
Excess Revenues Over (Under) Expenditures	(3,320,378)	(3,320,378)	(122,153)	3,198,225
Other Financing Sources (Uses)				
Proceeds from Loan from City of Evans	1,800,000	1,800,000	-	(1,800,000)
Proceeds from Sale of Property	1,300,000	1,300,000	1,300,000	-
Net Changes in Fund Balance	(220,378)	(220,378)	1,177,847	1,398,225
Fund Balance, *Beginning of Year*	438,201	463,358	463,359	1
Fund Balance, *End of Year*	$ 217,823	$ 242,980	$ 1,641,206	$ 1,398,226

City of Evans, Colorado

Required Supplementary Information
Schedule of Proportionate Share of the Net Pension Asset (Liability) and Contributions
Fire & Police Pension Association of Colorado Statewide Defined Benefit Plan
For the Year Ended December 31, 2025

	12/31/2024 *	12/31/23	12/31/22	12/31/21	12/31/20
Proportionate Share of the Net Pension Asset					
City's Proportion of the Net Pension Assets	0.27783826%	0.29039117%	0.04300000%	0.04300000%	0.04100000%
City's Proportion Share of the Net Pension Asset (Liability)	$ -	$ -	$ (38,151)	$ 234,373	$ 88,085
City's Covered Payroll	$ 415,047	$ 397,725	$ 373,943	$ 348,146	$ 325,887
City's Proportionate Share of the Net Pension Asset (liability) as a Percentage of Covered Payroll	0.0%	0.0%	-10.2%	67.3%	27.0%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	100.0%	100.0%	97.6%	116.2%	106.7%

	12/31/2025 *	12/31/2024 *	12/31/23	12/31/22	12/31/21
City Contribution					
Statutorily Required Contribution	$ 274,933	$ 302,948	$ 37,784	$ 33,655	$ 29,593
Contributions in Relation to the Statutorily Required Contribution	(274,933)	(302,948)	(37,784)	(33,655)	(29,593)
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -
City's Covered Payroll	$ 3,251,856	$ 3,586,800	$ 397,725	$ 373,943	$ 348,146
Contributions as a Percentage of Covered Payroll	8.45%	8.47%	9.50%	9.00%	8.50%

* The Statewide Hybrid Plan was merged with the Statewide Defined Benefit Plan in 2024.

This schedule is presented to show information for 10 years.

(Continued)

City of Evans, Colorado

Required Supplementary Information
Schedule of Proportionate Share of the Net Pension Asset (Liability) and Contributions
Fire & Police Pension Association of Colorado Statewide Defined Benefit Plan
For the Year Ended December 31, 2025
(Continued)

	12/31/19	12/31/18	12/31/17	12/31/16	12/31/15
Proportionate Share of the Net Pension Asset					
City's Proportion of the Net Pension Assets	0.44624000%	0.44624000%	0.44624000%	0.47717000%	0.50725000%
City's Proportion Share of the Net Pension Asset (Liability)	$ 36,193	$ (110,655)	$ 141,055	$ (37,554)	$ 1,802
City's Covered Payroll	$ 471,668	$ 586,294	$ 573,503	$ 531,901	$ 495,725
City's Proportionate Share of the Net Pension Asset (liability) as a Percentage of Covered Payroll	7.7%	-18.9%	24.6%	-7.1%	0.4%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	101.0%	95.2%	106.3%	98.2%	100.1%

	12/31/20	12/31/19	12/31/18	12/31/17	12/31/16
City Contribution					
Statutorily Required Contribution	$ 26,071	$ 37,706	$ 46,903	$ 45,880	$ 42,552
Contributions in Relation to the Statutorily Required Contribution	(26,071)	(37,706)	(46,903)	(45,880)	(42,552)
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -
City's Covered Payroll	$ 325,887	$ 471,668	$ 586,294	$ 573,503	$ 531,901
Contributions as a Percentage of Covered Payroll	8.00%	8.00%	8.00%	8.00%	8.00%

This schedule is presented to show information for 10 years.

