

# **City of Evans, Colorado**

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**Annual Financial Statements and Independent Auditors' Report**

**For the year ended  
December 31, 2023**

## Table of Contents

	Page
<b>Introductory Section</b>	
Letter of Transmittal .....	i
<b>Financial Section</b>	
<b>Independent Auditors' Report</b> .....	ii-iv
<b>Management's Discussion and Analysis</b> .....	v-xv
<b>Basic Financial Statements</b>	
<i>Government-wide Financial Statements</i>	
Statement of Net Position .....	1
Statement of Activities .....	2
<i>Governmental Funds</i>	
Balance Sheet – Governmental Funds .....	3
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position .....	4
Combined Statement of Revenues, Expenditures and Changes in Fund Balance .....	5
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities .....	6
<i>Proprietary Funds</i>	
Statement of Net Position .....	7
Statement of Revenues, Expenses, and Changes in Net Position.....	8
Statement of Cash Flows.....	9
<i>Fiduciary Fund</i>	
Statement of Fiduciary Net Position – Cemetery Endowment Fund.....	10
Statement of Changes in Net Position – Cemetery Endowment Fund.....	11
<i>Notes to Financial Statements</i> .....	12-45
<b>Required Supplemental Information</b>	
Schedule of Revenues, Expenditures and Changes in Fund Balances —Budget and Actual General Fund .....	46
Schedule of Revenues, Expenditures and Changes in Fund Balances —Budget and Actual Evans Redevelopment Agency .....	47
Schedule of Proportionate Share of the Net Pension Liability/Asset.....	48
Schedule of City Contributions .....	48
<b>Other Supplementary Information</b>	
<i>Combining, Individual Fund Financial Statements and Schedules</i>	
<i>Nonmajor Governmental Funds –</i>	
Combining Balance Sheet —Nonmajor Governmental Funds.....	49
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances —Nonmajor Governmental Funds.....	50

*Schedule of Revenues, Expenditures and Changes in Fund Balances*  
*—Budget and Actual – Governmental Funds*

Parks Impact Fund .....	51
Conservation Trust Fund .....	52
Fire Impact Fund .....	53
Refuse Collection Fund .....	54
Street Impact Fund .....	55
Police Impact Fund .....	56
Cemetery Perpetual Care Fund.....	57
Street Construction Fund .....	58
Parks Construction Fund .....	59
Food Tax Fund .....	60
Road Tax Fund .....	61
School Impact Fund .....	62

*Combining, Individual Fund Financial Statements and Schedules*  
*Nonmajor Enterprise Funds –*

Water Fund .....	63
Waste Water Fund .....	64
Storm Drainage Fund.....	65

*Schedule of Revenues, Expenditures and Changes in Fund Balances*  
*—Budget and Actual – Fiduciary Fund*

Cemetery Endowment Fund .....	66
-------------------------------	----

**Compliance Section**

*State Compliance*

Local Highway Finance Report .....	67-68
------------------------------------	-------

*Reports to Governmental Agencies*

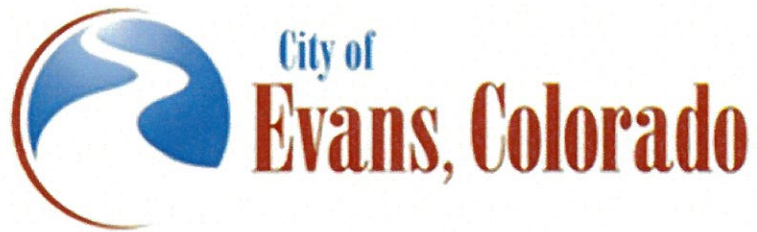
Independent Auditors’ Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards .....	69-70
--	-------

Independent Auditors’ Report on Compliance for Each Major Federal Program and Report on Internal Control over Compliance Required by the Uniform Guidance .....	71-72
--	-------

Schedule of Findings and Questioned Costs .....	73
---	----

Schedule of Expenditure of Federal Awards .....	74
---	----

Notes to Schedule of Expenditures of Federal Awards .....	75
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June 4, 2024

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

State Law requires that all general-purpose local governments publish, within 240 days of the close of each fiscal year, a complete set of financial statements presented in conformity with accounting principles generally accepted in the United States (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the annual financial report of the City of Evans for the fiscal year ended December 31, 2023.

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

The City of Evans financial statements have been audited by Haynie & Company, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of Evans for the fiscal year ended December 31, 2023, 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, 2023 are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

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

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Cody R. Sims".


Cody R. Sims, ICMA-CM, MPA, CPM  
City Manager

A handwritten signature in black ink, appearing to read "Jacque Troudt".


Jacque Troudt, CPA, CPFO  
Finance Director



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## Independent Auditors' Report

Honorable Mayor and the City Council  
City of Evans, Colorado

### Report on the Audit of the Financial Statements

#### Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Evans, Colorado (the "City") as of and for the year ended December 31, 2023 and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Evans, Colorado, as of December 31, 2023 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### Basis for Opinions

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

#### Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

### **Auditors' 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 Auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

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

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

### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### **Supplementary Information**

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

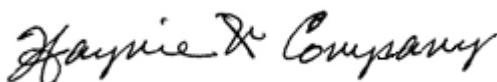
### **Other Information**

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

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated May 22, 2024, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



Littleton, Colorado  
May 22, 2024

**City of Evans, Colorado  
Management's Discussion and Analysis  
December 31, 2023**





May 22, 2024

## ***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, 2023. Please read the information presented here in conjunction with the City's financial statements beginning on page 1.

### ***FINANCIAL HIGHLIGHTS***

- The assets of the City exceeded its liabilities at the close of 2023 by \$215.6 million (net position). Of this amount, \$64.3 million (unrestricted net position) may be used to meet the City's ongoing obligations to citizens and creditors. Of the remaining balance, \$136.3 million is investments in capital assets and \$15.1 million is restricted for other purposes.
- The City's total net position increased by \$14.2 million. The governmental and business-type activities drove this change with an increase in revenue.
- Sales and use tax collections increased by \$2.4 million, a 14 percent increase from the prior year. Strong collections from industrial and online sales contributed to this increase.
- At the end of 2023, the City's governmental funds reported combined ending fund balances of \$43.3 million, an increase of \$8.2 million in comparison to the ending balances of 2022. Of this total amount, \$12 million, or 28 percent, is available for spending at the City's discretion (unassigned fund balance).
- At the end of 2023, the unassigned fund balance for the General Fund was \$12 million, which was 61 percent of total General Fund 2023 expenditures. Evans City Charter requires the Emergency Contingency Fund to maintain a balance of 25 percent of the preceding fiscal year's (2023) audited General Fund expenditures, not to exceed \$1 million. The resulting 2023 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 2023-year end for the General Fund, including the Emergency Contingency Fund, amount to \$24.1 million.
- As required under Accounting Principle GASB 68, the City reported an asset of \$168 thousand for its proportionate share of the net pension assets of the State of Colorado Fire and Police Pension Association plans at December 31, 2023. Footnote 8 explains the impact on net position in more detail.

### ***OVERVIEW OF THE FINANCIAL STATEMENTS***

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

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

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

The **statement of net position** presents information on all the City of Evans' assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference between these categories reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

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

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

The government-wide financial statements include solely the operations of the City itself. The activity for the Evans Redevelopment Agency ("ERA") is reported as a blended component unit of the City. Separate financial statements are not issued for the ERA. The government-wide financial statements can be found on pages 1-2 of this report.

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

A fund is a grouping of related accounts used to maintain control over resources segregated for specific activities or objectives, or as required by legal enabling legislation. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance related legal requirements. All the funds of the City can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

**Governmental funds** - Governmental funds are used to account for the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on upcoming inflows and outflows of resources, as well as on balances of resources available at the

end of the fiscal year. Such information may be useful in evaluating a government's upcoming financing requirements.

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

The City maintains 15 individual governmental funds, including the blended component unit of the Evans Redevelopment Agency. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, street construction fund, road tax fund, and the Evans Redevelopment Agency, which are major funds. Data from the remaining 11 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements included in other supplementary information.

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

The basic governmental fund financial statements are found on pages 3-6 of this report.

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

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

The basic proprietary fund financial statements can be found on pages 7-9 of this report.

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

The basic fiduciary fund financial statements can be found on pages 10-11 of this report.

### **Notes to the financial statements**

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements are found on pages 12-45 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 46-66 of this report.

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

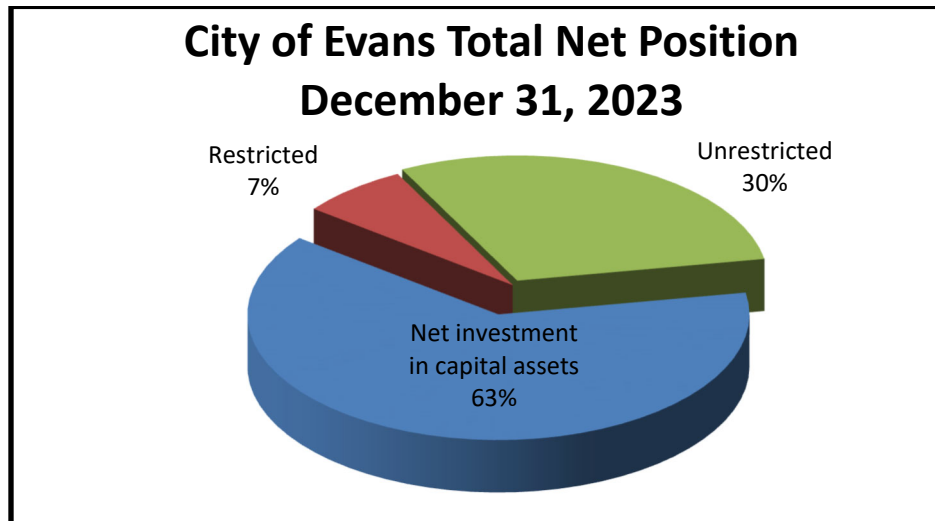
As noted earlier, net position may serve as a useful indicator of a government's financial position. In the case of the City, assets exceeded liabilities by \$215.6 million at the close of 2023.

By far the largest portion (63 percent) of the City's net position reflects its investment in capital assets (e.g., land, buildings, machinery and equipment and infrastructure) less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net position (7 percent) represents resources that are subject to external and internal restrictions on how they may be used. The remaining balance of unrestricted net position (\$64 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 2023 as compared to 2022.

**Table 1****City of Evans  
Net Position (\$000's)**

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
<b>Assets:</b>						
Current and other assets	\$49,008	\$42,096	\$26,422	\$36,445	\$75,430	\$78,541
Capital assets	71,113	65,856	112,123	102,645	183,237	168,501
Net pension asset	168	4,526	-	-	168	4,526
Total assets	120,289	112,478	138,546	139,090	258,834	251,569
<b>Deferred outflows of resources</b>	2,186	1,400	-	-	2,186	1,400
<b>Liabilities:</b>						
Current liabilities	2,718	2,788	735	1,626	3,454	4,414
Long-term liabilities	536	500	38,739	41,087	39,275	41,587
Total liabilities	3,254	3,288	39,474	42,713	42,728	46,001
<b>Deferred inflows of resources</b>						
Deferred revenue	2,610	4,131	-	-	2,610	4,131
Deferred inflows of resources relating to pensions	74	1,463	-	-	74	1,463
Total Deferred inflows of resources	2,684	5,594	-	-	2,684	5,594
<b>Net Position:</b>						
Net investment in capital assets	70,578	65,856	65,690	61,646	136,268	127,503
Restricted	14,262	14,070	799	811	15,062	14,881
Unrestricted	31,697	25,072	32,582	33,920	64,278	58,992
Total net position	\$116,537	\$104,998	\$99,071	\$96,377	\$215,608	\$201,375



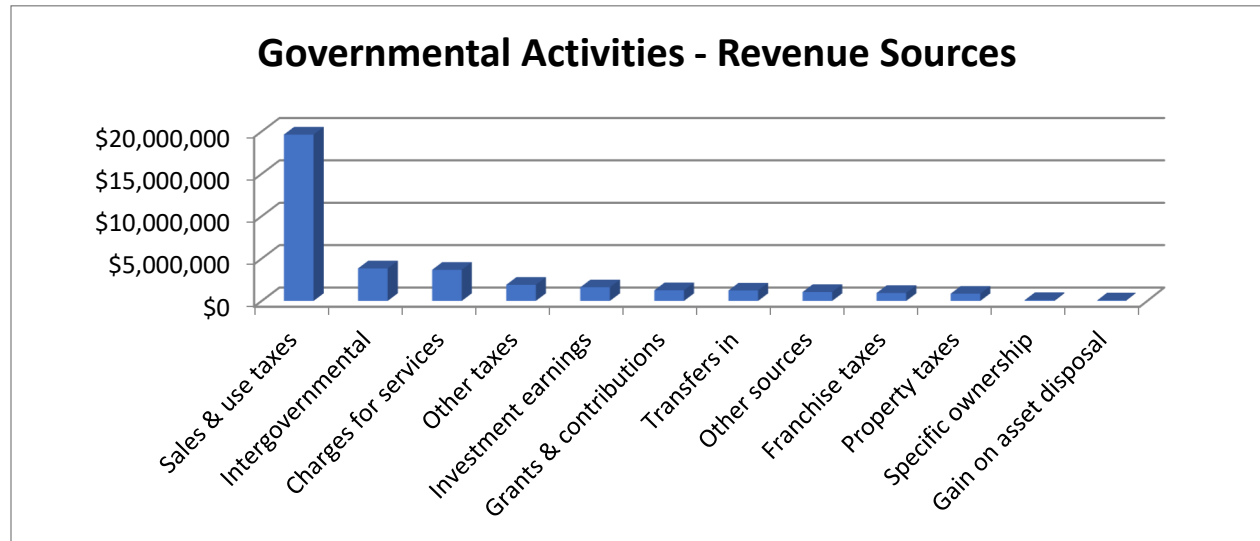
At the end of the current fiscal year and previous fiscal year, the City is able to report positive balances in all three categories of net position, for the City as a whole, as well as for its separate governmental and business-type activities.

Table 2 shows the changes in net position for the fiscal year 2023 compared to the fiscal year 2022.

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

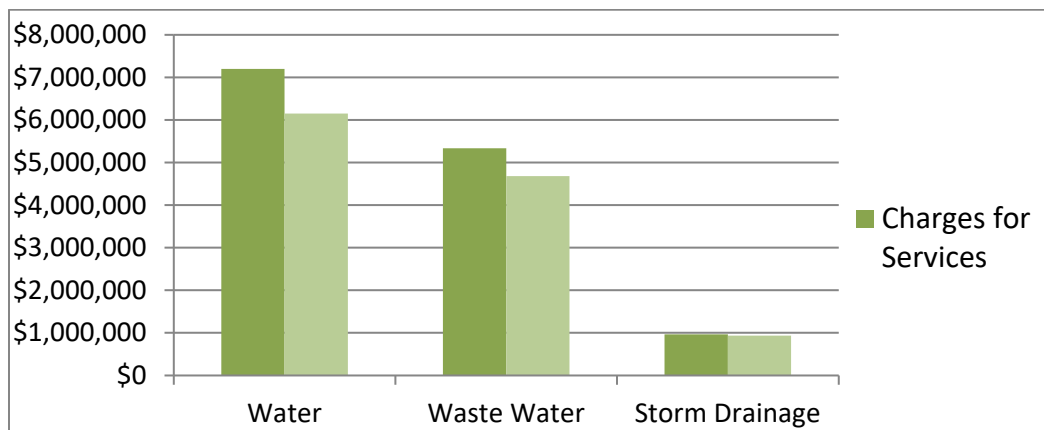
	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
<b>Revenues:</b>						
<i>Program revenues:</i>						
Charges for services	\$3,675	\$2,568	\$13,494	\$13,738	\$17,169	\$16,306
Operating grants and contributions	139	667	-	214	139	881
Capital grants and contributions	1,119	-	1,801	421	2,920	421
<i>General revenues:</i>						
Sales and use taxes	19,635	17,198	-	-	19,635	17,198
Property taxes	854	607	-	-	854	607
Specific Ownership taxes	101	121	-	-	101	121
Franchise taxes	939	833	-	-	939	833
Other taxes	1,901	1,445	-	-	1,901	1,445
Intergovernmental	3,838	4,075	-	-	3,838	4,075
Unrestricted Investment Earnings/ (Loss)	1,609	(910)	388	193	1,997	(717)
Other general revenue	1,048	2,088	-	-	1,048	2,088
Gain (Loss) on disposition of capital assets	73	-	-	29	73	29
<b>Total revenues</b>	<b>34,931</b>	<b>28,692</b>	<b>15,683</b>	<b>14,595</b>	<b>50,615</b>	<b>43,287</b>
<b>Expenses:</b>						
General government	6,468	5,969	-	-	6,468	5,969
Public safety	9,315	6,281	-	-	9,315	6,281
Public works	4,895	4,533	-	-	4,895	4,533
Culture, parks and recreation	2,720	2,461	-	-	2,720	2,461
Community development	1,226	1,121	-	-	1,226	1,121
Water enterprise	-	-	6,151	6,306	6,151	6,306
Waste Water enterprise	-	-	4,679	4,328	4,679	4,328
Storm Drainage enterprise	-	-	931	649	931	649
Interest on Long Term Debt	-	-	-	-	-	-
<b>Total expenses</b>	<b>24,624</b>	<b>20,365</b>	<b>11,761</b>	<b>11,283</b>	<b>36,385</b>	<b>31,649</b>
Excess before transfers	10,307	8,327	3,923	3,312	14,230	11,639
Transfers in (out)	1,231	1,353	-1,229	-1,352	3	1
Increase (decrease) in net position	11,539	9,679	2,694	1,960	14,233	11,640
Net position – Beginning	104,998	95,318	96,377	94,417	201,375	189,736
Net position – Ending	\$116,537	\$104,998	\$99,071	\$96,377	\$215,608	\$201,375

**Governmental Activities** - Governmental activities increased the City's net position by \$11.5 million, thereby accounting for a portion of the total growth in the net position of the City. Contributing to this growth was both the City's increase in revenues driven primarily by sales tax collections and decreases in expenditures due to staffing challenges and operational savings.

