

**Agenda**  
**City Council Work Session**  
**May 05, 2020**  
**6:00 PM**  
**Virtual Meeting**  
**(Meeting will not be held at City Hall)**

**Conferencing Access Information:** <https://us02web.zoom.us/j/81851715822>

**Join via phone at:** 1-669-900-9128

**Meeting ID:** 818 5171 5822

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**CITY OF EVANS – MISSION STATEMENT**

**“To deliver sustainable, citizen-driven services for the health, safety, and welfare of the community.”**

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- 1. COVID-19 Response Update (10 minutes)**  
James L. Becklenberg, City Manager
  
- 2. Presentation related to the 2019 financial audit (20 minutes)**  
James L. Becklenberg, City Manager  
Jacque Troudt, CPA, Finance Director  
Tyra Litzau, Audit Director, ACM LLP
  
- 3. Police Department 2019 Annual Report (10 minutes)**  
James L. Becklenberg, City Manager  
Rick Brandt, Chief of Police
  
- 4. Council Discussion**

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# CITY COUNCIL WORK SESSION REPORT

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**DATE:** May 5, 2020  
**AGENDA ITEM:** Work Session Item #1  
**SUBJECT:** COVID-19 Response Update  
**NAME & TITLE:** James L. Becklenberg, City Manager

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**ISSUE DESCRIPTION:**

The City's response to the COVID-19 virus disaster continues, with continuous Emergency Operations Center (EOC) operations to monitor evolving conditions, coordinate with the Weld County Department of Public Health and Environment, and plan the City's operational response. The structure of the EOC, along with staffing roles, is attached to this report. Response strategies are consistent with the City's Emergency Operations Plan (EOP), which is intended to serve as a high-level guide for all emergencies.

In addition to the broader EOP, staff has developed specific responses to the pandemic conditions presented by COVID-19, which are shown in the attached "Pandemic Response Plan." At the March 17, 2020 staff described the "Operational Response Progression" and noted that at that time, the City was in Phase 3 response. At this time, the City remains in Phase 3, as most City services remain operational, due to capabilities for remote work and social distancing strategies. The remainder of this report provides an update since the April 6<sup>th</sup> work session on the most significant of the City's response strategies and impacts.

Circumstances and plans are evolving rapidly. At the work session, the City Manager will provide current updates on public health statistics, the Greeley Area Recovery Fund business response, "Safer and Home" compliance, and City Facility reopening plans.

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**FINANCIAL SUMMARY:**

None

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**REQUESTING FROM CITY COUNCIL:**

Discussion and questions about the City's COVID-19 response

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**ATTACHMENTS:**

- None

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# CITY COUNCIL WORK SESSION REPORT

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**DATE:** May 5, 2020

**AGENDA ITEM:** Work Session Item #2

**SUBJECT:** Presentation related to the 2019 financial audit

**PRESENTED BY:** James L. Becklenberg, City Manager  
Jacque Troudt, CPA, Finance Director  
Tyra Litzau, Audit Director, ACM LLP

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**ISSUE DESCRIPTION:**

The purpose of this work session item is to receive information related to the 2019 financial statement audit, as completed by the independent auditing firm of ACM LLP. The auditors are selected by the City Council and report directly to the City Council. The Council approves the audit report annually, which is scheduled for May 19, 2020.

The attached auditor's report reflects an unmodified (or clean) opinion on the 2019 financial statements.

This audit report contains not only the results of the audit, but also the required financial statements for the City's funds, and the required supplementary information.

The work completed to arrive at this report is a combined effort between finance staff and the auditors during December and March.

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**FINANCIAL SUMMARY:**

N/A

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**STAFF RECOMMENDATION:**

Feedback and questions relating to the audit or process.

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**ATTACHMENTS:**

- Attachment A: Evans Audit Wrap
- Attachment B: Evans Financial Statements & Supplementary Information

# City of Evans

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**Audit Wrap Up**

**May 5, 2020**



This presentation was prepared as part of our audit, has consequential limitations, is restricted to those charged with governance and, if appropriate, management, and is not intended and should not be used by anyone other than those specified parties.