City of Evans, Colorado
Required Supplementary Information
Schedule of Proportionate Share of the Net Pension Asset (Liability) and Contributions
Fire & Police Pension Association of Colorado Statewide Hybrid Plan
For the Year Ended December 31, 2025

	12/31/24	12/31/23	12/31/22	12/31/21	12/31/20
Proportionate Share of the Net Pension Asset					
City's Proportion of the Net Pension Assets	*	11.49700000%	11.31700000%	11.25900000%	11.23700000%
City's Proportion Share of the Net Pension Asset (Liability)		$ 167,690	$ 4,219,489	$ 3,096,837	$ 2,188,366
City's Covered Payroll		$ 2,663,745	$ 2,485,693	$ 2,474,566	$ 2,325,777
City's Proportionate Share of the Net Pension Asset (liability) as a Percentage of Covered Payroll		6.3%	169.8%	125.1%	94.1%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability		101.4%	149.0%	138.0%	130.1%

	12/31/25	12/31/24	12/31/23	12/31/22	12/31/21
City Contribution					
Statutorily Required Contribution	*	*	$ 213,100	$ 198,855	$ 197,965
Contributions in Relation to the Statutorily Required Contribution			(213,100)	(198,855)	(197,965)
Contribution Deficiency (Excess)			$ -	$ -	$ -
City's Covered Payroll			$ 2,663,745	$ 2,485,693	$ 2,474,566
Contributions as a Percentage of Covered Payroll			8.00%	8.00%	8.00%

* The Statewide Hybrid Plan was merged with the Statewide Defined Benefit Plan in 2024.

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

(Continued)

City of Evans, Colorado

Required Supplementary Information
Schedule of Proportionate Share of the Net Pension Asset (Liability) and Contributions
Fire & Police Pension Association of Colorado Statewide Hybrid Plan
For the Year Ended December 31, 2025
(Continued)

	12/31/19	12/31/18	12/31/17	12/31/16	12/31/15
Proportionate Share of the Net Pension Asset					
City's Proportion of the Net Pension Assets	10.58900000%	10.49300000%	11.26400000%	8.83900000%	9.31000000%
City's Proportion Share of the Net Pension Asset (Liability)	$ 1,461,670	$ 2,051,567	$ 1,226,115	$ 930,991	$ 1,104,158
City's Covered Payroll	$ 2,109,605	$ 2,005,423	$ 1,820,423	$ 1,460,325	$ 1,440,309
City's Proportionate Share of the Net Pension Asset (liability) as a Percentage of Covered Payroll	69.3%	102.3%	67.4%	63.8%	76.7%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	123.5%	138.9%	127.5%	129.4%	140.6%

	12/31/20	12/31/19	12/31/18	12/31/17	12/31/16
City Contribution					
Statutorily Required Contribution	$ 186,062	$ 168,768	$ 160,443	$ 145,665	$ 116,823
Contributions in Relation to the Statutorily Required Contribution	(186,062)	(168,768)	(160,443)	(145,665)	(116,823)
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -
City's Covered Payroll	$ 2,325,777	$ 2,109,605	$ 2,005,423	$ 1,820,423	$ 1,460,325
Contributions as a Percentage of Covered Payroll	8.00%	8.00%	8.00%	8.00%	8.00%

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

Note 1: Stewardship, Compliance and Accountability

Budgets and Budgetary Accounting

Budgets are adopted for all funds of the City in accordance with State statutes. Budgets for the governmental funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgetary comparisons for the enterprise funds are presented on a non-GAAP budgetary basis. Capital outlay and debt principal are budgeted as expenditures, but depreciation is not budgeted.

The City follows these procedures to establish the budgetary information reflected in the financial statements:

- Management submits to the City Council a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.
- Public hearings are conducted to obtain taxpayer comments.
- Prior to December 31, the budget is legally adopted through a passage of a resolution.
- City management is authorized to transfer budgeted amounts between departments within any fund. However, revisions that alter the total expenditures of any fund must be approved by the City Council. State statutes stipulate that expenditures may not exceed budget appropriations at the fund level.
- All appropriations lapse at year end.

Supplementary Information

City of Evans, Colorado
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2025

	Impact Funds				
	Park	Fire	Street	Police	School
Assets					
Cash	$ 5,945,948	$ 43,954	$ 4,849,792	$ 811,333	$ 76,489
Accounts Receivable	237,926	-	-	-	-
Taxes Receivables	-	-	-	-	-
Total Assets	$ 6,183,874	$ 43,954	$ 4,849,792	$ 811,333	$ 76,489
Liabilities					
Accounts Payable	$ -	$ 43,943	$ -	$ -	$ 76,469
Retainage Payable	34,897	-	-	-	-
Deposits and Escrow	-	-	-	-	-
Unearned Revenue	-	-	585,253	-	-
Other Liabilities	106,000	-	-	-	-
Total Liabilities	140,897	43,943	585,253	-	76,469
Fund Balances					
Restricted:					
Conservation Trust	-	-	-	-	-
Assigned:					
Park Impact	6,042,977	-	-	-	-
Fire Impact	-	11	-	-	-
Street Impact	-	-	4,264,539	-	-
Police Impact	-	-	-	811,333	-
School Impact	-	-	-	-	20
Refuse Collection	-	-	-	-	-
Parks Construction	-	-	-	-	-
Cemetery Perpetual Care	-	-	-	-	-
Total Fund Balances	6,042,977	11	4,264,539	811,333	20
Total Liabilities and Fund Balances	$ 6,183,874	$ 43,954	$ 4,849,792	$ 811,333	$ 76,489