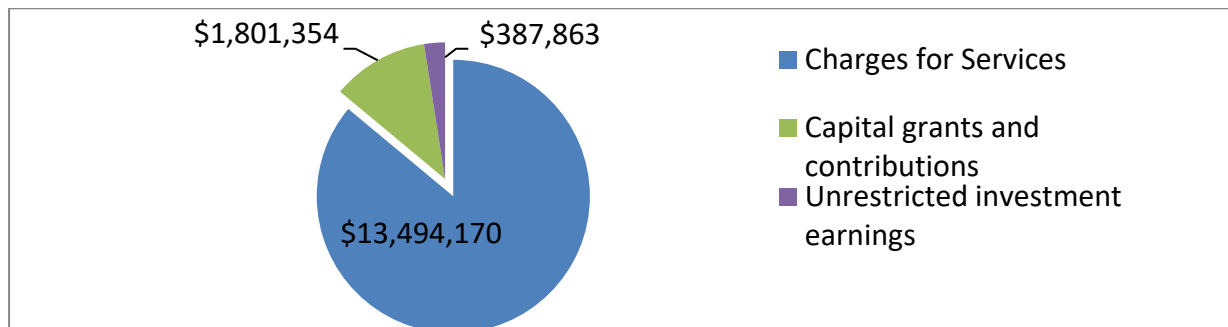


**Business-type Activities** - Business-type activities increased the City's net position by \$2.7 million.

### Business-type Activities - Charges for Services and Expenses



### Business-type Activities - Revenues by Source



## FINANCIAL ANALYSIS OF THE CITY'S FUNDS

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

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

As of December 31, 2023, the City's governmental funds reported ending fund balances of \$43.3 million, an increase of \$8.1 million from the prior year. Approximately 28 percent of this total amount (\$12 million) constitutes unassigned fund balance, which is available for spending at the City's discretion. The remainder of fund balance (\$31.3 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, 2023, the unassigned fund balance of the general fund was \$12 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 61 percent of total General Fund expenditures. The increase in the fund balance of the General Fund was \$4.5 million during 2023.

Council priorities in 2023 focused on investing available resources to replace old and unusable heavy equipment, planting the seeds for future economic development growth, improving City-wide beautification efforts, and realigning staffing vacancies to departments seeing great staffing needs. These priorities and trends shaped the creation of the 2024 budget and will continue to serve as a framework for future success.

In 2023, taxes were the General Fund's largest source of revenue at 65 percent, or \$14.8 million.

The Emergency Contingency Fund ended the 2023 fiscal year with a total fund balance of \$1.0 million, all of which is reserved for emergencies and not available for spending, except at the City Council's discretion in accordance with City Charter direction. For financial reporting purposes, this fund is reported within the General Fund.

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

Net position of the Water, Waste Water and Storm Drainage funds as of December 31, 2023, amounted to \$61.7 million, \$27.1 million, and \$10.2 million, respectively. The total change in net position for the three funds during 2023 was \$1.6 million of growth, \$1.3 million of growth, and \$237 thousand decline, respectively. Other factors concerning the finances of these funds have already been addressed in the discussion of the City's business-type activities.



## GENERAL FUND BUDGETARY HIGHLIGHTS

The difference between the 2023 original budget and the final revised expenditure budget was \$9 million. The major appropriations approved during the year were:

- \$2 million to construct landscape and beautification improvements along Highway 85
- \$365 thousand for concrete improvements along 23<sup>rd</sup> Avenue
- \$720 thousand for additional road and traffic signal designs and additional pavement management improvements
- \$150 thousand for retroreflective sign replacements across the City
- Almost \$3 million of project budgets carried forward to the 2023 budget, to include items such as: land acquisition and design of a new police station, window replacement and roof repairs of the Evans Community Complex, purchase replacement police vehicles, playground improvements, recreation equipment, and traffic calming projects.

During the year, actual revenues and other financing sources were \$24.3 million, which exceeded final budgetary estimates by \$3.3 million. General fund sales and use tax collections, severance taxes, and improving interest income all contributed to this increase.

Actual expenditures and other financing uses totaled \$19.8 million which was \$7.5 million under budgeted expenditures and other financing uses. The fund balance as of December 31, 2023 was \$24.1 million. Of this amount, \$16 thousand is non-spendable and related to 2024 expenditures prepaid in 2023, \$1 million is restricted for emergencies, \$224 thousand is committed for functions related to designated revenue, \$10.8 million is assigned for intended projects, and \$12 million is unassigned and available for appropriations as the City Council sees fit.

## CAPITAL ASSET AND DEBT ADMINISTRATION

**Capital Assets** - The City's investment in capital assets for its governmental and business-type activities as of December 31, 2023, amounted to \$136.3 million (net of accumulated depreciation). This includes land; buildings and system; improvements; machinery and equipment; park facilities; sidewalks; roads; highways and bridges; and water, wastewater and storm drainage installations and systems. The City's investment in capital assets increased for both governmental activities and for business-type activities).

Major capital asset additions during the year included the following:

- Construction in progress activity for a multitude of road design and construction projects, waterline replacements, storm drainage improvements, and design of a new police station.
- New major assets included police vehicle replacements, improvements to City parks and playgrounds, traffic signal improvements, concrete replacement projects, wastewater overflow structure construction, major roadway improvements which included paving, resurfacing and maintenance, and widening of 47<sup>th</sup> Avenue at 37<sup>th</sup> Street.

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

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Land and water shares	\$9,258	\$9,258	\$36,599	\$36,659	\$45,857	\$45,917
Landscaping	2,637	2,093	0	0	2,637	2,093
Construction in progress	7,301	9,502	7,490	10,096	14,791	19,598
Intangible assets	136	150	21	7	157	157
Intangible right-to-use SBITA	13	-	-	-	13	0
Land improvements	6,979	7,756	-	-	6,979	7,756
Building & improvements	7,988	8,131	-	301	7,988	8,131
System improvements	-	-	63,047	58,455	63,047	58,455
Machinery & equipment	336	131	3,866	4,180	4,202	4,311
Transportation equipment	277	196	-	-	277	196
Infrastructure	36,188	28,639	1,100	1,051	37,289	29,690
Total	\$71,113	\$65,856	\$112,123	\$110,447	\$183,238	\$176,304

Additional information on the City's capital assets can be found in the notes to the financial statements on pages 25-27 of this report.

**Debt** - As of December 31, 2023, the City had no capital lease obligations outstanding. In addition, the City has \$39 million in Colorado Water Resources and Power Development Authority ("CWRPDA") notes payable.

**City of Evans Outstanding Debt**

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Water loans	-	-	-	156	-	156
Wastewater loans	-	-	30,987	32,824	30,987	32,824
Storm Drainage loans	-	-	7,644	8,019	7,644	8,019
Other	536	500	108	89	643	588
Total	\$536	\$500	\$38,739	\$41,087	\$39,275	\$41,587

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 28-30 of this report.

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

- Population has increased slightly over the past several years with a 2023 estimate of 22,296.
- The City's sales and use tax revenue increased by 7 percent in 2023, attributed to increases in economic activity and inflationary impacts on pricing. Collections in almost all sales tax categories were up over 2022 collections, with notable growth in industrial sales taxes and online sales into Evans.
- Significant attention was placed on necessary equipment replacements, priority capital improvements, beautification efforts and economic development activities for the 2024 budget.
- Future plans for roadway expansion and improvement drive a substantial portion of the capital improvement plans for the upcoming years.

All of these factors were considered in preparing the City's budget for the 2024 fiscal year.

## **Requests for Information**

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

## **Basic Financial Statements**

**City of Evans, Colorado**  
**Statement of Net Position**  
**December 31, 2023**

	PRIMARY GOVERNMENT		
	GOVERNMENTAL	BUSINESS-TYPE	TOTAL
	ACTIVITIES	ACTIVITIES	
<b>ASSETS</b>			
Cash, cash equivalents and investments	\$ 41,186,499	\$ 19,529,264	\$ 60,715,763
Receivables	4,496,038	8,402,138	12,898,176
Internal balances	2,308,486	(2,308,486)	-
Prepaid items	16,545	-	16,545
Restricted cash, cash equivalents and investments	1,000,000	799,400	1,799,400
Investment in Greeley water	-	7,802,013	7,802,013
Capital assets, not being depreciated	19,196,373	36,286,907	55,483,280
Capital assets, net of accumulated depreciation	51,916,991	68,034,388	119,951,379
Net pension asset	167,690	-	167,690
<b>TOTAL ASSETS</b>	<b>120,288,622</b>	<b>138,545,624</b>	<b>258,834,246</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred outflows of resources relating to pensions	2,186,357	-	2,186,357
<b>Total Deferred Outflows of Resources</b>	<b>2,186,357</b>	<b>-</b>	<b>2,186,357</b>
<b>LIABILITIES</b>			
Accounts payable	1,176,245	384,892	1,561,137
Accrued payroll	333,888	42,303	376,191
Deposits and escrows	345,511	189,352	534,863
Unearned revenue	586,453	-	586,453
Other liabilities	276,150	-	276,150
Accrued interest payable	-	118,905	118,905
Noncurrent liabilities:			
Due within one year	497,527	2,355,549	2,853,076
Due in more than one year	38,151	36,383,344	36,421,495
<b>TOTAL LIABILITIES</b>	<b>3,253,925</b>	<b>39,474,345</b>	<b>42,728,270</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred revenue	2,609,993	-	2,609,993
Deferred inflows of resources relating to pensions	74,373	-	74,373
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>2,684,366</b>	<b>-</b>	<b>2,684,366</b>
<b>NET POSITION</b>			
Net investment in capital assets	70,577,686	65,690,085	136,267,771
Restricted for:			
Pension	167,690	-	167,690
Emergencies	1,000,000	-	1,000,000
Debt service	-	799,400	799,400
Street construction	12,108,752	-	12,108,752
Parks and recreation	985,963	-	985,963
Unrestricted	31,696,597	32,581,794	64,278,391
<b>TOTAL NET POSITION</b>	<b>\$ 116,536,688</b>	<b>\$ 99,071,279</b>	<b>\$ 215,607,967</b>

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

**City of Evans, Colorado**  
**Statement of Activities**  
**For the Year Ended December 31, 2023**

FUNCTIONS / PROGRAMS	EXPENSES	PROGRAM REVENUES			NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION		
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	Primary Government	
						BUSINESS-TYPE ACTIVITIES	TOTAL
<b>Primary Government</b>							
<b>Governmental activities:</b>							
General government	\$ 6,468,128	\$ 1,549,841	\$ -	\$ -	\$ (4,918,287)	\$ -	\$ (4,918,287)
Public safety	9,314,835	639,182	4,754	-	(8,670,899)	-	(8,670,899)
Public works	4,894,968	1,041,924	-	1,118,565	(2,734,479)	-	(2,734,479)
Culture, parks and recreation	2,720,204	443,608	20,000	-	(2,256,596)	-	(2,256,596)
Community development	1,225,633	-	114,482	-	(1,111,151)	-	(1,111,151)
<b>Total Governmental Activities</b>	<u>24,623,768</u>	<u>3,674,555</u>	<u>139,236</u>	<u>1,118,565</u>	<u>(19,691,412)</u>	<u>-</u>	<u>(19,691,412)</u>
<b>Business-Type Activities:</b>							
Water	6,150,688	7,196,951	-	870,342	-	1,916,605	1,916,605
Wastewater	4,679,324	5,334,210	-	864,194	-	1,519,080	1,519,080
Storm drainage	930,743	963,009	-	66,818	-	99,084	99,084
<b>Total Business-Type Activities</b>	<u>11,760,755</u>	<u>13,494,170</u>	<u>-</u>	<u>1,801,354</u>	<u>-</u>	<u>3,534,769</u>	<u>3,534,769</u>
<b>Total Primary Government</b>	<u>\$ 36,384,523</u>	<u>\$ 17,168,725</u>	<u>\$ 139,236</u>	<u>\$ 2,919,919</u>	<u>\$ (19,691,412)</u>	<u>\$ 3,534,769</u>	<u>\$ (16,156,643)</u>
<b>General revenues</b>							
Taxes:							
					\$ 853,626	\$ -	\$ 853,626
					101,452	-	101,452
					19,634,878	-	19,634,878
					938,893	-	938,893
					1,900,851	-	1,900,851
					3,838,078	-	3,838,078
					1,609,384	387,863	1,997,247
					1,048,456	-	1,048,456
					73,274	-	73,274
					29,998,892	387,863	30,386,755
					1,231,435	(1,228,616)	2,819
					31,230,327	(840,753)	30,389,574
					11,538,915	2,694,016	14,232,931
					104,997,773	96,377,263	201,375,036
					<u>\$ 116,536,688</u>	<u>\$ 99,071,279</u>	<u>\$ 215,607,967</u>

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

**City of Evans, Colorado**  
**Balance Sheet**  
**Governmental Funds**  
**December 31, 2023**

	<u>GENERAL</u>	<u>STREET CONSTRUCTION</u>	<u>ROAD TAX</u>	<u>EVANS REDEVELOPMENT AGENCY</u>	<u>OTHER GOVERNMENTAL FUNDS</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>
<b>ASSETS</b>						
Equity in pooled cash, cash equivalents and investments	\$ 21,322,076	\$ 3,637,942	\$ 5,943,039	\$ 656,357	\$ 9,627,085	\$ 41,186,499
Restricted cash, cash equivalents and investments	1,000,000	-	-	-	-	1,000,000
Receivables	3,367,408	397,234	445,122	369	285,905	4,496,038
Due (to)/from other fund	2,308,486	-	-	-	-	2,308,486
Prepaid items	16,545	-	-	-	-	16,545
<b>TOTAL ASSETS</b>	<u>\$ 28,014,515</u>	<u>\$ 4,035,176</u>	<u>\$ 6,388,161</u>	<u>\$ 656,726</u>	<u>\$ 9,912,990</u>	<u>\$ 49,007,568</u>
<b>LIABILITIES, DEFERRED INFLOW OF RESOURCES AND FUND BALANCES</b>						
<b>LIABILITIES</b>						
Accounts payable	\$ 625,800	\$ 91,154	\$ -	\$ 89,455	\$ 369,836	\$ 1,176,245
Unearned revenue	-	-	-	-	586,453	586,453
Accrued payroll	333,888	-	-	-	-	333,888
Deposits and escrows	345,511	-	-	-	-	345,511
Other liabilities	28,296	141,854	-	-	106,000	276,150
<b>TOTAL LIABILITIES</b>	<u>1,333,495</u>	<u>233,008</u>	<u>-</u>	<u>89,455</u>	<u>1,062,289</u>	<u>2,718,247</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Unavailable revenue	2,609,993	341,736	-	-	-	2,951,729
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<u>2,609,993</u>	<u>341,736</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,951,729</u>
<b>FUND BALANCES</b>						
Nonspendable	16,545	-	-	-	-	16,545
Restricted	1,000,000	3,460,432	6,388,161	-	3,246,122	14,094,715
Committed	223,997	-	-	-	40,795	264,792
Assigned	10,809,719	-	-	567,271	5,563,784	16,940,774
Unassigned	12,020,766	-	-	-	-	12,020,766
<b>TOTAL FUND BALANCES</b>	<u>24,071,027</u>	<u>3,460,432</u>	<u>6,388,161</u>	<u>567,271</u>	<u>8,850,701</u>	<u>43,337,592</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<u>\$ 28,014,515</u>	<u>\$ 4,035,176</u>	<u>\$ 6,388,161</u>	<u>\$ 656,726</u>	<u>\$ 9,912,990</u>	<u>\$ 49,007,568</u>

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

**City of Evans, Colorado**  
**Reconciliation of the Governmental Funds Balance Sheet**  
**to the Statement of Net Position**  
**For the Year Ended December 31, 2023**

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

Total fund balance - governmental funds \$ 43,337,592

Capital assets used in governmental activities are not current financial resources and therefore are not reported as assets in governmental funds:

Capital assets	101,382,537
Accumulated depreciation and amortization	<u>(30,269,173)</u>
Net capital assets	71,113,364

Revenues not received within 60 days of year-end are classified as deferred inflows of resources in the governmental funds - unavailable revenue 341,736

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

Net pension asset	167,690
Deferred outflows related to pension	2,186,357
Deferred inflows related to pension	(74,373)

Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the governmental funds balance sheet. (535,678)

**Total net position - governmental activities** **\$ 116,536,688**



**City of Evans, Colorado**  
**Governmental Funds**  
**Combined Statement of Revenues, Expenditures**  
**and Changes in Fund Balances**  
**For the Year Ended December 31, 2023**