May 5, 2020

To the Honorable Mayor and City Council  
City of Evans  
1100 37th Street  
Evans, Colorado 80620

Professional standards require us to communicate with you regarding matters related to the audit, that are, in our professional judgment, significant and relevant to your responsibilities in overseeing the financial reporting process. On March 12, 2020 we presented an overview of our plan for the audit of the financial statements of the City of Evans (the "City") as of and for the year ended December 31, 2019, including a summary of our overall objectives for the audit, and the nature, scope, and timing of the planned audit work.

This communication is intended to elaborate on the significant findings from our audit, including our views on the qualitative aspects of the City's accounting practices and policies, management's judgments and estimates, financial statement disclosures, and other required matters.

We are pleased to be of service to the City of Evans and look forward to meeting with you on May 5, 2020 to discuss our audit findings, as well as other matters that may be of interest to you, and to answer any questions you might have.

Respectfully,

*ACM LLP*

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# Discussion Outline

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# Status of Our Audit

We have substantially completed our audit of the financial statements and federal awards as of and for the year ended December 31, 2019. Our audit was conducted in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*. This audit of the financial statements does not relieve management or those charged with governance of their responsibilities.

- ▶ The objective of our audit was to obtain reasonable - not absolute - assurance about whether the financial statements are free from material misstatements whether due to error or fraud.
- ▶ The scope of the work performed was substantially the same as that described to you in our earlier Audit Planning communications.
- ▶ We expect to issue an unmodified opinion on the financial statements and release our report on May 19, 2020.
- ▶ We expect to issue an unmodified opinion on compliance requirements that could have a direct and material effect on each major federal program.
- ▶ Our responsibility for other information in documents containing the City's audited financial statements (e.g. management's discussion and analysis, budgetary comparisons, schedules of pension and OPEB amounts) does not extend beyond the financial information identified in the audit report, and we are not required to perform procedures to corroborate such other information. However, in accordance with professional standards, we have read the information included by the City and considered whether such information, or the manner of its presentation, was materially inconsistent with its presentation in the financial statements. Our responsibility also includes calling to management's attention any information that we believe is a material misstatement of fact. We have not identified any material inconsistencies or concluded there are any material misstatements of facts in the other information that management has chosen not to correct.
- ▶ All records and information requested by ACM were freely available for our inspection.
- ▶ Management's cooperation was excellent. We received full access to all information that we requested while performing our audit, and we acknowledge the full cooperation extended to us by all levels of City personnel throughout the course of our work.

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# Results of Our Audit

## ACCOUNTING PRACTICES, POLICIES, ESTIMATES

The following summarizes the more significant required communications related to our audit concerning the City's accounting practices, policies, estimates and significant unusual transactions:

The City's significant accounting practices and policies are those included in Note 1 to the financial statements. These accounting practices and policies are appropriate, comply with generally accepted accounting principles and industry practice, were consistently applied, and are adequately described within Note 1 to the financial statements.

There were no changes in significant accounting policies and practices during December 31, 2019.

Significant estimates are those that require management's most difficult, subjective, or complex judgments, often as a result of the need to make estimates about the effects of matters that are inherently uncertain. The City's significant accounting estimates, including a description of management's processes and significant assumptions used in development of the estimates, are disclosed in Note 1 of the financial statements.

### Primary Areas of Focus and Considerations and Findings

**Revenue Recognition:** The City's major source of revenues consists of property taxes, sales and use tax, intergovernmental grants and contributions, and charges for services. The City records revenues when earned. Property taxes are recognized as revenues in the year for which they're levied. Grants and similar items are recognized as soon as all eligibility requirements imposed by the provider have been met.

**Accounts Receivable and Allowances:** Accounts receivable represent amounts due from citizens and business for property and sales taxes, customers for utilities, and other governmental entities. No allowance is made for bad debts as they are deemed unlikely.

**Capital Assets and Depreciation:** Capital assets of the City continue to be a significant area of the financial statements. Accordingly, as part of the audit, we paid particular attention to the costs of newly acquired assets, repairs and maintenance expenditures on existing capital assets, and depreciation expense of these assets.