(Continued)

City of Evans, Colorado
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2025
(Continued)

	Conservation Trust	Refuse Collection	Parks Construction	Cemetery Perpetual Care	Totals
Assets					
Cash	$ 812,544	$ 279,775	$ 22,787	$ 112,796	$ 12,955,418
Accounts Receivable	-	117,871	-	-	355,797
Taxes Receivables	-	-	-	-	-
Total Assets	$ 812,544	$ 397,646	$ 22,787	$ 112,796	$ 13,311,215
Liabilities					
Accounts Payable	$ 206,272	$ 27,948	$ -	$ -	$ 354,632
Retainage Payable	3,800	-	-	-	38,697
Deposits and Escrow	-	-	-	-	-
Unearned Revenue	-	1,200	-	-	586,453
Other Liabilities	-	-	-	-	106,000
Total Liabilities	210,072	29,148	-	-	1,085,782
Fund Balances					
Restricted:					
Conservation Trust	602,472	-	-	-	602,472
Assigned:					
Park Impact	-	-	-	-	6,042,977
Fire Impact	-	-	-	-	11
Street Impact	-	-	-	-	4,264,539
Police Impact	-	-	-	-	811,333
School Impact	-	-	-	-	20
Refuse Collection	-	368,498	-	-	368,498
Parks Construction	-	-	22,787	-	22,787
Cemetery Perpetual Care	-	-	-	112,796	112,796
Total Fund Balances	602,472	368,498	22,787	112,796	12,225,433
Total Liabilities and Fund Balance	$ 812,544	$ 397,646	$ 22,787	$ 112,796	$ 13,311,215

City of Evans, Colorado
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2025

	Impact Funds				
	Park	Fire	Street	Police	School
Revenues					
Taxes	$ -	$ -	$ -	$ -	$ -
Licenses and Fees	-	-	-	-	-
Intergovernmental	-	-	-	-	-
Grants and Contributions	649,803	-	-	-	-
Charges for Services	-	-	-	-	-
Investment Income	137,462	732	88,944	16,607	1,139
Assessments	876,945	190,993	1,913,009	162,669	315,726
Miscellaneous	-	-	-	-	-
Total Revenues	1,664,210	191,725	2,001,953	179,276	316,865
Expenditures					
Current					
General Government	-	-	-	-	316,845
Public Works	-	191,714	-	-	-
Public Safety	-	-	-	-	-
Culture, Parks and Recreation	-	-	-	-	-
Community Development	-	-	-	-	-
Capital Outlay	1,588,404	-	47,407	-	-
Total Expenditures	1,588,404	191,714	47,407	-	316,845
Excess of Revenues Over (Under) Expenditures	75,806	11	1,954,546	179,276	20
Other Financing Sources (Uses)					
Transfers Out	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-
Net Change in Fund Balances	75,806	11	1,954,546	179,276	20
Fund Balances, *Beginning of Year*	5,967,171	-	2,309,993	632,057	-
Fund Balances, *End of Year*	$ 6,042,977	$ 11	$ 4,264,539	$ 811,333	$ 20

(Continued)

City of Evans, Colorado

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2025
(Continued)

	Conservation Trust	Refuse Collection	Parks Construction	Cemetery Perpetual Care	Totals
Revenues					
Taxes	$ -	$ -	$ -	$ -	$ -
Licenses and Fees	-	1,200	-	-	1,200
Intergovernmental	275,715	-	-	-	275,715
Grants and Contributions	-	-	-	-	649,803
Charges for Services	-	1,256,264	-	-	1,256,264
Investment Income	22,063	5,522	504	2,465	275,438
Assessments	-	-	-	9,797	3,469,139
Miscellaneous	-	33,510	-	-	33,510
Total Revenues	297,778	1,296,496	504	12,262	5,961,069
Expenditures					
Current					
General Government	-	-	-	-	316,845
Public Works	-	-	-	-	191,714
Public Safety	-	1,226,195	-	-	1,226,195
Culture, Parks and Recreation	30,952	-	-	-	30,952
Community Development	-	-	-	-	-
Capital Outlay	899,045	-	-	-	2,534,856
Total Expenditures	929,997	1,226,195	-	-	4,300,562
Excess of Revenues Over (Under) Expenditures	(632,219)	70,301	504	12,262	1,660,507
Other Financing Sources (Uses)					
Transfers Out	-	(59,953)	-	-	(59,953)
Total Other Financing Sources (Uses)	-	(59,953)	-	-	(59,953)
Net Change in Fund Balances	(632,219)	10,348	504	12,262	1,600,554
Fund Balances, *Beginning of Year*	1,234,691	358,150	22,283	100,534	10,624,879
Fund Balances, *End of Year*	$ 602,472	$ 368,498	$ 22,787	$ 112,796	$ 12,225,433