	<u>GENERAL</u>	<u>STREET CONSTRUCTION</u>	<u>ROAD TAX</u>	<u>EVANS REDEVELOPMENT AGENCY</u>	<u>OTHER GOVERNMENTAL FUNDS</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>
<b>REVENUES:</b>						
Taxes	\$ 14,795,403	\$ -	\$ 3,913,477	\$ 9,395	\$ 1,986,834	\$ 20,705,109
Licenses and Permits	1,406,816	-	-	-	800	1,407,616
Intergovernmental	3,518,049	1,785,698	-	-	320,029	5,623,776
Grants and contributions	139,236	776,829	-	-	-	916,065
Charges for Services	429,815	-	-	-	1,041,124	1,470,939
Fines and Forfeitures	452,177	-	-	-	-	452,177
Earnings on investments	1,204,590	73,538	120,595	-	210,661	1,609,384
Assessments	-	-	-	-	1,282,716	1,282,716
Miscellaneous	948,680	-	-	75,968	23,807	1,048,455
<b>TOTAL REVENUES</b>	<u>22,894,766</u>	<u>2,636,065</u>	<u>4,034,072</u>	<u>85,363</u>	<u>4,865,971</u>	<u>34,516,237</u>
<b>EXPENDITURES:</b>						
Current:						
General Government	5,884,797	-	-	-	176,581	6,061,378
Public Safety	6,898,247	-	-	-	99,714	6,997,961
Public Works	1,711,746	66,424	99,446	-	1,164,769	3,042,385
Culture, Parks and Recreation	1,558,592	-	-	-	42,960	1,601,552
Community Development	1,117,741	-	-	106,682	-	1,224,423
Capital outlay	1,245,932	2,615,142	1,558,615	-	3,313,685	8,733,374
Debt Service:						
Principal	22,684	-	-	-	-	22,684
Interest	1,304	-	-	-	-	1,304
<b>TOTAL EXPENDITURES</b>	<u>18,441,043</u>	<u>2,681,566</u>	<u>1,658,061</u>	<u>106,682</u>	<u>4,797,709</u>	<u>27,685,061</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	4,453,723	(45,501)	2,376,011	(21,319)	68,262	6,831,176
<b>OTHER FINANCING SOURCES (USES)</b>						
Proceeds from the sale of capital assets	97,830	-	-	-	-	97,830
Transfers in	1,284,601	1,320,000	-	-	-	2,604,601
Transfers out	(1,320,000)	-	-	-	(53,166)	(1,373,166)
<b>NET CHANGE IN FUND BALANCES</b>	4,516,154	1,274,499	2,376,011	(21,319)	15,096	8,160,441
<b>FUND BALANCES, BEGINNING OF YEAR</b>	<u>19,554,873</u>	<u>2,185,933</u>	<u>4,012,150</u>	<u>588,590</u>	<u>8,835,605</u>	<u>35,177,151</u>
<b>FUND BALANCES, END OF YEAR</b>	<u>\$ 24,071,027</u>	<u>\$ 3,460,432</u>	<u>\$ 6,388,161</u>	<u>\$ 567,271</u>	<u>\$ 8,850,701</u>	<u>\$ 43,337,592</u>

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

**City of Evans, Colorado**  
**Reconciliation of the Statement of Revenues, Expenditures**  
**and Changes in Fund Balances of Governmental Funds**  
**to the Statement of Activities**  
**For the Year Ended December 31, 2023**

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

Net change in fund balances - total governmental funds		\$ 8,160,441
<p>Capital outlays are reported in the governmental funds as expenditures; however, for governmental activities, these costs are shown in the statement of net position and allocated over their estimated useful lives as depreciation expense.</p>		
Capital outlay	8,789,453	
Depreciation and amortization expense	<u>(3,543,738)</u>	5,245,715
<p>Proceeds from sale of capital assets are shown as an other financing source, but are reduced by the net book value of the asset to calculate the gain or loss on sale of capital assets on the statement of activities. This is the net book value of the capital assets sold.</p>		
		(24,556)
<p>Repayment of software subscription liabilities are shown as expenditures in the governmental funds. These payments are reflected as reductions in long-term liabilities in the statement of net position.</p>		
		22,684
<p>Some revenues/expenses reported in the statement of activities do not require the receipt/use of current financial resources and, therefore, are not reported as revenues and expenditures in the governmental funds.</p>		
Revenue not received within 60 days	341,736	
Change in accrued compensated absences	<u>15,022</u>	356,758
<p>Changes in pension assets, deferred inflows and deferred outflows related to defined benefit retirement plans do not require the use of current financial resources, and therefore, are not reported as expenditures in the governmental fund financial statements.</p>		
		<u>(2,222,127)</u>
Change in net position - governmental activities		<u>\$ 11,538,915</u>

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

# City of Evans, Colorado

## Proprietary Funds Statement of Net Position December 31, 2023

### ASSETS

	Water	Wastewater	Storm Drainage	Total
<b>Current Assets:</b>				
Equity in pooled cash, cash equivalents and investments	\$ 7,007,041	\$ 12,522,223	\$ -	\$ 19,529,264
Accounts receivable, net	657,086	507,204	84,293	1,248,583
Loan proceeds receivable, net	-	-	7,153,555	7,153,555
<b>Total Current Assets</b>	7,664,127	13,029,427	7,237,848	27,931,402
<b>Non-Current Assets:</b>				
Restricted cash, cash equivalents and investments	-	604,134	195,266	799,400
Investment in Greeley water	7,802,013	-	-	7,802,013
Capital assets, not being depreciated	33,432,144	962,281	1,892,482	36,286,907
Capital assets, net of accumulated depreciation	13,171,406	43,853,632	11,009,350	68,034,388
<b>Total Non-Current Assets</b>	54,405,563	45,420,047	13,097,098	112,922,708
<b>TOTAL ASSETS</b>	62,069,690	58,449,474	20,334,946	140,854,110
<b>LIABILITIES</b>				
<b>Current Liabilities:</b>				
Accounts payable	256,329	118,708	9,855	384,892
Accrued expenses	15,345	22,608	4,350	42,303
Deposits and escrows	33,603	36,205	119,544	189,352
Due from other funds	-	-	2,308,486	2,308,486
Accrued interest payable	-	94,540	24,365	118,905
Notes payable, current portion	-	1,869,290	378,576	2,247,866
<b>Total Current Liabilities</b>	305,277	2,141,351	2,845,176	5,291,804
<b>Non-Current Liabilities:</b>				
Accrued compensated absences	44,208	49,054	14,421	107,683
Notes payable	-	29,117,564	7,265,780	36,383,344
<b>Total Non-Current Liabilities</b>	44,208	29,166,618	7,280,201	36,491,027
<b>TOTAL LIABILITIES</b>	349,485	31,307,969	10,125,377	41,782,831
<b>NET POSITION</b>				
Net investment in capital assets	46,603,550	13,829,059	5,257,476	65,690,085
Restricted	-	604,134	195,266	799,400
Unrestricted	15,116,655	12,708,312	4,756,827	32,581,794
<b>TOTAL NET POSITION</b>	\$ 61,720,205	\$ 27,141,505	\$ 10,209,569	\$ 99,071,279

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

**City of Evans, Colorado**  
**Proprietary Fund**  
**Statement of Revenues, Expenses**  
**and Changes in Net Position**  
**For the Year Ended December 31, 2023**

<b>OPERATING REVENUES</b>	<u>Water</u>	<u>Wastewater</u>	<u>Storm Drainage</u>	<u>Total</u>
Water/sewer/storm drainage sales	\$ 6,400,102	\$ 5,334,210	\$ 963,009	\$ 12,697,321
Non-potable water sales	713,548	-	-	713,548
Water meters	59,872	-	-	59,872
Other sales	23,429	-	-	23,429
<b>TOTAL OPERATING REVENUES</b>	<u>7,196,951</u>	<u>5,334,210</u>	<u>963,009</u>	<u>13,494,170</u>
<b>OPERATING EXPENSES</b>				
Water supply and administrative	5,274,494	-	-	5,274,494
Wastewater and administrative	-	1,937,887	-	1,937,887
Storm drainage and administrative	-	-	473,203	473,203
Depreciation expense	876,194	2,175,791	343,649	3,395,634
<b>TOTAL OPERATING EXPENSES</b>	<u>6,150,688</u>	<u>4,113,678</u>	<u>816,852</u>	<u>11,081,218</u>
<b>OPERATING INCOME</b>	<u>1,046,263</u>	<u>1,220,532</u>	<u>146,157</u>	<u>2,412,952</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>				
Earnings (losses) on investments	137,002	279,106	(28,245)	387,863
Interest expense	-	(565,646)	(113,891)	(679,537)
<b>TOTAL NON-OPERATING REVENUES (EXPENSES)</b>	<u>137,002</u>	<u>(286,540)</u>	<u>(142,136)</u>	<u>(291,674)</u>
<b>INCOME</b>				
<b>BEFORE CONTRIBUTIONS AND TRANSFERS</b>	1,183,265	933,992	4,021	2,121,278
Transfers out	(442,107)	(478,648)	(307,861)	(1,228,616)
Plant investment fees and cash in lieu of fees	870,342	864,194	66,818	1,801,354
<b>CHANGE IN NET POSITION</b>	<u>1,611,500</u>	<u>1,319,538</u>	<u>(237,022)</u>	<u>2,694,016</u>
<b>NET POSITION, BEGINNING OF YEAR</b>	<u>60,108,705</u>	<u>25,821,967</u>	<u>10,446,591</u>	<u>96,377,263</u>
<b>NET POSITION, END OF YEAR</b>	<u>\$ 61,720,205</u>	<u>\$ 27,141,505</u>	<u>\$ 10,209,569</u>	<u>\$ 99,071,279</u>

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

**City of Evans, Colorado**  
**Proprietary Funds**  
**Statement of Cash Flows**  
**For the Year Ended December 31, 2023**

	<u>Water</u>	<u>Wastewater</u>	<u>Storm Drainage</u>	<u>Total</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Cash received from customers	\$ 7,175,960	\$ 5,372,048	\$ 975,744	\$ 13,523,752
Cash paid for goods and services	(4,875,127)	(1,786,225)	(303,799)	(6,965,151)
Cash paid to employees	(523,667)	(873,299)	(178,024)	(1,574,990)
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<u>1,777,166</u>	<u>2,712,524</u>	<u>493,921</u>	<u>4,983,611</u>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>				
Transfers to other funds	(442,107)	(478,648)	(307,861)	(1,228,616)
Transfers from other funds	-	-	2,308,486	2,308,486
<b>NET CASH FROM NON-CAPITAL FINANCING ACTIVITIES</b>	<u>(442,107)</u>	<u>(478,648)</u>	<u>2,000,625</u>	<u>1,079,870</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Plant investment fees and cash in lieu of fees	870,342	864,194	71,273	1,805,809
Principal paid on debt	(155,991)	(1,836,911)	(374,503)	(2,367,405)
Interest paid on debt	-	(579,814)	(116,307)	(696,121)
Proceeds from debt	-	-	1,238,817	1,238,817
Acquisition of capital assets	(991,525)	(120,177)	(4,299,778)	(5,411,480)
<b>NET CASH FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>	<u>(277,174)</u>	<u>(1,672,708)</u>	<u>(3,480,498)</u>	<u>(5,430,380)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Proceeds from sale of investments	445,500	1,188,000	198,000	1,831,500
Purchases of investments	(377,300)	(1,006,133)	(167,689)	(1,551,122)
Earnings on investments	68,802	97,239	(58,555)	107,486
<b>NET CASH FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>	<u>137,002</u>	<u>279,106</u>	<u>(28,244)</u>	<u>387,864</u>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	1,194,887	840,274	(1,014,196)	1,020,965
<b>CASH, CASH EQUIVALENTS</b>				
<b>Beginning of Year</b>	<u>5,812,154</u>	<u>11,951,063</u>	<u>1,209,461</u>	<u>18,972,678</u>
<b>End of Year</b>	<u>6,870,039</u>	<u>12,512,231</u>	<u>223,509</u>	<u>19,605,779</u>
<b>INVESTMENTS</b>	<u>137,002</u>	<u>614,126</u>	<u>(28,243)</u>	<u>722,885</u>
<b>Cash, cash equivalents and investments at end of year</b>	<u>\$ 7,007,041</u>	<u>\$ 13,126,357</u>	<u>\$ 195,266</u>	<u>\$ 20,328,664</u>
<b>Cash, cash equivalents and investments at end of year consist of:</b>				
Equity in pooled cash, cash equivalents and investments	\$ 7,007,041	\$ 12,522,223	\$ -	\$ 19,529,264
Restricted cash, cash equivalents, and investments	-	604,134	195,266	799,400
<b>Total cash, cash equivalents and investments at end of year</b>	<u>\$ 7,007,041</u>	<u>\$ 13,126,357</u>	<u>\$ 195,266</u>	<u>\$ 20,328,664</u>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH FROM OPERATING ACTIVITIES</b>				
Operating income	\$ 1,046,263	\$ 1,220,532	\$ 146,157	\$ 2,412,952
<b>Adjustments to reconcile operating income to net cash flows from operating activities</b>				
Depreciation	876,194	2,175,791	343,649	3,395,634
Change in operating assets:				
Receivables	(20,991)	37,838	12,735	29,582
Change in operating liabilities:				
Accounts payable and accrued expenses	(124,300)	(721,637)	(8,620)	(854,557)
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<u>\$ 1,777,166</u>	<u>\$ 2,712,524</u>	<u>\$ 493,921</u>	<u>\$ 4,983,611</u>

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

**City of Evans, Colorado**  
**Cemetery Endowment Fund**  
**Statement of Fiduciary Net Position**  
**December 31, 2023**

**ASSETS**

Restricted cash and investments	\$ <u>49,470</u>
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<b>TOTAL ASSETS</b>	<b>\$ <u>49,470</u></b>
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**NET POSITION**

Restricted	\$ <u>49,470</u>
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<b>TOTAL NET POSITION</b>	<b>\$ <u>49,470</u></b>
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The accompanying notes are an integral part of these financial statements.

**City of Evans, Colorado**  
**Cemetery Endowment Fund**  
**Statement of Changes in Fiduciary Net Position**  
**For the Year Ended December 31, 2023**

<b>Additions</b>	
Earnings on investments	\$ <u>2,819</u>
<b>TOTAL ADDITIONS</b>	<u>2,819</u>
<b>Transfers</b>	
Transfers out	<u>(2,819)</u>
<b>TOTAL TRANSFERS</b>	<u>(2,819)</u>
<b>CHANGE IN NET POSITION</b>	<u>-</u>
<b>NET POSITION, BEGINNING OF YEAR</b>	<u>49,470</u>
<b>NET POSITION, END OF YEAR</b>	<u>\$ 49,470</u>

**City of Evans, Colorado**  
**Notes to Financial Statements**  
**December 31, 2023**

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**1. Summary of Significant Accounting Policies**

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**Reporting Entity**

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

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

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

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

*Blended Component Unit*

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

**Government-wide and Fund Financial Statements**

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



**City of Evans, Colorado**  
**Notes to Financial Statements (continued)**  
**December 31, 2023**

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

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

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

**Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

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

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

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

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

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

**City of Evans, Colorado**  
**Notes to Financial Statements (continued)**  
**December 31, 2023**

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

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The City reports the following major governmental funds:

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

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

*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-operating revenues, such as subsidies and investment earnings, result from non-exchange transactions or ancillary activities.

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

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

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

**Budgets**

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

- By October 15, the City Manager submits to the City Council a proposed operating budget for the fiscal year beginning the following January 1. The operating budget includes proposed expenditures and the means of financing them.
- A public hearing is conducted to obtain taxpayer comments.
- In most years, prior to December 31, the budget is legally enacted through passage of a resolution.

**City of Evans, Colorado**  
**Notes to Financial Statements (continued)**  
**December 31, 2023**

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

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- Any budget revisions that alter the total expenditures of any fund must be approved by the City Council through passage of an ordinance.
- The City legally adopts budgets for all of the funds. Budgets for the general, special revenue, capital projects and fiduciary funds are adopted on a basis consistent with GAAP. Budgetary comparisons presented for the enterprise funds are presented on a non-GAAP budgetary basis.
- Budgeted amounts in the financial statements are as originally adopted or as amended by the City Council. All appropriations lapse at year end.

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

	Original Budget	Total Revisions	Revised Budget
<b>Governmental funds:</b>			
General	\$ 18,281,092	\$ 9,016,550	\$ 27,297,642
Special revenue funds:			
Parks Impact	737,000	768,996	1,505,996
Conservation Trust	156,000	163,912	319,912
Refuse Collection	1,085,614	53,500	1,139,114
Street Impact	1,750,000	169,615	1,919,615
Fire Impact	300,019	-	300,019
Police Impact	-	86,500	86,500
School Impact	330,949	-	330,949
Cemetery Perpetual Care	-	-	-
Evans Redevelopment	210,100	-	210,100
Capital projects funds:			
Street Construction	1,460,000	3,459,580	4,919,580
Parks Construction	30,000	189,133	219,133
Road Tax	1,613,850	404,826	2,018,676
Food Tax	26,165,000	235,837	26,400,837
<b>Business-type funds:</b>			
Water	8,643,050	464,302	9,107,352
Waste Water	8,631,452	5,866,232	14,497,684
Storm Drainage	5,541,448	268,500	5,809,948
<b>Fiduciary fund:</b>			
Cemetery Endowment	6,000	-	6,000
<b>Total funds</b>	<b>\$ 74,941,574</b>	<b>\$ 21,147,483</b>	<b>\$ 96,089,057</b>

**City of Evans, Colorado**  
**Notes to Financial Statements (continued)**  
**December 31, 2023**

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

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**Cash and Investments**

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

During 2023, the City had investments in commercial paper, U.S. treasury obligations, U.S. instrumentality obligations, and local government investment pools.

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

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

An analysis of the City's cash and investment accounts at December 31, 2023, is provided in Note 2.

**Restricted Cash**

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

**Prepaid Items**

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

**City of Evans, Colorado**  
**Notes to Financial Statements (continued)**  
**December 31, 2023**

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

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**Bond Premiums, Discounts and Issuance Costs**

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

**Capital Assets**

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

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets, as applicable.