**Capital Lease Obligations:** The City has 3 outstanding Colorado Water Resources and Power Development Authority notes payable totaling approximately \$38.8 million in its business type activities. Accordingly, we have applied certain procedures over balances, future maturities, and accrued interest associated with the applicable lease, along with compliance with the lease agreement. It appears that the City is properly accounting for these obligations.

**Pension Reporting:** The City has two separate defined benefit plans administered by the Fire and Police Pension Association of Colorado ("FPPA"). The FPPA plans are cost-sharing, multiple-employer defined benefit plans. The City has reported their proportionate share of the collective amounts for the plan as a whole. In addition, changes in the net pension asset and net pension liability were recognized as pension expense or reported as deferred outflows/inflows of resources depending on the nature of change.

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# Results of Our Audit

**Single Audit Procedures:** Because the City expended in excess of \$750,000 of federal grant funds, the City was subject to a single audit pursuant to 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). Accordingly, ACM performed procedures on internal controls, and certain compliance requirements associated with the City's major federal awards.

**Evaluation of Going Concern:** No going concern issues were noted during our audit.

**Evaluation of Estimates:** Estimates were determined to be reasonable, and free of bias.

## CORRECTED AND UNCORRECTED MISSTATEMENTS

Please refer to the schedule of corrected misstatements or Adjusting Journal Entries (AJEs).

There were no uncorrected misstatements, other than those that were clearly trivial, related to accounts and/or disclosures that we presented to management.

## QUALITY OF THE CITY'S FINANCIAL REPORTING

A discussion was held regarding the quality of the City's financial reporting, which included the following:

- ▶ Qualitative aspects of significant accounting policies and practices
- ▶ Our conclusions regarding significant accounting estimates
- ▶ Significant unusual transactions
- ▶ Financial statement presentation
- ▶ New accounting pronouncements
- ▶ Alternative accounting treatments

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# Internal Control Over Financial Reporting

In planning and performing our audit of the City’s financial statements, we considered the City’s internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City’s internal control. Accordingly, we do not express an opinion on the effectiveness of the City’s internal control.

Our consideration of internal control was for the limited purpose described above and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses.

We are required to communicate, in writing and in a timely manner, to those charged with governance all material weaknesses and significant deficiencies that have been identified in the City’s internal controls over financial reporting. The definitions of control deficiency, significant deficiency and material weakness follow:

Category	Definition
<b>Deficiency in Internal Control</b>	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.
<b>Significant Deficiency</b>	A deficiency or 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.
<b>Material Weakness</b>	A deficiency or combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the City’s financial statements will not be prevented or detected and corrected on a timely basis.

In conjunction with our audit of the financial statements, we noted no material weaknesses. However, material weaknesses may exist that have not been identified.

# Other Required Communications

Following is a summary of those required items, along with specific discussion points as they pertain to the City:

Requirement	Discussion Points
Significant changes to planned audit strategy or significant risks initially identified	There were no significant changes to the planned audit strategy or significant risks initially identified and previously communicated to those charged with governance as part of our Audit Planning communications.
Obtain information from those charged with governance relevant to the audit	There were no matters noted relevant to the audit, including, but not limited to: violations or possible violations of laws or regulations; risk of material misstatements, including fraud risks; or tips or complaints regarding the City's financial reporting that we were made aware of as a result of our inquiry of those charged with governance.
If applicable, nature and extent of specialized skills or knowledge needed related to significant risks	There were no specialized skills or knowledge needed, outside of the core engagement team, to perform the planned audit procedures or evaluate audit results related to significant risks.
Consultations with other accountants	We are not aware of any consultations about significant accounting or auditing matters between management and other independent public accountants. Nor are we aware of opinions obtained by management from other independent accountants on the application of generally accepted accounting principles.
Our evaluation of the City's relationships and transactions with related parties and their impact on the financial statements	We have evaluated the City's process to identify, authorize and approve, account for, and disclose its relationships and transactions with related parties and noted no significant issues.
Disagreements with management	There were no disagreements with management about matters, whether or not satisfactorily resolved, that individually or in aggregate could be significant to the City's financial statements or to our auditor's report.
Significant difficulties encountered during the audit	There were no significant difficulties encountered during the audit.
If applicable, other matters significant to the oversight of the City's financial reporting process, including complaints or concerns regarding accounting or auditing matters	There are no other matters that we consider significant to the oversight of the City's financial reporting process that have not been previously communicated.
Representations requested from management	Please refer to the management representation letter.