City of Evans, Colorado
Budgetary Comparison Schedule
Parks Impact Fund
For the Year Ended December 31, 2025

	Original Budget	Final Budget	Actual	Variance *Positive (Negative)*
Revenues				
Grants and Contributions	$ -	$ -	$ 649,803	$ 649,803
Assessments - Impact Fees	792,982	792,982	876,945	83,963
Investment Income	55,464	55,464	137,462	81,998
Total Revenues	848,446	848,446	1,664,210	815,764
Expenditures				
Capital Outlay	732,000	4,276,518	1,588,404	2,688,114
Total Expenditures	732,000	4,276,518	1,588,404	2,688,114
Net Change in Fund Balance	116,446	(3,428,072)	75,806	3,503,878
Fund Balance, *Beginning of Year*	1,848,804	5,840,381	5,967,171	126,790
Fund Balance, *End of Year*	$ 1,965,250	$ 2,412,309	$ 6,042,977	$ 3,630,668

City of Evans, Colorado
Budgetary Comparison Schedule
Fire Impact Fund
For the Year Ended December 31, 2025

	Original Budget	Final Budget	Actual	Variance *Positive (Negative)*
Revenues				
Assessments - Impact Fees	$ 400,000	$ 400,000	$ 190,993	$ (209,007)
Investment Income	-	-	732	732
Total Revenues	400,000	400,000	191,725	(208,275)
Expenditures				
Public Safety	400,000	400,000	191,714	208,286
Total Expenditures	400,000	400,000	191,714	208,286
Net Change in Fund Balance	-	-	11	11
Fund Balance, *Beginning of Year*	-	-	-	-
Fund Balance, *End of Year*	$ -	$ -	$ 11	$ 11

City of Evans, Colorado
Budgetary Comparison Schedule
Street Impact Fund
For the Year Ended December 31, 2025

	Original Budget	Final Budget	Actual	Variance *Positive (Negative)*
Revenues				
Assessments - Impact Fees	$ 1,560,391	$ 1,560,391	$ 1,913,009	$ 352,618
Investment Income	10,045	10,045	88,944	78,899
Total Revenues	1,570,436	1,570,436	2,001,953	431,517
Expenditures				
Capital Outlay	1,100,000	1,100,000	47,407	1,052,593
Total Expenditures	1,100,000	1,100,000	47,407	1,052,593
Net Change in Fund Balance	470,436	470,436	1,954,546	1,484,110
Fund Balance, *Beginning of Year*	334,829	2,309,993	2,309,993	-
Fund Balance, *End of Year*	$ 805,265	$ 2,780,429	$ 4,264,539	$ 1,484,110

City of Evans, Colorado
Budgetary Comparison Schedule
Police Impact Fund
For the Year Ended December 31, 2025

	Original Budget	Final Budget	Actual	Variance *Positive (Negative)*
Revenues				
Assessment - Impact Fees	$ 127,370	$ 127,370	$ 162,669	$ 35,299
Investment Income	14,220	14,220	16,607	2,387
Total Revenues	141,590	141,590	179,276	37,686
Net Changes in Fund Balance	141,590	141,590	179,276	37,686
Fund Balance, *Beginning of Year*	473,996	632,056	632,057	1
Fund Balance, *End of Year*	$ 615,586	$ 773,646	$ 811,333	$ 37,687

See Accompanying Independent Auditor's Report.