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

Estimated useful lives for asset types are as follows:

Intangible assets	10 years
Land improvements	5 - 50 years
Infrastructure	10 - 30 years
Buildings & improvements	5 - 50 years
Machinery & equipment	5 – 20 years
Transportation equipment	6 – 15 years
System improvements	5 – 40 years
Subscription based technology arrangements (“SBITAs”)	Life of contract

**Compensated Absences**

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

Accumulated unpaid vacation and compensatory time is accrued when earned. In the governmental fund statements, accumulated compensated absences not expected to be paid with current available resources are reported as governmental activities liabilities, but not reported in the funds.

**City of Evans, Colorado**  
**Notes to Financial Statements (continued)**  
**December 31, 2023**

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

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These balances are generally liquidated by the General Fund. Compensated absences relating to the Enterprise Funds are recorded as a liability of those funds.

**Long-Term Obligations**

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

**SBITA Obligations**

The City's subscription-based information technology arrangements (SBITAs) that are long term in nature are recorded at the present value of 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 payments.

**Property Taxes**

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

**Deferred Outflows/Inflows of Resources**

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

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time. The City reports a deferred inflow of resource relating to property taxes. In addition, the City reports deferred inflows of resources for pension-related amounts. See Note 8 for additional information.

**Fund Balance and Net Position**

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

**City of Evans, Colorado**  
**Notes to Financial Statements (continued)**  
**December 31, 2023**

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

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

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

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

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

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

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

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

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

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

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

**City of Evans, Colorado**  
**Notes to Financial Statements (continued)**  
**December 31, 2023**

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

As of December 31, 2023, fund balances are composed of the following:

	General Fund	Street Construction Fund	Road Tax	Evans Redevelopment Agency	Nonmajor Funds	Total Governmental Funds
<b>Nonspendable:</b>						
Prepaid items	\$ 16,545	\$ -	\$ -	\$ -	\$ -	\$ 16,545
<b>Restricted:</b>						
Emergency reserve	1,000,000	-	-	-	-	1,000,000
Parks and recreation	-	-	-	-	985,963	985,963
Street construction	-	3,460,432	6,388,161	-	2,260,159	12,108,752
<b>Committed:</b>						
Surcharge fees	223,997	-	-	-	-	223,997
Highway 85	-	-	-	-	-	-
Street construction	-	-	-	-	40,795	40,795
<b>Assigned:</b>						
Special revenue funds	-	-	-	567,271	749,662	1,316,933
Street construction	-	-	-	-	188,562	188,562
Park construction	-	-	-	-	4,625,560	4,625,560
Police Station	3,329,872	-	-	-	-	3,329,872
Fund balance policy	7,479,847	-	-	-	-	7,479,847
<b>Unassigned:</b>	<u>12,020,766</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,020,766</u>
Total	<u>\$ 24,071,027</u>	<u>\$ 3,460,432</u>	<u>\$ 6,388,161</u>	<u>\$ 567,271</u>	<u>\$ 8,850,701</u>	<u>\$ 43,337,592</u>

**Pensions**

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

**Accounting Estimates**

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



**City of Evans, Colorado**  
**Notes to Financial Statements (continued)**  
**December 31, 2023**

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

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**New Accounting Pronouncements**

For 2023, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 96, Subscription-Based Information Technology Arrangements. GASB Statement No. 96 provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA.

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**2. Cash and Investments**

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A summary of cash and investments as of December 31, 2023, follows:

Petty Cash	\$ 1,962
Cash deposits	20,834,303
Investments	<u>41,728,368</u>
Total	<u>\$ 62,564,633</u>

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

Restricted cash and investments	
Governmental activities	\$ 1,000,000
Business-type activities	799,400
Fiduciary funds	49,470
Unrestricted cash and investments	
Governmental activities	41,186,499
Business-type activities	<u>19,529,264</u>
Total cash and investments	<u>\$ 62,564,633</u>

**Cash Deposits**

**Custodial Credit Risk**

This is the risk that, in the event of failure of a depository financial institution, a government will not be able to recover its deposits. The City's deposit policy is in accordance with CRS 11 -1 0.5-101, the Colorado Public Deposit Protection Act ("PDPA"), which governs the investment of public funds. PDPA requires that all units of local governments deposit cash in eligible public depositories. Eligibility is determined by state regulations. Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by the PDPA. The financial institution is allowed to create a single collateral pool for all public funds held. The pool is maintained by another institution or held in trust for all of the uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits. The institution's internal records identify collateral by depositor and as such, these deposits are considered uninsured but collateralized.

**City of Evans, Colorado**  
**Notes to Financial Statements (continued)**  
**December 31, 2023**

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

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The State Regulatory Commissions for banks and financial services are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools. At December 31, 2023, the City had deposits with financial institutions with a carrying amount of \$20,834,303. The bank balances with the financial institutions were \$21,474,782, of which \$1,000,000 was covered by federal depository insurance. The remaining balance of \$20,474,782 was collateralized with securities held by the financial institutions' agents but not in the City's name.

**Cash Deposits**

**Credit Risk**

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

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

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

**City of Evans, Colorado**  
**Notes to Financial Statements (continued)**  
**December 31, 2023**

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

At December 31, 2023, the City had the following investments:

<b>Investments</b>	<b>S&amp;P Rating</b>	<b>Moody Rating</b>	<b>Fair Value</b>	<b>Weighted Avg Maturity Date (in days)</b>	<b>Concentration of Credit Risk</b>
COLOTRUST	AAAm	NR	\$18,541,082	N/A	44.43%
CSAFE	AAAm	NR	2,444	N/A	0.01%
Money market funds	NR	NR	1,825,291	N/A	4.37%
US Treasury	AA+	AAA	2,427,734	560	5.82%
US Instrumentality	AA+	AAA	11,578,211	1081	27.75%
Certificates of Deposit	NR	NR	<u>7,353,606</u>	629	17.62%
<b><u>Total Investments</u></b>			<b><u>\$41,728,368</u></b>		

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

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

<b>Investments</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Money Market Funds	\$ 1,825,291	\$ -	\$ -	\$ 1,825,291
U.S. Treasury	-	2,427,734	-	2,427,734
U.S. Instrumentality	-	11,578,211	-	11,578,211
Certificates of deposit	-	7,353,606	-	7,353,606
Investments measured at amortized cost - CSAFE	-	-	-	2,444
Investments measured at net asset value - COLOTRUST	<u>-</u>	<u>-</u>	<u>-</u>	<u>18,541,082</u>
<b>Total</b>	<b><u>\$ 1,825,291</u></b>	<b><u>\$ 21,359,551</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 41,728,368</u></b>

**City of Evans, Colorado**  
**Notes to Financial Statements (continued)**  
**December 31, 2023**

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

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At December 31, 2023, the City had invested \$18,541,082 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 and government agencies. COLOTRUST PLUS+ can invest in U.S. Treasury, government agencies, and in the highest-rate commercial paper. A designated custodial bank serves as custodian for the Trust's portfolios pursuant to a custodian agreement.

The custodian acts as a safekeeping agent for the Trust's investment portfolios and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by the Trust. The Trust is rated AAAM by Standard and Poor's and is measured at net asset value.

As of December 31, 2023, the City had invested balances of \$2,444 in CSAFE, an investment vehicle established for local government entities in Colorado to pool surplus funds for investment purposes. CSAFE is a highly liquid fund operating similarly to a money market-like fund and each share is equal in value to \$1.00. CSAFE measures all of its investment at amortized cost in accordance with GASB Statement No. 79, Certain External Investment Pools and Pool Participants. CSAFE invests primarily in United States Treasuries, United States Agencies, Primary Dealer Repurchase Agreements, highly rated commercial paper, AAAM rated money market funds, highly rated corporate bonds and Colorado Depositories. The weighted average maturity of the portfolio shall not exceed 60 days and the weighted average life of the portfolio shall not exceed 120 days. CSAFE is rated AAAM by Standard & Poor's and is measured at amortized cost. There are no unfunded commitments, the redemption frequency is daily or weekly, and there is no redemption notice period.

**Interest Rate Risk**

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

**Custodial Credit Risk - Investments**

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

**City of Evans, Colorado**  
**Notes to Financial Statements (continued)**  
**December 31, 2023**

**3. Receivables**

Receivables at December 31, 2023 consist of the following:

Receivables	General	Special Revenue	Capital Projects	Enterprise	Total
Taxes	\$ 1,249,422	\$ -	\$ -	\$ -	\$ 1,249,422
Accounts	195,876	95,439	974,892	1,201,891	2,468,098
Intergovernmental	1,796,527	2,801	55,498	34,720	1,889,546
Other	<u>125,583</u>	<u>-</u>	<u>-</u>	<u>7,165,527</u>	<u>7,291,110</u>
<b>Total</b>	<b><u>3,367,408</u></b>	<b><u>98,240</u></b>	<b><u>1,030,390</u></b>	<b><u>8,402,138</u></b>	<b><u>12,898,176</u></b>

**4. Capital Assets**

Governmental capital assets activity for the year ended December 31, 2023 is summarized below:

	Balance December 31, 2022	Transfers/ Additions	Transfers/ Retirements	Balance December 31, 2023
<b>Governmental Activities</b>				
Capital assets, not being depreciated:				
Land	\$ 9,258,150	\$ -	\$ -	\$ 9,258,150
Landscaping	2,093,197	543,881	-	2,637,078
Construction in progress	<u>9,502,357</u>	<u>4,000,849</u>	<u>(6,202,061)</u>	<u>7,301,145</u>
Total capital assets, not being depreciated	<u>20,853,704</u>	<u>4,544,730</u>	<u>(6,202,061)</u>	<u>19,196,373</u>
Capital assets, being depreciated / amortized:				
Intangible assets	401,831	1,486	-	403,317
Intangible right-to-use SBITA*	-	35,726	-	35,726
Land improvements	12,831,579	94,853	-	12,926,432
Infrastructure	40,572,373	9,593,553	-	50,165,926
Buildings and improvements	13,162,895	187,787	-	13,350,682
Machinery and equipment	2,826,300	289,656	(197,258)	2,918,698
Transportation equipment	<u>2,358,601</u>	<u>279,449</u>	<u>(252,667)</u>	<u>2,385,383</u>
Total capital assets, being depreciated / amortized:	<u>72,153,579</u>	<u>10,482,510</u>	<u>(449,925)</u>	<u>82,186,164</u>

**City of Evans, Colorado**  
**Notes to Financial Statements (continued)**  
**December 31, 2023**

**4. Capital Assets (continued)**

	Balance December 31, 2022	Transfers/ Additions	Transfers/ Retirements	Balance December 31, 2023
<b>Governmental Activities</b>				
Less accumulated depreciation and amortization for:				
Intangible assets	(252,106)	(15,410)	-	(267,516)
Land improvements	(5,075,119)	(872,797)	-	(5,947,916)
Infrastructure	(11,933,224)	(2,044,472)	-	(13,977,696)
Buildings and improvements	(5,031,705)	(330,541)	-	(5,362,246)
Machinery and equipment	(2,695,552)	(139,633)	252,667	(2,582,518)
Transportation equipment	(2,163,098)	(118,203)	172,702	(2,108,599)
Intangible right-to-use SBITA*	-	(22,684)	-	(22,684)
Total accumulated depreciation and amortization:	<u>(27,150,804)</u>	<u>(3,543,738)</u>	<u>425,369</u>	<u>(30,269,173)</u>
Depreciable assets, net	<u>45,002,775</u>	<u>6,938,772</u>	<u>(24,556)</u>	<u>51,916,991</u>
Capital assets, net	<u>\$ 65,856,479</u>	<u>\$ 11,483,502</u>	<u>\$ (6,226,617)</u>	<u>\$ 71,113,364</u>

\* *Subscription based information technology arrangements*

The City implemented Governmental Accounting Standards Board Statement No. 96, *Subscription-Based Information Technology Arrangements*, during the year ended December 31, 2023. The City has two software arrangements that require recognition under GASB No. 96. The City now recognizes a subscription-based information technology arrangements (SBITA) liability and an intangible right-to-use asset for the agreements related to data storage and cybersecurity. The assets will be amortized over the term of the agreements.

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

General government	\$ 388,972
Public safety	112,897
Public works	1,925,656
Culture parks and recreation	1,113,579
Community development	<u>2,634</u>
Total depreciation expense - governmental activities	<u>\$ 3,543,738</u>

**City of Evans, Colorado**  
**Notes to Financial Statements (continued)**  
**December 31, 2023**

**4. Capital Assets (continued)**

Business-type capital assets activity for the year ended December 31, 2023 is summarized below:

	<b>Balance December 31, 2022</b>	<b>Transfers/ Additions</b>	<b>Transfers/ Retirements</b>	<b>Balance December 31, 2023</b>
<b>Business-Type Activities</b>				
Capital assets, not being depreciated:				
Investment in Greeley water	\$ 7,802,013	\$ -	\$ -	\$ 7,802,013
Water rights	28,525,705	75,250	(135,000)	28,465,955
Land	331,189	-	-	331,189
Construction in progress	<u>10,096,027</u>	<u>1,257,554</u>	<u>(3,863,818)</u>	<u>7,489,763</u>
Total capital assets, not being depreciated	<u>46,754,934</u>	<u>1,332,804</u>	<u>(3,998,818)</u>	<u>44,088,920</u>
Capital assets, being depreciated:				
System improvements	92,082,835	7,857,690	(334,960)	99,605,565
Machinery and Equipment	8,002,762	200,000	(246,049)	7,956,713
Intangible assets	178,134	19,743	-	197,877
Infrastructure	<u>1,335,430</u>	<u>-</u>	<u>-</u>	<u>1,335,430</u>
Total capital assets, being depreciated	<u>101,599,161</u>	<u>8,077,433</u>	<u>(581,009)</u>	<u>109,095,585</u>
Less accumulated depreciation:				
System improvements	(33,705,355)	(2,852,815)	-	(36,558,170)
Machinery and Equipment	(3,840,248)	(492,256)	241,594	(4,090,910)
Intangible assets	(171,167)	(5,600)	-	(176,767)
Infrastructure	<u>(190,387)</u>	<u>(44,963)</u>	<u>-</u>	<u>(235,350)</u>
Total Accumulated Depreciation	<u>(37,907,157)</u>	<u>(3,395,634)</u>	<u>241,594</u>	<u>(41,061,197)</u>
Total capital assets, being depreciated, net	<u>63,692,004</u>	<u>4,681,799</u>	<u>(339,415)</u>	<u>68,034,388</u>
Capital assets, net	<u>110,446,938</u>	<u>6,014,603</u>	<u>(4,338,233)</u>	<u>112,123,308</u>

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

<b>Business-Type Activities</b>	
Water enterprise	\$ 876,194
Waste water enterprise	2,175,791
Drainage enterprise	<u>343,649</u>
Total depreciation expense - business-type activities	<u>\$ 3,395,634</u>

**City of Evans, Colorado**  
**Notes to Financial Statements (continued)**  
**December 31, 2023**

**5. Long-Term Debt**

**Governmental Activities**

Following is a summary of governmental activity debt transactions for the year ended December 31, 2023:

	Balance at December 31, 2022	Additions	Payments	Balance at December 31, 2023	Due Within One Year
<b>Other Obligations</b>					
SBITA obligations	\$ -	\$ 35,726	\$ (22,684)	\$ 13,042	\$ 13,042
Compensated absences	499,507	572,903	(587,925)	484,485	484,485
Net pension liability	-	38,151	-	38,151	-
Total	<u>\$ 499,507</u>	<u>\$ 646,780</u>	<u>\$ (610,609)</u>	<u>\$ 535,678</u>	<u>\$ 497,527</u>

**SBITA Obligations**

The City entered into two subscription based information technology arrangements (SBITAs) for cloud based data storage and cybersecurity services. The cybersecurity service agreement began on June 1, 2021 and ends on May 31, 2024, with an initial payment of \$9,600 and annual payments of \$6,600. The data storage agreement began on September 1, 2021 and ends on August 31, 2024, with annual payments of \$10,788.

There were no stated interest rates in the agreements so the City used the an estimate of the current incremental borrowing rate as of the implementation date of January 1, 2023 to calculate the initial present value. Future payments under the agreements total \$13,042 for 2024.

**Business-Type Activities**

Following is a summary of business-type activity debt transactions for the year ended December 31, 2023:

	Balance at December 31, 2022	Additions	Payments	Balance at December 31, 2023	Due Within One Year
<b>Notes Payable</b>					
Waste Water - CWRPDA note payable (2016)	\$ 32,823,765	\$ -	\$ (1,836,911)	\$ 30,986,854	\$ 1,869,290
Water - CWRPDA note payable (2013)	155,991	-	(155,991)	-	-
Storm Drainage - CWRPDA note payable (2020)	8,018,859	-	(374,503)	7,644,356	378,576
	40,998,615	-	(2,367,405)	38,631,210	2,247,866
<b>Other Obligations</b>					
Compensated Absences	88,564	285,975	(266,856)	107,683	107,683
Total	<u>\$ 41,087,179</u>	<u>\$ 285,975</u>	<u>\$ (2,634,261)</u>	<u>\$ 38,738,893</u>	<u>\$ 2,355,549</u>



**City of Evans, Colorado**  
**Notes to Financial Statements (continued)**  
**December 31, 2023**

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

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

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

During 2020, the City entered into a loan agreement with the CWRPDA for a principal amount of approximately \$8.4 million and is payable in semi-annual payments ranging from \$2,500 to \$482,801 with a maturity date of August 1, 2041. The loan is secured by Pledged Property as defined within the agreement. Proceeds from the loan are providing financing for the construction and maintenance of the new wastewater treatment facility. The loan bears interest of 0%.