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# Independence Communication

Our engagement letter to you dated February 7, 2020 describes our responsibilities in accordance with professional standards and certain regulatory authorities and *Government Auditing Standards* with regard to independence and the performance of our services. This letter also stipulates the responsibilities of the City with respect to independence as agreed to by the City. Please refer to that letter for further information.

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# GASB Standards Effective for Reporting Periods Beginning After June 15, 2018 (commences with fiscal years ending June 30, 2019)

## **GASB STATEMENT NO. 83, CERTAIN ASSET RETIREMENT OBLIGATIONS**

- ▶ Establishes measurement criteria for recording a liability for the retirement or removal of certain assets such as:
  - ✓ Nuclear power plants
  - ✓ Sewage treatment facilities
  - ✓ Coal-fired power plant
  - ✓ Wind turbines
  - ✓ X-ray machines
- ▶ Governments with legal obligations to perform future asset retirement activities related to its tangible capital assets would be required to recognize a liability.
- ▶ Must be both an external obligating event, such as a court judgment or federal, state or local law; and an internal obligating event, such as contamination or retirement.
- ▶ A liability and corresponding deferred outflow are recorded when the liability is both incurred and reasonably estimable.
- ▶ The liability is based on the best estimate of the current value of outlays expected to be incurred.
- ▶ Deferred outflows should be amortized over the estimated useful life of the tangible capital asset.
- ▶ Annual remeasurement required, adjusting for effects of inflation or deflation.
- ▶ Exception for minority owner (<50%).

## **GASB STATEMENT NO. 88, CERTAIN DISCLOSURES RELATED TO DEBT, INCLUDING DIRECT BORROWINGS AND DIRECT PLACEMENTS**

- ▶ Defines debt for purposes of disclosure as a liability that arises from a contractual obligation to pay cash or other assets in one or more payments to settle an amount that is fixed as of the date the obligation is established.
- ▶ Excludes pension and OPEB liabilities, leases (except for contracts reported as a financed purchase of the underlying assets) and accounts payable as those should be disclosed in separate notes.
- ▶ Includes capital appreciation bonds and variable rate debt.
- ▶ Additional note disclosures required for unused lines of credit, assets pledged as collateral, specific debt agreement terms.
- ▶ Debt disclosures should separate information for direct borrowings and direct placements of debt from other debt.

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# GASB Standards Effective for Reporting Periods Beginning After December 15, 2018 (commences with fiscal years ending December 31, 2019)

## **GASB STATEMENT NO. 84, FIDUCIARY ACTIVITIES**

- ▶ Establishes criteria for reporting fiduciary activities that focuses on whether the government controls the assets and the fiduciary relationship with the beneficiaries.
- ▶ The statement describes four fiduciary funds:
  1. Pension and OPEB trust funds
  2. Investment trust funds
  3. Private-purpose trust funds
  4. Custodial funds
- ▶ Custodial funds replace agency funds for activities that are not held in trust.
- ▶ For activities for which a trust agreement exists, an investment trust fund or private purpose trust fund will be used.
- ▶ Pension funds not held in trust would be classified as custodial funds.

## **GASB STATEMENT NO. 90, MAJORITY EQUITY INTERESTS, AN AMENDMENT OF GASB STATEMENTS NO. 14 AND NO. 61**

- ▶ Will report a majority equity interest in a legally separate organization as an investment if it meets the definition.
- ▶ Measured using the equity method, unless held by a special-purpose government engaged only in fiduciary activities, a fiduciary fund or an endowment/permanent fund. These funds would utilize fair value to measure the majority equity interest.
- ▶ For all other majority equity interests in a legally separate organization, report the legally separate organization as component unit and the fund that holds the equity interest should report an asset using the equity method.
- ▶ Acquisition of a component unit in which the government holds 100% interest would be measured using acquisition value.