City of Evans, Colorado

Budgetary Comparison Schedule
School Impact Fund
For the Year Ended December 31, 2025

	Original Budget	Final Budget	Actual	Variance *Positive (Negative)*
Revenues				
Assessments - Impact Fees	$ 400,000	$ 400,000	$ 315,726	$ (84,274)
Investment Income	-	-	1,139	1,139
Total Revenues	400,000	400,000	316,865	(83,135)
Expenditures				
General Government	400,000	400,000	316,845	83,155
Total Expenditures	400,000	400,000	316,845	83,155
Net Change in Fund Balance	-	-	20	20
Fund Balance, *Beginning of Year*	-	-	-	-
Fund Balance, *End of Year*	$ -	$ -	$ 20	$ 20

City of Evans, Colorado
Budgetary Comparison Schedule
Conservation Trust Fund
For the Year Ended December 31, 2025

	Original Budget	Final Budget	Actual	Variance *Positive (Negative)*
Revenues				
Intergovernmental	$ 303,910	$ 303,910	$ 275,715	$ (28,195)
Investment Income	13,618	13,618	22,063	8,445
Total Revenues	317,528	317,528	297,778	(19,750)
Expenditures				
Cultural, Parks and Recreation	-	-	30,952	(30,952)
Capital Outlay	710,000	1,499,244	899,045	600,199
Total Expenditures	710,000	1,499,244	929,997	569,247
Net Change in Fund Balance	(392,472)	(1,181,716)	(632,219)	549,497
Fund Balance, *Beginning of Year*	453,948	1,234,691	1,234,691	-
Fund Balance, *End of Year*	$ 61,476	$ 52,975	$ 602,472	$ 549,497

City of Evans, Colorado

Budgetary Comparison Schedule
Refuse Collection Fund
For the Year Ended December 31, 2025

	Original Budget	Final Budget	Actual	Variance *Positive (Negative)*
Revenues				
Licenses and Permits	$ 800	$ 800	$ 1,200	$ 400
Charges for Services	1,187,979	1,247,979	1,256,264	8,285
Investment Income	10,284	10,284	5,522	(4,762)
Miscellaneous	-	-	33,510	33,510
Total Revenues	1,199,063	1,259,063	1,296,496	37,433
Expenditures				
Public Works	1,212,663	1,272,663	1,226,195	46,468
Total Expenditures	1,212,663	1,272,663	1,226,195	46,468
Excess of Revenues Over (Under) Expenditures	(13,600)	(13,600)	70,301	83,901
Other Financing Sources (Uses)				
Transfers Out	(59,953)	(59,953)	(59,953)	-
Total Other Financing Sources (Uses)	(59,953)	(59,953)	(59,953)	-
Net Change in Fund Balance	(73,553)	(73,553)	10,348	83,901
Fund Balance, *Beginning of Year*	342,816	358,150	358,150	-
Fund Balance, *End of Year*	$ 269,263	$ 284,597	$ 368,498	$ 83,901

City of Evans, Colorado
Budgetary Comparison Schedule
Parks Construction Fund
For the Year Ended December 31, 2025

	Original Budget	Final Budget	Actual	Variance *Positive* *(Negative)*
Revenues				
Investment Income	$ 587	$ 587	$ 504	$ (83)
Total Revenues	587	587	504	(83)
Net Change in Fund Balance	587	587	504	(83)
Fund Balance, *Beginning of Year*	22,284	22,284	22,283	(1)
Fund Balance, *End of Year*	$ 22,871	$ 22,871	$ 22,787	$ (84)

City of Evans, Colorado

Budgetary Comparison Schedule
Cemetery Perpetual Care Fund
For the Year Ended December 31, 2025

	Original Budget	Final Budget	Actual	Variance *Positive (Negative)*
Revenues				
Assessments - Perpetual Care Fees	$ 2,700	$ 2,700	$ 9,797	$ 7,097
Investment Income	2,812	2,812	2,465	(347)
Total Revenues	5,512	5,512	12,262	6,750
Expenditures				
Capital Outlay	50,000	-	-	-
Total Expenditures	50,000	-	-	-
Net Change in Fund Balance	(44,488)	5,512	12,262	6,750
Fund Balance, *Beginning of Year*	93,737	100,534	100,534	-
Fund Balance, *End of Year*	$ 49,249	$ 106,046	$ 112,796	$ 6,750

City of Evans, Colorado
Budgetary Comparison Schedule
Water Fund
For the Year Ended December 31, 2025