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

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

**City of Evans, Colorado**  
**Notes to Financial Statements (continued)**  
**December 31, 2023**

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

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

Following is a summary of the future debt service requirements for the City's business-type activity notes payable for the year ended December 31, 2023:

<u>Year ending December 31,</u>	<u>Principal</u>	<u>Interest and Servicing Fees</u>	<u>Total</u>
2024	\$ 2,247,866	\$ 658,571	\$ 2,906,437
2025	2,287,015	622,471	2,909,486
2026	2,321,009	588,071	2,909,080
2027	2,351,016	555,621	2,906,637
2028	2,368,902	538,246	2,907,148
2029-2033	12,169,656	2,377,165	14,546,821
2034-2038	13,461,134	1,040,183	14,501,317
2039-2041	1,424,612	43,707	1,468,319
Total	<u>\$ 38,631,210</u>	<u>\$ 6,424,037</u>	<u>\$ 45,055,247</u>

**6. Interfund Transfers**

The following table summarizes interfund transfers for the year ended December 31, 2023

	<u>Transfers Out</u>						Total
	General Fund	Nonmajor Funds	Water Fund	Wastewater Fund	Storm Drainage Fund	Fiduciary Fund	
<b>Transfers in:</b>							
General Fund	\$ -	\$53,166	\$442,107	\$478,648	\$307,861	\$2,819	\$1,284,601
Street Construction Fund	1,320,000	-	-	-	-	-	1,320,000
Total	<u>\$1,320,000</u>	<u>\$53,166</u>	<u>\$442,107</u>	<u>\$478,648</u>	<u>\$307,861</u>	<u>\$2,819</u>	<u>\$2,604,601</u>

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

**City of Evans, Colorado**  
**Notes to Financial Statements (continued)**  
**December 31, 2023**

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**7. Risk Management**

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

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**8. Retirement Commitments**

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**General Employees Defined Contribution 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, 2023 was \$10,066,598. The City's contributions to the Plan for the years ending December 31, 2023, 2022 and 2021 were \$574,352, \$521,887, and \$453,178 respectively.

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

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

*Plan description.* The Statewide Defined Benefit Plan (SWDB) is a cost-sharing multiple-employer defined benefit pension plan covering substantially all full-time employees of participating fire or police departments in Colorado hired on or after April 8, 1978 (New Hires), provided that they are not already covered by a statutorily exempt plan. As of August 5, 2003, the Plan may include clerical and other personnel from fire districts whose services are auxiliary to fire protection. The Plan became effective January 1, 1980. As of January 1, 2023, the Statewide Defined Benefit Plan and the Statewide Hybrid Plan have merged to form the Statewide Retirement Plan (SRP) and the Statewide Defined Benefit Plan becomes the Defined Benefit Component of the Statewide Retirement Plan.

**City of Evans, Colorado**  
**Notes to Financial Statements (continued)**  
**December 31, 2023**

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**8. Retirement Commitments (continued)**

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

The Plan is administered by the Fire & Police Pension Association of Colorado (FPPA). FPPA issues a publicly available annual comprehensive financial report that can be obtained at <http://www.fppaco.org>.

*Benefits provided.* A member is eligible for a normal retirement pension once the member has completed twenty-five years of credited service and has attained the age of 55. Effective January 1, 2021, a member may also qualify for a normal retirement pension if the member's combined years of service and age equals at least 80, with a minimum age of 50 (Rule of 80).

The annual normal retirement benefit is 2.0 percent of the average of the member's highest three years' base salary for each year of credited service up to ten years, plus 2.5 percent for each year of service thereafter.

The benefit earned prior to January 1, 2007 for members of affiliated Social Security employers will be reduced by the amount of Social Security income payable to the member annually. Effective January 1, 2007, members currently covered under Social Security will receive half the benefit when compared to the Statewide Defined Benefit Plan ("SWDB Plan").

Benefit adjustments paid to retired members are evaluated annually and may be re-determined every October 1.

The amount of any increase is based on the Board's discretion and can range from 0 to the higher of 3 percent or the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W).

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

*Contributions.* Contribution rates for employers and members may be increased equally by the FPPA Board of Directors upon approval through an election by both the employers and members.

In 2014, the members elected to increase the member contribution rate to the SWDB plan beginning in 2015. Member contribution rates increased 0.5 percent annually through 2022 to a total of 12 percent of pensionable earnings. Employer contributions increase 0.5 percent annually beginning in 2021 through 2030 to a total of 13 percent of pensionable earnings. In 2022, members of the SWDB plan and their employers are contributing at the rate of 12.0 percent and 9.0 percent, respectively, of pensionable earnings for a total contribution rate of 21.0 percent.

**City of Evans, Colorado**  
**Notes to Financial Statements (continued)**  
**December 31, 2023**

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**8. Retirement Commitments (continued)**

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Contributions from members and employers of departments reentering the system are established by resolution and approved by the FPPA Board of Directors. The member and employer contribution rates will increase through 2030 as described above for the non-reentering departments. Effective January 1, 2021, reentry departments may submit a resolution to the FPPA Board of Directors to reflect the actual cost of reentry by department, Each reentry department is responsible to remit contributions to the plan in accordance with their most recent FPPA Board of Directors approved resolution.

The contribution rate for members and employers of affiliated social security employers is 6.0 percent and 4.5 percent, respectively, of pensionable earnings for a total contribution rate of 10.5 percent in 2021. Per the 2014 member election, members of the affiliate social security group had their required contribution rate increase 0.25 percent annually beginning in 2015 through 2022 to a total of 6 percent of pensionable earnings. Employer contributions will increase 0.25 percent annually beginning in 2021 through 2030 to a total of 6.5 percent of pensionable earnings. Contributions to the Plan from the City were \$37,784 for the year ended December 31, 2023.

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

At December 31, 2023, the City reported a net pension liability of \$38,151 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2022 and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of January 1, 2023.

The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating Departments, actuarially determined. At December 31, 2022, the City's proportion was 0.0429 percent, which was a decrease of 0.00027 from its proportion measured as of December 31, 2021.

For the year ended December 31, 2023, the City recognized pension expense of \$30,221. At December 31, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 82,583	\$ 4,683
Changes of assumptions or other inputs	48,876	-
Net difference between projected and actual earnings on pension plan investments	86,334	-
Changes in proportion and differences between contributions recognized and proportionate share of contributions	83,736	-
Contributions subsequent to the measurement date	37,784	-
Total	\$ 339,313	\$ 4,683

**City of Evans, Colorado**  
**Notes to Financial Statements (continued)**  
**December 31, 2023**

**8. Retirement Commitments (continued)**

The \$37,784 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<b>Year ending December 31,</b>	<b>Amortization</b>
2024	\$ 36,593
2025	56,038
2026	63,774
2027	83,517
2028	27,100
Thereafter	29,824
	\$ 296,846

*Actuarial assumptions.* The actuarial valuations for the plan were used to determine the actuarially determined contributions for the fiscal year ending December 31, 2022. The valuations used the following actuarial assumption and other inputs:

	<b>Total Pension Liability</b>	<b>Actuarial Determined Contributions</b>
Actuarial Valuation Date	January 1, 2023	January 1, 2022
Actuarial Method	Entry Age Normal	Entry Age Normal
Amortization Method	N/A	Level % of Payroll, Open
Amortization Period	N/A	30 years
Long-Term Investment Rate of Return*	7.0%	7.0%
Projected Salary Increases	4.25%-11.25%	4.25%-11.25%
Cost of Living Adjustments	0%	0%
Includes Inflation at*	2.5%	2.5%

For determining the total pension liability, the post-retirement mortality tables for non-disabled retirees uses the Pub-2010 Safety and Healthy Annuitant Mortality Tables projected with the ultimate values of the MP-2020 projection scale. The preretirement off-duty mortality tables are adjusted to 60% of the MP-2020 mortality tables for active employees. The on-duty mortality rate is 0.00015.

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

**City of Evans, Colorado**  
**Notes to Financial Statements (continued)**  
**December 31, 2023**

**8. Retirement Commitments (continued)**

At least every five years the FPPA’s Board of Directors, in accordance with best practices, reviews its economic and demographic actuarial assumptions. At its July 2022 meeting, the Board of Directors reviewed and approved recommended changes to the actuarial assumptions. The recommendations were made by the FPPA’s actuaries, Gabriel, Roeder, Smith & Co., based upon their analysis of past experience and expectations of the future. The assumption changes were effective for actuarial valuations beginning January 1, 2023. The actuarial assumptions impact actuarial factors for benefit purposes such as purchases of service credit and other benefits where actuarial factors are used.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation (assumed at 2.5 percent). Best estimates of arithmetic real rates of return for each major asset class included in the Fund’s target asset allocation as of December 31, 2022 are summarized in the following table:

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Long-Term Expected Rate of Return</b>
Global Equity	35.0%	8.93%
Equity Long/Short	6.0%	7.47%
Private Markets	34.0%	10.31%
Fixed Income - Rates	10.0%	5.45%
Fixed Income - Credit	5.0%	6.90%
Absolute Return	9.0%	6.49%
Cash	1.0%	3.92%
<b>Total</b>	<b>100.0%</b>	

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

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

**City of Evans, Colorado**  
**Notes to Financial Statements (continued)**  
**December 31, 2023**

**8. Retirement Commitments (continued)**

For the purpose of this valuation, the expected rate of return on pension plan investments is 7.00 percent; the municipal bond rate is 4.05 percent (based on the weekly rate closest to but not later than the measurement date of the "state & local bonds" rate from Federal Reserve statistical release (H.15)); and the resulting single discount rate is 7.00 percent.

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

	1.0% Decrease 6.00%	Single Discount Rate Assumption 7.00%	1.00% Increase 8.00%
City's proportionate share of the net pension liability / (asset)	\$263,006	\$38,151	\$(148,102)

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

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

*Plan description.* The Statewide Hybrid Plan (SWH) was established January 1, 2004 as a cost-sharing multiple-employer pension plan covering full-time firefighters and police officers from departments that elect coverage. The Plan may also cover clerical staff, other fire district personnel whose services are auxiliary to fire protection, or chiefs who have opted out of the Statewide Defined Benefit Plan. As of January 1, 2023, the Statewide Hybrid Plan and Statewide Defined Benefit Plan have merged to form the Statewide Retirement Plan (SRP) and the Statewide Hybrid Plan becomes the Hybrid Component of the Statewide Retirement Plan.

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

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

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



**City of Evans, Colorado**  
**Notes to Financial Statements (continued)**  
**December 31, 2023**

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**8. Retirement Commitments (continued)**

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*Benefits provided.* The Plan document states that any member may retire from further service and become eligible for a normal retirement pension at any time after age 55, if the member has at least 25 years of service. Effective January 1, 2023, any member may qualify for normal retirement if the member's combined years of service and age equal at least 80, with a minimum age of 50 (rule of 80).

The annual normal pension of the Defined Benefit Component is 1.5 percent of the average of the member's highest three years' base salary for each year of credited service. For service credit granted through December 31, 2022, the benefit factor used to calculate the member's retirement benefit is 1.9 percent of the average of the member's highest three years' pensionable earnings. This change in benefit factor was also applied to retired members effective January 1, 2023 as part of the formation of the Statewide Retirement Plan. Benefits paid to retired member of the Defined Benefit Component are evaluated and may be re-determined annually on October 1. The amount of any increase is based on the Board's discretion.

A member is eligible for early retirement within the Defined Benefit Component after attainment of age 50 with at least five years of credited service. The early retirement benefit equals the normal retirement benefit reduced on an actuarially equivalent basis.

Upon termination, a member may elect to have all contributions, along with 5 percent as interest, returned as a lump sum distribution from the Defined Benefit Component. Alternatively, a member with at least five years of accredited service may leave contributions with the Defined Benefit Component of the Plan and remain eligible for a retirement pension at age 55 equal to 1.5 percent of the average of the member's highest three years' pensionable earnings of each year of credited service.

*Contributions.* The Plan sets contribution rates at a level that enables all benefits to be fully funded at the retirement date of all members. The members of the SWH plan and their employers are currently each contributing at the rate determined by the individual employer, however, the rate for both employer and members must be at least 8 percent of the member's pensionable earnings. Effective January 1, 2023, the minimum required contribution rate for both employers and members will increase 0.125 percent annually through 2030 to reach a final minimum required contributions rate of 9 percent for both employers and members.

The amount allocated to the Defined Benefit Component is set annually by the FPPA Board of Directors. Excess contributions fund the Money Purchase Component of the Plan. The Defined Benefit Component contribution rate from July 1, 2021 through June 30, 2022 was 14.10 percent. The Defined Benefit Component contribution rate from July 1, 2022 through December 31, 2022 was 14.80 percent. Effective January 1, 2023, the Defined Benefit Component contribution rate is set at 13.90 percent.

**City of Evans, Colorado**  
**Notes to Financial Statements (continued)**  
**December 31, 2023**

**8. Retirement Commitments (continued)**

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

Contributions to the Plan from the City were \$233,244 for the year ended December 31, 2023.

*Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions:* At December 31, 2023, the City reported a net pension asset of \$167,690 for its proportionate share of the net pension asset. The net pension asset was measured as of December 31, 2022, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of January 1, 2023. The City's proportion of the net pension asset was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating Departments, actuarially determined. At December 31, 2022, the City's proportion was 11.497 percent, which was an increase of 0.1805 percent from its proportion measured as of December 31, 2021.

For the year ended December 31, 2023, the City recognized pension expense of \$2,455,084. At December 31, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 737,655	\$ -
Changes of assumptions or other inputs	191,765	-
Net difference between projected and actual earnings on pension plan investments	684,380	-
Changes in proportion and differences between contributions recognized and proportionate share of contributions	-	69,690
Contributions subsequent to the measurement date	233,244	-
<b>Total</b>	<b>\$ 1,847,044</b>	<b>\$ 69,690</b>

The \$233,244 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

**City of Evans, Colorado**  
**Notes to Financial Statements (continued)**  
**December 31, 2023**

**8. Retirement Commitments (continued)**

<u>Year ending December 31,</u>	<u>Amortization</u>
2024	\$ 322,127
2025	325,639
2026	358,009
2027	473,053
2028	50,964
Thereafter	14,318
	<u>\$ 1,544,110</u>

*Actuarial assumptions.* The actuarial valuations for the plan were used to determine the actuarially determined contributions for the fiscal year ending December 31, 2022. The valuations used the following actuarial assumption and other inputs:

	<b>Total Pension Liability</b>	<b>Actuarial Determined Contributions</b>
Actuarial Valuation Date	January 1, 2023	January 1, 2022
Actuarial Method	Entry Age Normal	Entry Age Normal
Amortization Method	N/A	Level % of Payroll, Open
Amortization Period	N/A	30 years
Long-Term Investment Rate of Return*	7.0%	7.0%
Projected Salary Increases	4.25%-11.25%	4.25%-11.25%
Cost of Living Adjustments	0%	0%
Includes Inflation at*	2.5%	2.5%

For determining the total pension liability, the post-retirement mortality tables for non-disabled retirees uses the Pub-2010 Safety and Healthy Annuitant Mortality Tables projected with the ultimate values of the MP-2020 projection scale. The preretirement off-duty mortality tables are adjusted to 60% of the MP-2020 mortality tables for active employees. The on-duty mortality rate is 0.00015.

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

**City of Evans, Colorado**  
**Notes to Financial Statements (continued)**  
**December 31, 2023**

**8. Retirement Commitments (continued)**

At least every five years the FPPA's Board of Directors, in accordance with best practices, reviews its economic and demographic actuarial assumptions. At its July 2022 meeting, the Board of Directors reviewed and approved recommended changes to the actuarial assumptions. The recommendations were made by the FPPA's actuaries, Gabriel, Roeder, Smith & Co., based upon their analysis of past experience and expectations of the future. The assumption changes were effective for actuarial valuations beginning January 1, 2023. The actuarial assumptions impact actuarial factors for benefit purposes such as purchases of service credit and other benefits where actuarial factors are used.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation (assumed at 2.5 percent). Best estimates of arithmetic real rates of return for each major asset class included in the Fund's target asset allocation as of December 31, 2022 are summarized in the following table:

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Long-Term Expected Rate of Return</b>
Global Equity	35.0%	8.93%
Equity Long/Short	6.0%	7.47%
Private Markets	34.0%	10.31%
Fixed Income - Rates	10.0%	5.45%
Fixed Income - Credit	5.0%	6.90%
Absolute Return	9.0%	6.49%
Cash	1.0%	3.92%
<b>Total</b>	<b>100.0%</b>	

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

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

**City of Evans, Colorado**  
**Notes to Financial Statements (continued)**  
**December 31, 2023**

**8. Retirement Commitments (continued)**

For the purpose of this valuation, the expected rate of return on pension plan investments is 7.00 percent; the municipal bond rate is 4.05 percent (based on the weekly rate closest to but not later than the measurement date of the "state & local bonds" rate from Federal Reserve statistical release (H.15)); and the resulting single discount rate is 7.00 percent.

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

	1.0% Decrease 6.00%	Single Discount Rate Assumption 7.00%	1.00% Increase 8.00%
City's proportionate share of the net pension liability / (asset)	\$1,266,235	\$(167,690)	\$(1,370,630)

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

***Deferred Compensation Plan***

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan is administered by Empower. The plan is available to all full-time city employees. The plan allows its participants to defer a portion of their current salary to all future years. Participation in the plan is optional. The deferred compensation is not available to the participants until termination, retirement, death, or an unforeseeable emergency occurs. The plan assets are held in trust for the benefit of the employee and therefore not reflected on the financial statements of the City. The City contributes 3% of the City Manager's gross income. The City's contributions to the plan for the years ended December 31, 2023, 2022, and 2021 were \$5,109, \$2,708, and \$4,836, respectively.