	Original Budget	Final Budget	Actual	Variance *Positive (Negative)*
Revenues				
Water Sales	$ 7,482,190	$ 7,482,190	$ 7,168,447	$ (313,743)
Non-Potable Water Sales	911,981	911,981	1,037,419	125,438
Water Meters	130,062	130,062	124,540	(5,522)
Other Sales	27,557	27,557	71,307	43,750
Miscellaneous	-	-	56,893	56,893
Total Revenues	8,551,790	8,551,790	8,458,606	(93,184)
Expenditures				
Water Supply and Administration	7,384,414	7,678,028	6,814,623	863,405
Capital Outlay	3,028,693	3,825,410	1,133,994	2,691,416
Total Expenditures	10,413,107	11,503,438	7,948,617	3,554,821
Operating Income	(1,861,317)	(2,951,648)	509,989	3,461,637
Other Revenues (Expenses)				
Investment Income	117,161	117,161	218,731	101,570
Plant Investment Fees and Cash in Lieu of Fees	1,229,720	1,229,720	1,572,862	343,142
Transfers to Other Funds	(631,011)	(631,011)	(624,101)	6,910
Total Other Revenue (Expenses)	715,870	715,870	1,167,492	451,622
Change in Net Position, *Budgetary Basis*	$ (1,145,447)	$ (2,235,778)	1,677,481	$ 3,913,259
Adjustments to GAAP Basis				
Depreciation			(788,895)	
Capital Outlay			1,133,994	
Change in Net Position, *GAAP Basis*			$ 2,022,580	

City of Evans, Colorado
Budgetary Comparison Schedule
Wastewater Fund
For the Year Ended December 31, 2025

	Original Budget	Final Budget	Actual	Variance *Positive (Negative)*
Revenues				
Sewer Sales	$ 1,567,353	$ 1,567,353	$ 6,341,108	$ 4,773,755
Total Revenues	1,567,353	1,567,353	6,341,108	4,773,755
Expenditures				
Wastewater and Administration	2,987,992	12,859,550	1,663,232	11,196,318
Capital Outlay	-	-	570,958	(570,958)
Total Expenditures	2,987,992	12,859,550	2,234,190	10,625,360
Operating Income	(1,420,639)	(11,292,197)	4,106,918	15,399,115
Other Revenues (Expenses)				
Investment Income	102,616	102,616	417,253	314,637
Plant Investment Fees and Cash in Lieu of Fees	1,418,944	1,418,944	1,583,466	164,522
Proceeds from Loan	4,325,000	4,325,000	-	(4,325,000)
Transfers to Other Funds	(588,600)	(588,600)	(625,509)	(36,909)
Debt Service				
Principal	(1,901,333)	(1,901,333)	-	1,901,333
Interest	(517,564)	(517,564)	(505,480)	12,084
Total Other Revenue (Expenses)	2,839,063	2,839,063	869,730	(1,969,333)
Change in Net Position, *Budgetary Basis*	$ 1,418,424	$ (8,453,134)	4,976,648	$ 13,429,782
Adjustments to GAAP Basis				
Depreciation			(2,128,968)	
Capital Outlay			570,958	
Change in Net Position, *GAAP Basis*			$ 3,418,638	

City of Evans, Colorado
Budgetary Comparison Schedule
Storm Drainage Fund
For the Year Ended December 31, 2025

	Original Budget	Final Budget	Actual	Variance *Positive (Negative)*
Revenues				
Strom Drainage Sales	$ 1,759,535	$ 1,759,535	$ 1,883,448	$ 123,913
Grant Revenue	-	-	-	-
Total Revenues	1,759,535	1,759,535	1,883,448	123,913
Expenditures				
Strom Drainage and Administration	539,800	603,748	381,960	221,788
Capital Outlay	250,000	3,764,777	-	3,764,777
Total Expenditures	789,800	4,368,525	381,960	3,986,565
Operating Income	969,735	(2,608,990)	1,501,488	4,110,478
Other Revenues (Expenses)				
Investment Income	-	-	8,484	8,484
Plant Investment Fees	82,446	82,446	109,192	26,746
Proceeds from Loan	-	3,514,777	-	(3,514,777)
Transfers to Other Funds	(325,832)	(325,832)	(385,760)	(59,928)
Debt Service				
Principal	(385,682)	(385,682)	-	385,682
Interest	(104,908)	(104,908)	(102,658)	2,250
Total Other Revenue (Expenses)	(733,976)	2,780,801	(370,742)	(3,151,543)
Change in Net Position, *Budgetary Basis*	$ 235,759	$ 171,811	1,130,746	$ 958,935
Adjustments to GAAP Basis				
Depreciation			(471,374)	
Change in Net Position, *GAAP Basis*			$ 659,372	

City of Evans, Colorado

Budgetary Comparison Schedule
Cemetery Endowment Fund
For the Year Ended December 31, 2025

	Original Budget	Final Budget	Actual	Variance *Positive (Negative)*
Revenues				
Investment Income	$ 6,000	$ 6,000	$ 2,586	$ (3,414)
Total Revenues	6,000	6,000	2,586	(3,414)
Excess Revenues Over (Under) Expenditures	6,000	6,000	2,586	(3,414)
Other Financing Sources (Uses)				
Transfers Out	(6,000)	(6,000)	(2,586)	3,414
Net Change in Fund Balance	-	-	-	-
Fund Balance, *Beginning of Year*	49,470	49,470	49,470	-
Fund Balance, *End of Year*	$ 49,470	$ 49,470	$ 49,470	$ -

Compliance Section

Single Audit

HINKLE & COMPANY PC
Strategic Business Advisors

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of City of Evans, Colorado (the City), as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated June 2, 2026.

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

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 identify deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Office Locations:
Colorado Springs, CO
Denver, CO
Frisco, CO
Tulsa, OK

Denver Office:
750 W. Hampden Avenue,
Suite 400
Englewood,
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Compliance and Other Matters
As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. 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 City of Evans, Colorado's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Hinkle & Company, PC

Englewood, Colorado
June 2, 2026

HINKLE & COMPANY PC
Strategic Business Advisors

Independent Auditor's Report on Compliance for Each Major Federal Program; Report on Internal Control over Compliance and Report on Schedule of Expenditures of Federal Awards Required by the *Uniform Guidance*

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

Report on Compliance for Each Major Federal Program

Opinion Report on Compliance for Each Major Federal Program

We have audited the City of Evans, Colorado's (the City) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have direct and material effect on each of the City's major federal programs for the year ended December 31, 2025. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2025.

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 (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); 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 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 the City 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 the City's compliance with the compliance requirements referred to above.

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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 the City'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 the City'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 GAAS, *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 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 the City's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, 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 the City'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 the City'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 the City'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.

Report on Internal Control Over Compliance (Continued)
A *material weakness in internal control over compliance* is a deficiency, or 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 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 above 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.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance
We have audited the financial statements of the governmental activities, each discretely presented component unit, each major fund, and the aggregate remaining fund information of the City as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the basic financial statements of the City. We issued our report thereon dated June 2, 2026, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is 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 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.

Hinkle & Company.pc

Englewood, Colorado
June 2, 2026

City of Evans, Colorado
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2025

Federal Grantor/Pass-Through Grantor/Program Title	Assistance Listing Number	Pass-Through Entity Identification Number	Award Amount Expended	Passed Through Subrecipients
United States Department of Housing and Urban Development				
Passed through the State of Colorado				
Community Development Block Grant	14.218	#24-5	$ 179,190	$ -
Total United States Department of Housing and Urban Development			179,190	-
United States Department of Treasury				
Passed through the State of Colorado Department of Transportation				
Revitalizing Main Street	21.027	24-HA4-XC-00208	649,803	-
Total			649,803	-
Total Expenditures of Federal Awards			$ 828,993	$ -

See Notes to Schedule of Expenditures of Federal Awards.

City of Evans, Colorado

Notes to the Schedule of Expenditures of Federal Awards
December 31, 2025

Note 1: Basis of Presentation

The accompanying schedule of expenditures of the City under programs for the federal government for the year ended December 31, 2025. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net position, or cash flows of the City.

Note 2: Summary of Significant Accounting Policies

Expenditures reported on the Schedule of Expenditures of Federal Awards 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.

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

City of Evans, Colorado
Schedule of Findings and Questioned Costs
December 31, 2025

Section I: Summary of Auditor's Results

1. The opinion expressed in the independent auditor's report was:

   ☒ Unmodified ☐ Qualified ☐ Adverse ☐ Disclaimed

2. The independent auditor's report on internal control over financial reporting described:

   Significant deficiencies? ☐ Yes ☒ None reported

   Material weaknesses? ☐ Yes ☒ No

3. Noncompliance considered material to the financial statements was disclosed by the audit?

   ☐ Yes ☒ No

4. The independent auditor's report on internal control over compliance for major federal awards programs disclosed:

   Significant deficiencies? ☐ Yes ☒ None reported

   Material weaknesses? ☐ Yes ☒ No

5. The opinion expressed in the independent auditor's report on compliance for major federal awards was:

   ☒ Unmodified ☐ Qualified ☐ Adverse ☐ Disclaimed

6. The audit disclosed findings required to be reported by the Uniform Guidance?

   ☐ Yes ☒ No

7. The City's major program was:

Cluster/Program	Federal Assistance Number
Coronavirus Relief Fund	21.027

8. The threshold used to distinguish between Type A and Type B programs as those terms are defined in the Uniform Guidance was $750,000.

9. The City qualified as a low-risk auditee as that term is defined in the Uniform Guidance.

   ☒ Yes ☐ No

Section II: Financial Statement Findings

No current year findings or questioned costs were reported.

Section III: Federal Award Findings and Questioned Costs

No current year findings or questioned costs were reported.