**City of Evans, Colorado**  
**Notes to Financial Statements (continued)**  
**December 31, 2023**

**9. Rate Maintenance**

The 2016 and 2020 Colorado Water Resources and Power Development Authority loan agreements (Waste Water Fund and Storm Drainage) require that net revenues, as defined, shall represent a sum equal to 110% of the amount necessary to pay, when due, the principal and interest on the loan. The following table shows these calculations.

**Waste Water Fund (2016)**

2023 Operating Revenue	\$ 5,334,210
2023 Non Operating Miscellaneous revenue	<u>1,143,300</u>
Total 2023 Gross revenues	6,477,510
2023 Operating and maintenance expenses	<u>(2,416,535)</u>
Net revenues as defined in CWRPDA loan agreement	4,060,975
2023 Loan Principal	1,836,911
2023 Loan Interest	<u>579,814</u>
Total Debt Service	2,416,725
Rate Covenant Calculation (must exceed 110%)	168%

**Storm Drainage Fund (2020)**

2023 Operating Revenue	\$ 963,009
2023 Non Operating Miscellaneous revenue	<u>38,573</u>
Total 2023 Gross revenues	1,001,582
2023 Operating and maintenance expenses	<u>(781,064)</u>
Net revenues as defined in CWRPDA loan agreement	220,518
2023 Loan Principal	374,503
2023 Loan Interest	<u>116,307</u>
Total Debt Service	490,810
Rate Covenant Calculation (must exceed 110%)	45%

The City is not in compliance with the 2020 Storm Drainage loan and has implemented plans to increase revenue in 2024 and future years to comply with the covenant.

**City of Evans, Colorado**  
**Notes to Financial Statements (continued)**  
**December 31, 2023**

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**10. Commitments and Contingencies**

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*TABOR Reserves*

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

On April 5, 1994, the voting citizens of the City of Evans authorized the City (retroactive to January 1, 1993) to collect, retain, and expend all revenues, notwithstanding any state restrictions of fiscal year spending. This effectively removed all revenue and spending limits imposed by the Amendment. The City did not increase or incur any new tax or bonded debt in 2023.

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

*Litigation*

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

*Grants*

The City participated in numerous State and Federal grant programs, which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent the City has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectability of any related receivable at December 31, 2023, may be impaired. In the opinion of the City, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provision has been recorded in the accompanying financial statements for such contingencies.

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**11. Related Party Transactions**

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The City has entered into an intergovernmental agreement ("IGA") with the Evans Fire Protection District (the "District") to provide financial support to the District until the District 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 2023.

**City of Evans, Colorado**  
**Notes to Financial Statements (continued)**  
**December 31, 2023**

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**12. Northern Integrated Supply Project**

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The City has entered into an agreement with the Northern Colorado Water Conservancy District ("NCWCD"), acting by and through its Northern Integrated Supply Project ("NISP") Water Activity Enterprise. NISP is a collaborative effort between NCWCD and 15 northern Front Range municipalities and water districts to increase the water quantity and reliability of their water supplies. As of December 31, 2023, In 2023, the City paid \$819,000 toward this project, with total expenditures of \$4,618,454, which has been classified as construction in progress.

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**13. Riverside Library and Cultural Center**

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

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**14. Evans Redevelopment Agency**

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A 2018 cooperation agreement between the City and the ERA stated that the ERA would use any incremental sales tax revenue to repay the City for outstanding loans made from the City to the ERA. During 2023, \$722,049 was applied to the loan. As of December 31, 2023 the loan balance owed to the City from the ERA was \$125,008. The fund components of this intragovernmental agreement have been eliminated from the fund financial statements.



**City of Evans, Colorado**

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**Required Supplementary Information**

**City of Evans, Colorado**  
**General Fund**  
**Schedule of Revenues, Expenditures**  
**and Changes in Fund Balances—Budget and Actual**  
**For the Year Ended December 31, 2023**

	<b>BUDGETED AMOUNTS</b>		<b>ACTUAL</b>	<b>VARIANCE WITH</b>
	<b>ORIGINAL</b>	<b>FINAL</b>		<b>FINAL BUDGET</b>
				<b>POSITIVE</b>
				<b>(NEGATIVE)</b>
<b>REVENUES</b>				
Taxes	\$ 12,876,537	\$ 13,855,007	\$ 14,795,403	\$ 940,396
Licenses and permits	1,389,874	1,389,874	1,406,816	16,942
Intergovernmental	1,416,977	1,416,977	3,518,049	2,101,072
Grants and contributions				
Other	382,000	1,390,059	139,236	(1,250,823)
Charges for services	380,681	420,681	429,815	9,134
Fines and forfeitures	369,500	489,500	452,177	(37,323)
Earnings on investments	50,000	50,000	1,204,590	1,154,590
Miscellaneous	445,734	445,734	948,680	502,946
<b>TOTAL REVENUES</b>	<u>17,311,303</u>	<u>19,457,832</u>	<u>22,894,766</u>	<u>3,436,934</u>
<b>EXPENDITURES</b>				
General Government	5,881,983	6,291,315	5,884,797	406,518
Public Safety	6,659,698	6,966,085	6,898,247	67,838
Public Works	2,095,292	2,226,939	1,711,746	515,193
Culture, Parks and Recreation	1,601,305	1,778,806	1,558,592	220,214
Community Development	1,308,814	1,267,814	1,117,741	150,073
Capital outlay	134,000	7,446,684	1,245,932	6,200,752
Debt Service:				
Principal	-	-	22,684	(22,684)
Interest	-	-	1,304	(1,304)
<b>TOTAL EXPENDITURES</b>	<u>17,681,092</u>	<u>25,977,643</u>	<u>18,441,043</u>	<u>7,536,600</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(369,789)</u>	<u>(6,519,811)</u>	<u>4,453,723</u>	<u>10,973,534</u>
<b>OTHER FINANCING SOURCES AND (USES)</b>				
Proceeds from sale of capital assets	-	13,000	97,830	84,830
Transfers out	(600,000)	(1,320,000)	(1,320,000)	-
Transfers in	1,526,706	1,526,706	1,284,601	(242,105)
<b>TOTAL OTHER FINANCING SOURCES AND (USES)</b>	<u>926,706</u>	<u>219,706</u>	<u>62,431</u>	<u>(157,275)</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ 556,917</u>	<u>\$ (6,300,105)</u>	<u>4,516,154</u>	<u>\$ 10,816,259</u>
<b>FUND BALANCES, BEGINNING OF YEAR</b>			<u>19,554,873</u>	
<b>FUND BALANCES, END OF YEAR</b>			<u>\$ 24,071,027</u>	

**City of Evans, Colorado**  
**Evans Redevelopment Agency**  
**Schedule of Revenues, Expenditures**  
**And Changes in Fund Balance—Budget and Actual**  
**For the Year Ended December 31, 2023**

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
<b>REVENUES</b>				
Property tax revenue	\$ 9,672	\$ 9,672	\$ 9,395	\$ (277)
Miscellaneous revenue	-	-	75,968	75,968
<b>TOTAL REVENUES</b>	<u>9,672</u>	<u>9,672</u>	<u>85,363</u>	<u>75,691</u>
<b>EXPENDITURES</b>				
Community development	<u>210,100</u>	<u>210,100</u>	<u>106,682</u>	<u>103,418</u>
<b>TOTAL EXPENDITURES</b>	<u>210,100</u>	<u>210,100</u>	<u>106,682</u>	<u>103,418</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ (200,428)</u>	<u>\$ (200,428)</u>	(21,319)	<u>\$ 179,109</u>
<b>FUND BALANCE, BEGINNING OF YEAR</b>			<u>588,590</u>	
<b>FUND BALANCE, END OF YEAR</b>			<u>\$ 567,271</u>	

**City of Evans, Colorado**  
**Retirement Plan Supplementary Information**  
**For the Year Ended December 31, 2023**

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

**FPPA - Defined Benefit Plan**

Year Ending*	Proportion of the Net Pension Liability (Asset)	Proportionate Share of the Net Pension Liability (Asset)	Actual Covered Member Payroll	Net Pension Liability (Asset) as a Percentage of Member Payroll	Fiduciary Net Position as a Percentage of Total Pension Liability (Asset)
12/31/2014	0.108%	\$ (135,044)	\$ 468,813	28.81%	105.80%
12/31/2015	0.106%	\$ (119,765)	\$ 477,223	25.10%	106.80%
12/31/2016	0.102%	\$ (1,802)	\$ 495,725	0.36%	100.10%
12/31/2017	0.104%	\$ 37,554	\$ 531,901	7.06%	98.21%
12/31/2018	0.098%	\$ (141,055)	\$ 573,503	24.60%	106.30%
12/31/2019	0.875%	\$ 110,655	\$ 586,294	18.87%	95.20%
12/31/2020	0.640%	\$ (36,193)	\$ 471,668	7.67%	101.90%
12/31/2021	0.041%	\$ (88,085)	\$ 325,887	27.03%	106.70%
12/31/2022	0.043%	\$ (234,373)	\$ 348,146	67.32%	116.20%
12/31/2023	0.043%	\$ 38,151	\$ 373,943	10.20%	97.60%

**FPPA - Statewide Hybrid Plan**

Year Ending*	Proportion of the Net Pension Liability (Asset)	Proportionate Share of the Net Pension Liability (Asset)	Actual Covered Member Payroll	Net Pension Liability (Asset) as a Percentage of Member Payroll	Fiduciary Net Position as a Percentage of Total Pension Liability (Asset)
12/31/2014	8.521%	\$ (984,539)	\$ 1,377,913	71.45%	139.00%
12/31/2015	9.310%	\$ (1,104,158)	\$ 1,440,309	76.66%	140.60%
12/31/2016	8.839%	\$ (930,991)	\$ 1,460,325	63.75%	129.44%
12/31/2017	11.264%	\$ (1,226,115)	\$ 1,820,819	67.34%	127.50%
12/31/2018	10.493%	\$ (2,051,567)	\$ 2,005,423	102.30%	138.86%
12/31/2019	10.589%	\$ (1,461,670)	\$ 2,109,605	69.29%	123.46%
12/31/2020	11.237%	\$ (2,188,366)	\$ 2,325,777	94.09%	130.06%
12/31/2021	11.259%	\$ (3,096,837)	\$ 2,474,566	125.15%	137.99%
12/31/2022	11.317%	\$ (4,219,489)	\$ 2,485,693	169.75%	149.01%
12/31/2023	11.497%	\$ (167,690)	\$ 2,663,745	6.30%	101.38%

Note: This schedule is intended to show information for ten years

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

Schedule of Employer Contributions

**FPPA - Defined Benefit Plan**

Year Ending	Statutorily Required Contributions	Actual Employer Contributions	Contribution Excess/(Deficiency)	Actual Covered Member Payroll	Contributions as a Percentage of Covered Payroll
12/31/2014	\$ 38,178	\$ 38,178	-	\$ 477,223	8.0%
12/31/2015	\$ 39,658	\$ 39,658	-	\$ 495,725	8.0%
12/31/2016	\$ 42,552	\$ 42,552	-	\$ 531,901	8.0%
12/31/2017	\$ 45,880	\$ 45,880	-	\$ 573,503	8.0%
12/31/2018	\$ 46,903	\$ 46,903	-	\$ 586,294	8.0%
12/31/2019	\$ 37,706	\$ 37,706	-	\$ 471,668	8.0%
12/31/2020	\$ 26,071	\$ 26,071	-	\$ 325,887	8.0%
12/31/2021	\$ 29,593	\$ 29,593	-	\$ 348,146	8.5%
12/31/2022	\$ 33,655	\$ 33,655	-	\$ 373,943	9.0%
12/31/2023	\$ 37,784	\$ 37,784	-	\$ 397,725	9.5%

**FPPA -Statewide Hybrid Plan**

Year Ending	Statutorily Required Contributions	Actual Employer Contributions	Contribution Excess/(Deficiency)	Actual Covered Member Payroll	Contributions as a Percentage of Covered Payroll
12/31/2014	\$ 115,244	\$ 115,244	-	\$ 1,440,309	8.0%
12/31/2015	\$ 116,826	\$ 116,826	-	\$ 1,460,325	8.0%
12/31/2016	\$ 145,665	\$ 145,665	-	\$ 1,820,819	8.0%
12/31/2017	\$ 160,443	\$ 160,443	-	\$ 2,005,423	8.0%
12/31/2018	\$ 168,768	\$ 168,768	-	\$ 2,109,605	8.0%
12/31/2019	\$ 186,062	\$ 186,062	-	\$ 2,325,777	8.0%
12/31/2020	\$ 197,965	\$ 197,965	-	\$ 2,474,566	8.0%
12/31/2021	\$ 198,855	\$ 198,855	-	\$ 2,485,693	8.0%
12/31/2022	\$ 213,100	\$ 213,100	-	\$ 2,663,745	8.0%
12/31/2023	\$ 233,244	\$ 233,244	-	\$ 2,870,677	8.1%

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

**City of Evans, Colorado**

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**Other Supplementary Information**

**City of Evans, Colorado**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**December 31, 2023**

	<u>PARKS IMPACT</u>	<u>CONSERVATION TRUST</u>	<u>FIRE IMPACT</u>	<u>REFUSE COLLECTION</u>	<u>STREET IMPACT</u>	<u>CEMETARY PERPETUAL CARE</u>	<u>PARKS CONSTRUCTION</u>	<u>POLICE IMPACT</u>	<u>SCHOOL IMPACT</u>	<u>FOOD TAX</u>	<u>TOTAL NONMAJOR GOVERNMENTAL FUNDS</u>
<b>ASSETS</b>											
Equity in pooled cash, cash equivalents, and investments	\$ 4,554,650	\$ 1,020,563	\$ 64,951	\$ 399,700	\$ 814,610	\$ 89,365	\$ 247,270	\$ 264,959	\$ 98,892	\$ 2,072,125	\$ 9,627,085
Receivables	-	-	-	97,871	-	-	-	-	-	188,034	285,905
<b>TOTAL ASSETS</b>	<u>\$ 4,554,650</u>	<u>\$ 1,020,563</u>	<u>\$ 64,951</u>	<u>\$ 497,571</u>	<u>\$ 814,610</u>	<u>\$ 89,365</u>	<u>\$ 247,270</u>	<u>\$ 264,959</u>	<u>\$ 98,892</u>	<u>\$ 2,260,159</u>	<u>\$ 9,912,990</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>											
<b>LIABILITIES</b>											
Accounts payable	\$ -	\$ 34,600	\$ 64,951	\$ 101,033	\$ -	\$ -	\$ 70,360	\$ -	\$ 98,892	\$ -	\$ 369,836
Other liabilities	106,000	-	-	-	-	-	-	-	-	-	106,000
Unearned revenue	-	-	-	1,200	585,253	-	-	-	-	-	586,453
<b>TOTAL LIABILITIES</b>	<u>106,000</u>	<u>34,600</u>	<u>64,951</u>	<u>102,233</u>	<u>585,253</u>	<u>-</u>	<u>70,360</u>	<u>-</u>	<u>98,892</u>	<u>-</u>	<u>1,062,289</u>
<b>FUND BALANCES</b>											
Restricted	-	985,963	-	-	-	-	-	-	-	2,260,159	3,246,122
Committed	-	-	-	-	40,795	-	-	-	-	-	40,795
Assigned	4,448,650	-	-	395,338	188,562	89,365	176,910	264,959	-	-	5,563,784
<b>TOTAL FUND BALANCES</b>	<u>4,448,650</u>	<u>985,963</u>	<u>-</u>	<u>395,338</u>	<u>229,357</u>	<u>89,365</u>	<u>176,910</u>	<u>264,959</u>	<u>-</u>	<u>2,260,159</u>	<u>8,850,701</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 4,554,650</u>	<u>\$ 1,020,563</u>	<u>\$ 64,951</u>	<u>\$ 497,571</u>	<u>\$ 814,610</u>	<u>\$ 89,365</u>	<u>\$ 247,270</u>	<u>\$ 264,959</u>	<u>\$ 98,892</u>	<u>\$ 2,260,159</u>	<u>\$ 9,912,990</u>

**City of Evans, Colorado**  
**Nonmajor Governmental Funds**  
**Combining Statement of Revenues, Expenditures**  
**And Changes in Fund Balance**  
**For the Year Ended December 31, 2023**