City of Evans, Colorado
Schedule of Prior Year Audit Findings
December 31, 2025

Findings Required to be Reported by the Uniform Guidance

No items requiring follow up.

State Compliance

LOCAL HIGHWAY FINANCE REPORT		STATE: COLORADO
THIS INFORMATION FROM THE RECORDS OF: CITY OF EVANS	PREPARED BY: ELSA CHACON ECHACON@EVANSCOLORADO.GOV	REPORT YEAR ENDING DATE(mm/yyyy): 12/2025

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. Total (1 - (2 through 4))	0	0	0	0

II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL

ITEM	AMOUNT	ITEM	AMOUNT
A.3. Other Local Imposts:		**A.4. Miscellaneous Local Receipts:**	
a. Property Taxes and Assessments		a. Interest on investments	332,122.56
b. Non-property Taxes and Assessments Imposts	6,350,687.39	b. Other Misc. Local Receipts	300,443.02
c. Total (a + b)	$ 6,350,687.39	**c. Total (a + b)**	$ 632,565.58

ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		**D. Receipts from Federal Government**	
1. Highway-user Taxes (from Item I.C.5.)	655,639.92	1. FHWA (from Item I.D.5.)	
2. State General Funds		2. Other Federal Agencies:	
3. Other State funds:			
a. State Bond Proceeds			
b. Non-State Bond Proceeds	244,134.58		
c. Total (a + b)	$ 244,134.58		
4. Total (1 + 2 + 3c)	$ 899,774.50	**3. Total (1 + 2)**	$ -

III. EXPENDITURES FOR ROAD AND STREET PURPOSES - DETAIL

ITEM	AMOUNT
A.1. Capital outlay:	
a. Right-Of-Way Costs	
b. Engineering Costs	630,507.34
c. Construction Costs	9,863,413.35
d. Total Capital Outlay (a+ b + c)	$ 10,493,920.69

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LOCAL HIGHWAY FINANCE REPORT			STATE: COLORADO REPORT YEAR ENDING DATE(mm/yyyy): 12/2025	

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. Amount used for highway purposes				

II. RECEIPTS FOR ROAD AND STREET PURPOSES		III. EXPENDITURES FOR ROAD AND STREET PURPOSES	
ITEM	**AMOUNT**	**ITEM**	**AMOUNT**
A. Receipts from Local Sources:		**A. Local highway expenditures:**	
1. Local Highway-user Taxes		1. Capital Outlay (from page 1, Item III.A1.d)	$ 10,493,920.69
a. Motor Fuel (from Item I.A.1)	0	2. Maintenance:	1,357,144.50
b. Motor Vehicle (from Item I.B.1)	0	3. Road and Street Services:	
c. Total (a + b)	0	a. Snow and Ice Removal	14,292.16
2. General Fund Appropriations		b. Other & Traffic Control Operations	16,116.69
3. Other Local Imposts (from page 1, Item II.A3.c)	$ 6,350,687.39	**c. Total (a + b)**	$ 30,408.85
4. Miscellaneous Local Receipts (from page 1, Item II.A4.c)	$ 632,565.58	4. General Administration & Miscellaneous	341,889.98
5. Transfers from Toll Facilities		5. Highway Law Enforcement and Safety	558,770.33
6. Proceeds of Sale of Bonds and Notes:		**6. Total (1 through 5)**	$ 12,782,134.35
a. Bonds - Original Issues		**B. Debt Service on Local Obligations:**	
b. Bonds - Refunding Issues		1. Bonds:	
c. Notes		a. Interest	
d. Total (a + b + c)	$ -	b. Redemption	
7. Total (1 through 6)	$ 6,983,252.97	**c. Total (a + b)**	$ -
B. Private Contributions		2. Notes:	
C. Receipts from State government (from page 1, Item II.C.4)	$ 899,774.50	a. Interest	
D. Receipts from Federal government (from page 1, Item II.D.3)	$ -	b. Redemption	
E. Total receipts (A.7 + B + C + D)	$ 7,883,027.47	**c. Total (a + b)**	$ -
		3. Total (1c + 2c)	$ -
		C. Payments to State for Highways	
		D. Payments to Toll Facilities	
		E. Total Expenditures (A6 + B3 + C + D)	$ 12,782,134.35

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

ITEM	OPENING DEBT	AMOUNT ISSUED	REDEMPTIONS	CLOSING DEBT
A. Bonds (Total)		$ -	$ -	$ -
1. Bonds (Refunding Portion)		$ -	0	
B. Notes (Total)		$ -	$ -	$ -