	<u>PARKS IMPACT</u>	<u>CONSERVATION TRUST</u>	<u>FIRE IMPACT</u>	<u>REFUSE COLLECTION</u>	<u>STREET IMPACT</u>	<u>CEMETARY PERPETUAL CARE</u>	<u>PARKS CONSTRUCTION</u>	<u>POLICE IMPACT</u>	<u>SCHOOL IMPACT</u>	<u>FOOD TAX</u>	<u>TOTAL</u>
<b>REVENUES</b>											
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,986,834	\$ 1,986,834
Intergovernmental	-	320,029	-	-	-	-	-	-	-	-	320,029
Licenses and permits	-	-	-	800	-	-	-	-	-	-	800
Charges for services	-	-	-	1,041,124	-	-	-	-	-	-	1,041,124
Investment Income	100,206	20,794	385	9,639	22,024	1,987	6,839	5,861	667	42,259	210,661
Assessments	435,519	-	99,329	-	476,189	8,089	-	87,676	175,914	-	1,282,716
Miscellaneous	-	-	-	23,806	1	-	-	-	-	-	23,807
<b>TOTAL REVENUES</b>	<u>535,725</u>	<u>340,823</u>	<u>99,714</u>	<u>1,075,369</u>	<u>498,214</u>	<u>10,076</u>	<u>6,839</u>	<u>93,537</u>	<u>176,581</u>	<u>2,029,093</u>	<u>4,865,971</u>
<b>EXPENDITURES</b>											
General Government	-	-	-	-	-	-	-	-	176,581	-	176,581
Public Works	-	-	-	1,083,900	-	-	-	80,869	-	-	1,164,769
Public safety	-	-	99,714	-	-	-	-	-	-	-	99,714
Culture, parks and recreation	-	42,960	-	-	-	-	-	-	-	-	42,960
Capital Outlay	73,231	113,859	-	1,486	1,814,804	-	124,323	-	-	1,185,982	3,313,685
<b>TOTAL EXPENDITURES</b>	<u>73,231</u>	<u>156,819</u>	<u>99,714</u>	<u>1,085,386</u>	<u>1,814,804</u>	<u>-</u>	<u>124,323</u>	<u>80,869</u>	<u>176,581</u>	<u>1,185,982</u>	<u>4,797,709</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>462,494</u>	<u>184,004</u>	<u>-</u>	<u>(10,017)</u>	<u>(1,316,590)</u>	<u>10,076</u>	<u>(117,484)</u>	<u>12,668</u>	<u>-</u>	<u>843,111</u>	<u>68,262</u>
<b>OTHER FINANCING USES</b>											
Transfers in (out)	-	-	-	(53,166)	-	-	-	-	-	-	(53,166)
<b>TOTAL OTHER FINANCING USES</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(53,166)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(53,166)</u>
<b>NET CHANGES IN FUND BALANCE</b>	<u>462,494</u>	<u>184,004</u>	<u>-</u>	<u>(63,183)</u>	<u>(1,316,590)</u>	<u>10,076</u>	<u>(117,484)</u>	<u>12,668</u>	<u>-</u>	<u>843,111</u>	<u>15,096</u>
<b>FUND BALANCE, BEGINNING OF YEAR</b>	<u>3,986,156</u>	<u>801,959</u>	<u>-</u>	<u>458,521</u>	<u>1,545,947</u>	<u>79,289</u>	<u>294,394</u>	<u>252,291</u>	<u>-</u>	<u>1,417,048</u>	<u>8,835,605</u>
<b>FUND BALANCE, END OF YEAR</b>	<u>\$ 4,448,650</u>	<u>\$ 985,963</u>	<u>\$ -</u>	<u>\$ 395,338</u>	<u>\$ 229,357</u>	<u>\$ 89,365</u>	<u>\$ 176,910</u>	<u>\$ 264,959</u>	<u>\$ -</u>	<u>\$ 2,260,159</u>	<u>\$ 8,850,701</u>

**City of Evans, Colorado**  
**Parks Impact Fund**  
**Schedule of Revenues, Expenditures**  
**And Changes in Fund Balance—Budget and Actual**  
**For the Year Ended December 31, 2023**

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<b>VARIANCE WITH</b>
	<u>ORIGINAL</u>	<u>FINAL</u>		<b>FINAL BUDGET</b>
				<b>(NEGATIVE)</b>
<b>REVENUES</b>				
Assessments - impact fees	\$ 1,360,700	\$ 1,360,700	\$ 435,519	\$ (925,181)
Earnings on investments	88,321	88,321	100,206	11,885
<b>TOTAL REVENUES</b>	<u>1,449,021</u>	<u>1,449,021</u>	<u>535,725</u>	<u>(913,296)</u>
<b>EXPENDITURES</b>				
Capital outlay	737,000	1,505,996	73,231	1,432,765
<b>TOTAL EXPENDITURES</b>	<u>737,000</u>	<u>1,505,996</u>	<u>73,231</u>	<u>1,432,765</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ 712,021</u>	<u>\$ (56,975)</u>	462,494	<u>\$ 519,469</u>
<b>FUND BALANCE, BEGINNING OF YEAR</b>			<u>3,986,156</u>	
<b>FUND BALANCE, END OF YEAR</b>			<u>\$ 4,448,650</u>	



**City of Evans, Colorado**  
**Conservation Trust Fund**  
**Schedule of Revenues, Expenditures**  
**And Changes in Fund Balance—Budget and Actual**  
**For the Year Ended December 31, 2023**

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<b>VARIANCE WITH</b>
	<u>ORIGINAL</u>	<u>FINAL</u>		<b>FINAL BUDGET</b>
				<b>POSITIVE</b>
				<b>(NEGATIVE)</b>
<b>REVENUES</b>				
Intergovernmental				
State shared revenue	\$ 257,423	\$ 257,423	\$ 320,029	\$ 62,606
Investment Income	14,299	14,299	20,794	6,495
<b>TOTAL REVENUES</b>	<u>271,722</u>	<u>271,722</u>	<u>340,823</u>	<u>69,101</u>
<b>EXPENDITURES</b>				
Culture and recreation	-	-	42,960	(42,960)
Capital outlay	156,000	319,912	113,859	206,053
<b>TOTAL EXPENDITURES</b>	<u>156,000</u>	<u>319,912</u>	<u>156,819</u>	<u>163,093</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ 115,722</u>	<u>\$ (48,190)</u>	184,004	<u>\$ 232,194</u>
<b>FUND BALANCE, BEGINNING OF YEAR</b>			<u>801,959</u>	
<b>FUND BALANCE, END OF YEAR</b>			<u>\$ 985,963</u>	

**City of Evans, Colorado**  
**Fire Impact Fund**  
**Schedule of Revenues, Expenditures**  
**And Changes in Fund Balance—Budget and Actual**  
**For the Year Ended December 31, 2023**

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
<b>REVENUES</b>				
Assessments - Impact fees	\$ 300,000	\$ 300,000	\$ 99,329	\$ (200,671)
Earnings on investments	19	19	385	366
<b>TOTAL REVENUES</b>	<u>300,019</u>	<u>300,019</u>	<u>99,714</u>	<u>(200,305)</u>
<b>EXPENDITURES</b>				
Public safety	<u>300,019</u>	<u>300,019</u>	<u>99,714</u>	<u>200,305</u>
<b>TOTAL EXPENDITURES</b>	<u>300,019</u>	<u>300,019</u>	<u>99,714</u>	<u>200,305</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
<b>FUND BALANCE, BEGINNING OF YEAR</b>			-	
<b>FUND BALANCE, END OF YEAR</b>			<u>\$ -</u>	

**City of Evans, Colorado**  
**Refuse Collection Fund**  
**Schedule of Revenues, Expenditures**  
**And Changes in Fund Balance—Budget and Actual**  
**For the Year Ended December 31, 2023**

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
<b>REVENUES</b>				
Licenses and permits				
Trash haulers' license	\$ 800	\$ 800	\$ 800	\$ -
Charges for services				
Refuse collection charges	1,054,360	1,054,360	1,041,124	(13,236)
Earnings on investments	8,167	8,167	9,639	1,472
Miscellaneous	-	-	23,806	23,806
<b>TOTAL REVENUES</b>	<u>1,063,327</u>	<u>1,063,327</u>	<u>1,075,369</u>	<u>12,042</u>
<b>EXPENDITURES</b>				
Public works				
Sanitation	1,032,448	1,085,948	1,083,900	2,048
Capital Outlay	-	-	1,486	(1,486)
<b>TOTAL EXPENDITURES</b>	<u>1,032,448</u>	<u>1,085,948</u>	<u>1,085,386</u>	<u>562</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	30,879	(22,621)	(10,017)	12,604
<b>OTHER FINANCING SOURCES AND (USES)</b>				
Transfers out	(53,166)	(53,166)	(53,166)	-
<b>TOTAL OTHER FINANCING USES</b>	<u>(53,166)</u>	<u>(53,166)</u>	<u>(53,166)</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ (22,287)</u>	<u>\$ (75,787)</u>	(63,183)	<u>\$ 12,604</u>
<b>FUND BALANCE, BEGINNING OF YEAR</b>			<u>458,521</u>	
<b>FUND BALANCE, END OF YEAR</b>			<u>\$ 395,338</u>	

**City of Evans, Colorado**  
**Street Impact Fund**  
**Schedule of Revenues, Expenditures**  
**And Changes in Fund Balance—Budget and Actual**  
**For the Year Ended December 31, 2023**

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
<b>REVENUES</b>				
Assessments				
Impact fees	\$ 1,320,011	\$ 1,320,011	\$ 476,189	\$ (843,822)
Earnings on investments	28,153	28,153	22,024	(6,129)
<b>TOTAL REVENUES</b>	<u>1,348,164</u>	<u>1,348,164</u>	<u>498,214</u>	<u>(849,950)</u>
<b>EXPENDITURES</b>				
Capital outlay	1,750,000	1,919,615	1,814,804	104,811
<b>TOTAL EXPENDITURES</b>	<u>1,750,000</u>	<u>1,919,615</u>	<u>1,814,804</u>	<u>104,811</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ (401,836)</u>	<u>\$ (571,451)</u>	(1,316,590)	<u>\$ (745,139)</u>
<b>FUND BALANCE, BEGINNING OF YEAR</b>			<u>1,545,947</u>	
<b>FUND BALANCE, END OF YEAR</b>			<u>\$ 229,357</u>	

**City of Evans, Colorado**  
**Police Impact Fund**  
**Schedule of Revenues, Expenditures**  
**And Changes in Fund Balance—Budget and Actual**  
**For the Year Ended December 31, 2023**

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
<b>REVENUES</b>				
Earnings on investments	\$ 5,461	\$ 5,461	\$ 5,861	\$ 400
Assessments - Impact fees	215,016	215,016	87,676	(127,340)
<b>TOTAL REVENUES</b>	<u>220,477</u>	<u>220,477</u>	<u>93,537</u>	<u>(126,940)</u>
<b>EXPENDITURES</b>				
Public safety	-	86,500	80,869	5,631
<b>TOTAL EXPENDITURES</b>	<u>-</u>	<u>86,500</u>	<u>80,869</u>	<u>5,631</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ 220,477</u>	<u>\$ 133,977</u>	12,668	<u>\$ (121,309)</u>
<b>FUND BALANCE, BEGINNING OF YEAR</b>			<u>252,291</u>	
<b>FUND BALANCE, END OF YEAR</b>			<u>\$ 264,959</u>	

**City of Evans, Colorado**  
**Cemetery Perpetual Care Fund**  
**Schedule of Revenues, Expenditures**  
**And Changes in Fund Balance—Budget and Actual**  
**For the Year Ended December 31, 2023**

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<b>VARIANCE WITH</b>
	<u>ORIGINAL</u>	<u>FINAL</u>		<b>FINAL BUDGET</b>
				<b>POSITIVE</b>
				<b>(NEGATIVE)</b>
<b>REVENUES</b>				
Assessments - perpetual care fees	\$ 2,700	\$ 2,700	\$ 8,089	\$ 5,389
Earnings on investments	1,584	1,584	1,987	403
Grant Revenue	-	-	-	-
<b>TOTAL REVENUES</b>	<u>4,284</u>	<u>4,284</u>	<u>10,076</u>	<u>5,792</u>
<b>EXPENDITURES</b>				
Capital outlay	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ 4,284</u>	<u>\$ 4,284</u>	10,076	<u>\$ 5,792</u>
<b>FUND BALANCE, BEGINNING OF YEAR</b>			<u>79,289</u>	
<b>FUND BALANCE, END OF YEAR</b>			<u>\$ 89,365</u>	

**City of Evans, Colorado**  
**Street Construction Fund**  
**Schedule of Revenues, Expenditures**  
**And Changes in Fund Balance—Budget and Actual**  
**For the Year Ended December 31, 2023**

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
<b>REVENUES</b>				
Intergovernmental	\$ 881,161	\$ 3,995,226	\$ 1,785,698	\$ (2,209,528)
Grants and contributions				
Other	-	-	776,829	776,829
Earnings on investments	-	-	73,538	73,538
<b>TOTAL REVENUES</b>	<u>881,161</u>	<u>3,995,226</u>	<u>2,636,065</u>	<u>(1,359,161)</u>
<b>EXPENDITURES</b>				
Public works	350,000	350,000	66,424	283,576
Capital outlay	1,110,000	4,569,580	2,615,142	1,954,438
<b>TOTAL EXPENDITURES</b>	<u>1,460,000</u>	<u>4,919,580</u>	<u>2,681,566</u>	<u>2,238,014</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	<u>(578,839)</u>	<u>(924,354)</u>	<u>(45,501)</u>	<u>878,853</u>
<b>OTHER FINANCING SOURCES AND (USES)</b>				
Transfers in	600,000	1,320,000	1,320,000	-
<b>TOTAL OTHER FINANCING USES</b>	<u>600,000</u>	<u>1,320,000</u>	<u>1,320,000</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ 21,161</u>	<u>\$ 395,646</u>	1,274,499	<u>\$ 878,853</u>
<b>FUND BALANCE, BEGINNING OF YEAR</b>			<u>2,185,933</u>	
<b>FUND BALANCE, END OF YEAR</b>			<u>\$ 3,460,432</u>	

**City of Evans, Colorado**  
**Parks Construction Fund**  
**Schedule of Revenues, Expenditures**  
**And Changes in Fund Balance—Budget and Actual**  
**For the Year Ended December 31, 2023**

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		<u>FINAL BUDGET</u>
				<u>POSITIVE</u>
				<u>(NEGATIVE)</u>
<b>REVENUES</b>				
Earnings on investments	\$ 2,396	\$ 2,396	\$ 6,839	\$ 4,443
<b>TOTAL REVENUES</b>	<u>2,396</u>	<u>2,396</u>	<u>6,839</u>	<u>4,443</u>
<b>EXPENDITURES</b>				
Capital outlay	<u>30,000</u>	<u>219,133</u>	<u>124,323</u>	<u>94,810</u>
<b>TOTAL EXPENDITURES</b>	<u>30,000</u>	<u>219,133</u>	<u>124,323</u>	<u>94,810</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ (27,604)</u>	<u>\$ (216,737)</u>	<u>(117,484)</u>	<u>\$ 99,253</u>
<b>FUND BALANCE, BEGINNING OF YEAR</b>			<u>294,394</u>	
<b>FUND BALANCE, END OF YEAR</b>			<u>\$ 176,910</u>	



**City of Evans, Colorado**  
**Food Tax Fund**  
**Schedule of Revenues, Expenditures**  
**And Changes in Fund Balance—Budget and Actual**  
**For the Year Ended December 31, 2023**

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<b>VARIANCE WITH</b>
	<u>ORIGINAL</u>	<u>FINAL</u>		<b>FINAL BUDGET</b>
				<b>POSITIVE</b>
				<b>(NEGATIVE)</b>
<b>REVENUES</b>				
Taxes	\$ 1,574,822	\$ 1,574,822	\$ 1,986,834	\$ 412,012
Bond Proceeds	25,000,000	25,000,000	-	(25,000,000)
Earnings on investments	23,540	23,540	42,259	18,719
<b>TOTAL REVENUES</b>	<u>26,598,362</u>	<u>26,598,362</u>	<u>2,029,093</u>	<u>(24,569,269)</u>
<b>EXPENDITURES</b>				
Capital outlay	26,165,000	26,400,837	1,185,982	25,214,855
<b>TOTAL EXPENDITURES</b>	<u>26,165,000</u>	<u>26,400,837</u>	<u>1,185,982</u>	<u>25,214,855</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ 433,362</u>	<u>\$ 197,525</u>	843,111	<u>\$ 645,586</u>
<b>FUND BALANCE, BEGINNING OF YEAR</b>			<u>1,417,048</u>	
<b>FUND BALANCE, END OF YEAR</b>			<u>\$ 2,260,159</u>	

**City of Evans, Colorado**  
**Road Tax Fund**  
**Schedule of Revenues, Expenditures**  
**And Changes in Fund Balance—Budget and Actual**  
**For the Year Ended December 31, 2023**

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
<b>REVENUES</b>				
Taxes	\$ 3,327,011	\$ 3,327,011	\$ 3,913,477	\$ 586,466
Earnings on investments	34,738	34,738	120,595	85,857
<b>TOTAL REVENUES</b>	<u>3,361,749</u>	<u>3,361,749</u>	<u>4,034,072</u>	<u>672,323</u>
<b>EXPENDITURES</b>				
Project Management	113,850	113,850	99,446	14,404
Capital outlay	1,500,000	1,904,826	1,558,615	346,211
<b>TOTAL EXPENDITURES</b>	<u>1,613,850</u>	<u>2,018,676</u>	<u>1,658,061</u>	<u>360,615</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ 1,747,899</u>	<u>\$ 1,343,073</u>	2,376,011	<u>\$ 1,032,938</u>
<b>FUND BALANCE, BEGINNING OF YEAR</b>			<u>4,012,150</u>	
<b>FUND BALANCE, END OF YEAR</b>			<u>\$ 6,388,161</u>	

**City of Evans, Colorado**  
**School Impact Fund**  
**Schedule of Revenues, Expenditures**  
**And Changes in Fund Balance—Budget and Actual**  
**For the Year Ended December 31, 2023**

	<b>BUDGETED AMOUNTS</b>		<b>ACTUAL</b>	<b>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</b>
	<b>ORIGINAL</b>	<b>FINAL</b>		
<b>REVENUES</b>				
Assessments	330,944	330,944	\$ 175,914	\$ (155,030)
Investment Income	<u>5</u>	<u>5</u>	<u>667</u>	<u>662</u>
<b>TOTAL REVENUES</b>	<u>330,949</u>	<u>330,949</u>	<u>176,581</u>	<u>(154,368)</u>
<b>EXPENDITURES</b>				
General Government	330,949	330,949	176,581	154,368
<b>TOTAL EXPENDITURES</b>	<u>330,949</u>	<u>330,949</u>	<u>176,581</u>	<u>154,368</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
<b>FUND BALANCE, BEGINNING OF YEAR</b>			-	
<b>FUND BALANCE, END OF YEAR</b>			<u>\$ -</u>	

**City of Evans, Colorado**  
**Water Fund**  
**Schedule of Revenues, Expenses**  
**And Changes in Fund Balance—Budgetary Basis**  
**For the Year Ended December 31, 2023**

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<b>VARIANCE WITH</b>
	<u>ORIGINAL</u>	<u>FINAL</u>		<b>FINAL BUDGET</b>
				<b>POSITIVE</b>
				<b>(NEGATIVE)</b>
<b>OPERATING REVENUES</b>				
Water sales	\$ 6,871,741	\$ 6,871,741	\$ 6,400,102	\$ (471,639)
Non-potable water sales	480,000	480,000	713,548	233,548
Other sales	9,875	9,875	23,429	13,554
Water meters	<u>121,834</u>	<u>121,834</u>	<u>59,872</u>	<u>(61,962)</u>
<b>TOTAL OPERATING REVENUES</b>	<u>7,483,450</u>	<u>7,483,450</u>	<u>7,196,951</u>	<u>(286,499)</u>
<b>OPERATING EXPENSES</b>				
Water supply and administrative	5,596,183	5,596,183	5,274,494	321,689
Principal paid	155,991	155,991	155,991	-
Capital outlay	<u>2,315,245</u>	<u>2,779,547</u>	<u>1,126,525</u>	<u>1,653,022</u>
<b>TOTAL OPERATING EXPENSES</b>	<u>8,067,419</u>	<u>8,531,721</u>	<u>6,557,010</u>	<u>1,974,711</u>
<b>OPERATING INCOME</b>	(583,969)	(1,048,271)	639,941	1,688,212
<b>OTHER REVENUES (EXPENSES)</b>				
Earnings on investments	12,027	12,027	137,002	124,975
Plant investment fees and cash in lieu of fees	1,449,201	1,449,201	870,342	(578,859)
Transfers to other funds	<u>(575,631)</u>	<u>(575,631)</u>	<u>(442,107)</u>	<u>133,524</u>
<b>TOTAL OTHER REVENUES (EXPENSES)</b>	<u>885,597</u>	<u>885,597</u>	<u>565,237</u>	<u>(320,360)</u>
<b>CHANGE IN FUND BALANCE, BUDGETARY BASIS</b>	<u>\$ 301,628</u>	<u>\$ (162,674)</u>	<u>\$ 1,205,178</u>	<u>\$ 1,367,852</u>
<b>ADJUSTMENTS FROM BUDGETARY BASIS</b>				
<b>TO GAAP BASIS</b>				
Principal paid			155,991	
Depreciation expense			(876,194)	
Capital outlay			<u>1,126,525</u>	
<b>CHANGE IN NET POSITION - GAAP BASIS</b>			1,611,500	
<b>NET POSITION, BEGINNING OF YEAR</b>			<u>60,108,705</u>	
<b>NET POSITION, END OF YEAR</b>			<u>\$ 61,720,205</u>	

**City of Evans, Colorado**  
**Waste Water Fund**  
**Schedule of Revenues, Expenses**  
**And Changes in Fund Balance—Budgetary Basis**  
**For the Year Ended December 31, 2023**

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
<b>OPERATING REVENUES</b>				
Sewer sales	\$ 6,275,905	\$ 6,275,905	\$ 5,334,210	\$ (941,695)
<b>TOTAL OPERATING REVENUES</b>	6,275,905	6,275,905	5,334,210	(941,695)
<b>OPERATING EXPENSES</b>				
Wastewater and administration	1,538,823	1,538,823	1,937,887	(399,064)
Principal paid	1,812,543	1,812,543	1,836,911	(24,368)
Capital outlay	4,130,000	9,996,232	52,054	9,944,178
<b>TOTAL OPERATING EXPENSES</b>	7,481,366	13,347,598	3,826,852	9,520,746
<b>OPERATING INCOME</b>	(1,205,461)	(7,071,693)	1,507,358	8,579,051
<b>OTHER REVENUES (EXPENSES)</b>				
Earnings on investments	73,106	73,106	279,106	206,000
Plant investment fees and cash in lieu of fees	2,400,289	2,400,289	864,194	(1,536,095)
Transfers to other funds	(545,905)	(545,905)	(478,648)	67,257
Interest expense	(604,181)	(604,181)	(565,646)	38,535
<b>TOTAL OTHER REVENUES (EXPENSES)</b>	1,323,309	1,323,309	99,006	(1,224,303)
<b>CHANGE IN FUND BALANCE, BUDGETARY BASIS</b>	\$ 117,848	\$ (5,748,384)	1,606,364	\$ 7,354,748
<b>ADJUSTMENTS FROM BUDGETARY BASIS TO GAAP BASIS</b>				
Depreciation expense			(2,175,791)	
Principal paid			1,836,911	
Capital outlay			52,054	
<b>CHANGE IN NET POSITION - GAAP BASIS</b>			1,319,538	
<b>NET POSITION, BEGINNING OF YEAR</b>			25,821,967	
<b>NET POSITION, END OF YEAR</b>			\$ 27,141,505	

**City of Evans, Colorado**  
**Storm Drainage Fund**  
**Schedule of Revenues, Expenses**  
**And Changes in Fund Balance—Budgetary Basis**  
**For the Year Ended December 31, 2023**

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
<b>OPERATING REVENUES</b>				
Storm drainage sales	\$ 1,052,037	\$ 1,052,037	\$ 963,009	\$ (89,028)
<b>TOTAL OPERATING REVENUES</b>	<u>1,052,037</u>	<u>1,052,037</u>	<u>963,009</u>	<u>(89,028)</u>
<b>OPERATING EXPENSES</b>				
Storm drainage and administration	492,633	571,133	473,203	97,930
Capital outlay	4,212,000	4,402,000	4,299,778	102,222
<b>TOTAL OPERATING EXPENSES</b>	<u>4,704,633</u>	<u>4,973,133</u>	<u>4,772,981</u>	<u>200,152</u>
<b>OPERATING INCOME</b>	<u>(3,652,596)</u>	<u>(3,921,096)</u>	<u>(3,809,972)</u>	<u>111,124</u>
<b>OTHER REVENUES (EXPENSES)</b>				
Earnings on investments	16,731	16,731	(28,245)	(44,976)
Plant investment fees	3,857,221	3,857,221	66,818	(3,790,403)
Debt payment	(368,513)	(368,513)	(374,503)	(5,990)
Transfers to other funds	(346,004)	(346,004)	(307,861)	38,143
Interest expense	(122,298)	(122,298)	(113,891)	8,407
<b>TOTAL OTHER REVENUES (EXPENSES)</b>	<u>3,037,137</u>	<u>3,037,137</u>	<u>(757,682)</u>	<u>(3,794,819)</u>
<b>CHANGE IN FUND BALANCE, BUDGETARY BASIS</b>	<u>\$ (615,459)</u>	<u>\$ (883,959)</u>	<u>\$ (4,567,654)</u>	<u>\$ (3,683,695)</u>
<b>ADJUSTMENTS FROM BUDGETARY BASIS TO GAAP BASIS</b>				
Depreciation			(343,649)	
Principal Payments			374,503	
Capital outlay			4,299,778	
<b>CHANGE IN NET POSITION - GAAP BASIS</b>			<u>(237,022)</u>	
<b>NET POSITION, BEGINNING OF YEAR</b>			<u>10,446,591</u>	
<b>NET POSITION, END OF YEAR</b>			<u>\$ 10,209,569</u>	

**City of Evans, Colorado**  
**Cemetery Endowment Fund**  
**Schedule of Revenues, Expenditures**  
**And Changes in Fund Balance—Budget and Actual**  
**For the Year Ended December 31, 2023**

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
<b>REVENUES</b>				
Earnings on investments	\$ 6,000	\$ 6,000	\$ 2,819	\$ (3,181)
<b>TOTAL REVENUES</b>	<u>6,000</u>	<u>6,000</u>	<u>2,819</u>	<u>(3,181)</u>
<b>EXPENDITURES</b>				
Transfers out	6,000	6,000	2,819	3,181
<b>TOTAL EXPENDITURES</b>	<u>6,000</u>	<u>6,000</u>	<u>2,819</u>	<u>3,181</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>FUND BALANCE, BEGINNING OF YEAR</b>			<u>49,470</u>	
<b>FUND BALANCE, END OF YEAR</b>			<u>\$ 49,470</u>	

**City of Evans, Colorado**

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**Compliance Section**



<b>LOCAL HIGHWAY FINANCE REPORT</b>	STATE: <b>COLORADO</b> YEAR ENDING (mm/yy): <b>12/23</b>
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This Information From The Records Of: <b>City of Evans</b>	Prepared By: <b>Jacque Troutd</b>
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**I. DISPOSITION OF HIGHWAY-USER REVENUES AVAILABLE FOR LOCAL GOVERNMENT EXPENDITURE**

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

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

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

ITEM	AMOUNT	ITEM	AMOUNT
<b>A. Receipts from local sources:</b>		<b>A. Local highway expenditures:</b>	
1. Local highway-user taxes		1. Capital outlay (from page 2)	\$ 7,621,898.48
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	\$ 511,987.06
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	\$ 35,159.60
2. General fund appropriations	\$ 1,320,000.00	b. Snow and ice removal	\$ 31,179.26
3. Other local imposts (from page 2)	\$ 4,425,208.84	c. Other	
4. Miscellaneous local receipts (from page 2)	\$ 1,632,795.89	d. Total (a. through c.)	\$ 66,338.86
5. Transfers from toll facilities		4. General administration & miscellaneous	\$ 202,804.60
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	\$ 490,474.07
a. Bonds - Original Issues		6. Total (1 through 5)	\$ 8,893,503.07
b. Bonds - Refunding Issues		<b>B. Debt service on local obligations:</b>	
c. Notes		1. Bonds:	
d. Total (a. + b. + c.)	\$ -	a. Interest	
7. Total (1 through 6)	\$ 7,378,004.73	b. Redemption	
<b>B. Private Contributions</b>		c. Total (a. + b.)	\$ -
<b>C. Receipts from State government</b> (from page 2)	\$ 687,846.01	2. Notes:	
<b>D. Receipts from Federal Government</b> (from page 2)	\$ 1,118,564.93	a. Interest	
<b>E. Total receipts (A.7 + B + C + D)</b>	\$ 9,184,415.67	b. Redemption	
		c. Total (a. + b.)	\$ -
		3. Total (1.c + 2.c)	\$ -
		<b>C. Payments to State for highways</b>	
		<b>D. Payments to toll facilities</b>	
		<b>E. Total expenditures (A.6 + B.3 + C + D)</b>	\$ 8,893,503.07

**IV. LOCAL HIGHWAY DEBT STATUS**

*(Show all entries at par)*

	Opening Debt	Amount Issued	Redemptions	Closing Debt
<b>A. Bonds (Total)</b>				\$ -
1. Bonds (Refunding Portion)				\$ -
<b>B. Notes (Total)</b>				\$ -

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

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	\$ -	\$ 9,184,415.67	\$ 8,893,503.07	\$ 290,912.60	\$ -

**Notes and Comments:**

**LOCAL HIGHWAY FINANCE REPORT**

STATE:  
**COLORADO**  
 YEAR ENDING (mm/yy):  
**12/23**

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

ITEM	AMOUNT	ITEM	AMOUNT
<b>A.3. Other local imposts:</b>		<b>A.4. Miscellaneous local receipts:</b>	
a. Property Taxes and Assessments		a. Interest on investments	\$ 216,156.93
b. Other local imposts:		b. Traffic Fines & Penalties	\$ 318,786.96
1. Sales Taxes	\$ 3,913,476.57	c. Parking Garage Fees	
2. Infrastructure & Impact Fees	\$ 476,189.43	d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	
4. Licenses		f. Charges for Services	
5. Specific Ownership &/or Other	\$ 35,542.84	g. Other Misc. Receipts	\$ 97,852.00
6. Total (1. through 5.)	\$ 4,425,208.84	h. Other	\$ 1,000,000.00
c. Total (a. + b.)	\$ 4,425,208.84	i. Total (a. through h.)	\$ 1,632,795.89
<i>(Carry forward to page 1)</i>		<i>(Carry forward to page 1)</i>	

ITEM	AMOUNT	ITEM	AMOUNT
<b>C. Receipts from State Government</b>		<b>D. Receipts from Federal Government</b>	
1. Highway-user taxes (from Item I.C.5.)	\$ 621,937.42	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	
a. State bond proceeds		b. FEMA	
b. Project Match		c. HUD	
c. Motor Vehicle Registrations	\$ 65,908.59	d. Federal Transit Administration	\$ 1,118,564.93
d. DOLA Grant		e. U.S. Corps of Engineers	
e. Other		f. Other Federal ARPA	
f. Total (a. through e.)	\$ 65,908.59	g. Total (a. through f.)	\$ 1,118,564.93
4. Total (1. + 2. + 3.f)	\$ 687,846.01	3. Total (1. + 2.g)	\$ 1,118,564.93
<i>(Carry forward to page 1)</i>		<i>(Carry forward to page 1)</i>	


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


	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
<b>A.1. Capital outlay:</b>			
a. Right-Of-Way Costs			\$ -
b. Engineering Costs		\$ 472,144.37	\$ 472,144.37
c. Construction:			
(1). New Facilities			\$ -
(2). Capacity Improvements		\$ 7,149,754.11	\$ 7,149,754.11
(3). System Preservation			\$ -
(4). System Enhancement And Operation			\$ -
(5). Total Construction (1)+(2)+(3)+(4)	\$ -	\$ 7,149,754.11	\$ 7,149,754.11
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.4)	\$ -	\$ 7,621,898.48	\$ 7,621,898.48
<i>(Carry forward to page 1)</i>			

**Notes and Comments:**



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

To the City Council  
City of Evans, Colorado, Colorado

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Evans, Colorado, as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise City of Evans, Colorado's basic financial statements, and have issued our report thereon dated May 22, 2024

**Report on Internal Control over Financial Reporting**

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

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

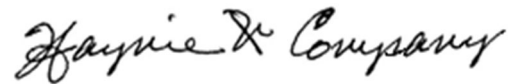
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not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

**Report on Compliance and Other Matters**

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

**Purpose of this Report**

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


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


Littleton, Colorado

May 22, 2024



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

To the City Council  
City of Evans, Colorado

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

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

We have audited the City of Evans, Colorado's compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of City of Evans, Colorado's major federal programs for the year ended December 31, 2023. City of Evans, Colorado's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, City of Evans, Colorado, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2023.

#### ***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of City of Evans, Colorado and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of City of Evans, Colorado's compliance with the compliance requirements referred to above.

#### ***Responsibilities of Management for Compliance***

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

#### ***Auditors' Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on City of Evans, Colorado's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of

internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about City of Evans, Colorado's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding City of Evans, Colorado's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of City of Evans, Colorado's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of City of Evans, Colorado's internal control over compliance. Accordingly, no such opinion is expressed.

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

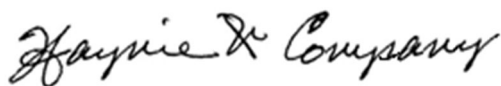
#### **Report on Internal Control over Compliance**

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

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

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

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



Littleton, Colorado  
May 22, 2024

# City of Evans, Colorado

## Supplemental Information

### Schedule of Findings and Questioned Costs for the Year Ended December 31, 2023

#### 1. Summary of Auditors' Results

Type of report issued on the financial statements:	<b>Unmodified</b>
Material weaknesses in financial reporting internal control noted:	<b>None</b>
Significant deficiency(s) identified that are not considered to be material weaknesses in financial reporting:	<b>None identified</b>
Material noncompliance noted:	<b>None</b>
Material weaknesses in internal control over major programs:	<b>None</b>
Significant deficiency(s) identified that are not considered to be material weaknesses over major programs:	<b>None identified</b>
Type of report issued on compliance for major programs:	<b>Unmodified</b>
Audit findings required to be reported:	<b>None</b>
The following programs are considered to be major:	
<b>Coronavirus Relief Fund — ALN 21.027</b>	
<b>Highway Planning and Construction – ALN 20.205</b>	
Dollar threshold used to distinguish Type A and Type B programs:	<b>\$750,000</b>
Risk type qualification:	<b>Not low-risk</b>

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

None

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

None

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

None

**City of Evans, Colorado**  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended December 31, 2023**

<b>Federal Agency/Pass-through Entity/Program</b>	<b>Federal Assistance Listing Number</b>	<b>Grant or Identifying Number</b>	<b>Amount</b>
<b>Department of the Interior</b>			
<i>Pass Through: Department of Local Affairs</i>			
Minerals Leasing Act	15.437	EIAF#9428	\$ 28,442
<i>Total Department of the Interior</i>			<u>28,442</u>
<b>United States Department of Justice</b>			
<i>United States Department of Justice</i>			
Equitable Sharing Program	16.922		\$ 16,785
<i>Total United States Department of Justice</i>			<u>16,785</u>
<b>Department of Transportation</b>			
<i>Pass Through: Colorado Department of Transportation</i>			
Federal Highway Planning and Construction	20.205	22-HA4-XC-00022	\$ 1,118,565
<i>Total Department of the Transportation</i>			<u>1,118,565</u>
<b>Department of Treasury</b>			
<i>Department of the Treasury</i>			
Coronavirus State and Local Fiscal Recovery Funds	21.027	NEU-CO0138	\$ 1,673,737
<i>Total Department of the Treasury</i>			<u>1,673,737</u>
<b>Total Expenditures of Federal Awards</b>			<u>\$ 2,837,529</u>



**City of Evans, Colorado**  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended December 31, 2023**

**Notes to the Schedule**

1. ***Basis of Presentation***

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of the City of Evans under programs of the federal government for the year ended December 31, 2023. The information in this Schedule is presented in accordance with the requirements of Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City of Evans, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the City of Evans.

2. **Summary of Significant Accounting Policies**

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

3. **Indirect Cost Rate**

City of Evans, Colorado has elected not to use the 10% de minimus indirect cost rate allowed under the Uniform Guidance.