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# GASB Standards Effective for Reporting Periods Beginning After December 15, 2019 (commences with fiscal years ending December 31, 2020)

## **GASB STATEMENT NO. 87, LEASES**

- ▶ This standard will require recognition of certain lease assets and liabilities for leases that are currently classified as operating leases.
- ▶ New definition of a lease - a contract that conveys the right to use another entity's nonfinancial asset for a period in an exchange or exchange-like transaction.
- ▶ Eliminates the distinction between operating and capital leases.
- ▶ Excludes short-term leases.
- ▶ Excludes leases that transfer ownership and service concession arrangements that are covered by GASB Statement No. 60.
- ▶ Lessees would recognize a lease liability and an intangible right-to-use lease asset which would be amortized in a systematic and reasonable manner over the shorter of the lease term or the useful life of the underlying asset.
- ▶ Lessors would recognize lease receivable and deferred inflow of resources which would be recognized as revenue in a systematic and rational manner over the term of the lease.

## **GASB STATEMENT NO. 89, ACCOUNTING FOR INTEREST COST INCURRED BEFORE THE END OF A CONSTRUCTION PERIOD**

- ▶ Upon implementation, in financial statements using the economic resources measurement focus (business-type activities and enterprise funds) interest incurred during construction should be recognized as an expense of the period.
- ▶ Interest costs on construction-in-progress will be capitalized only to the implementation date of this Statement. The provisions of this Statement are to be applied prospectively and will therefore not require a restatement of any balances.
- ▶ In financial statements using the current financial resources measurement focus, interest incurred during construction should be recognized as an expenditure (no change).
- ▶ If a government has regulated operations as defined by paragraph 476 of GASB Statement No. 62, this Statement does not eliminate or remove the requirement to capitalize qualifying interest costs as a regulatory asset.

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# Cybersecurity

The Council’s role in the oversight of organizational risk is increasingly complicated by cybersecurity concerns. Trustees need to maintain continual knowledge about evolving cyber issues and management’s plans for allocating resources and otherwise responding to cyber risks. Such knowledge helps boards assess the priorities and investment decisions made by management in critical areas. Often, particularly in smaller organizations, those charged with governance oversee and monitor management’s strategy for protecting its digital assets.

In April 2017, the AICPA published the new [Cybersecurity Risk Management Reporting Framework](#) to its website –also known as “SOC (System and Organization Controls) for Cybersecurity”–that provides entities with a proactive approach for designing a risk management program and communicating about its effectiveness to their senior management teams, boards, and external stakeholders. The City Council is urged to refer to BDO’s [SOC for Cyber](#) resources to learn more about attestation serves with respect to management programs.

Here are recent tools/materials for use by those charged with governance in this area:

Recommended Resources	Release Date
BDO Webinar: <a href="#">Cybersecurity - Resources Boards Want to Know About</a>	August 22, 2018 September 27, 2018
CAQ’s <a href="#">Cybersecurity Risk Management Oversight : A Tool for Board Members</a>	April 2018
<a href="#">BDO Archived Webinar: What’s on the Minds of Boards?</a>	November 2017
<a href="#">Are You Cyber Aware?: 10 Cybersecurity Questions for Senior Executives?</a>	October 2017
<a href="#">Cyber Risk Management: What You Need to Know Now</a>	October 2017
<a href="#">2017 BDO Cyber Governance Survey</a>	September 2017
<a href="#">Breaking Down the Equifax Data Breach</a>	September 2017
<a href="#">BDO Knows Cybersecurity: Petya Cyber Attack</a>	June 2017
<a href="#">BDO Highlights Important DHS - FBI Cyber Alert on North Korea - Hidden Cobra</a>	June 2017
<a href="#">Introducing SOC for Cybersecurity: Translating Cyber Risk For Every Stakeholder</a>	June 2017



City of  
**Evans, Colorado**

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

# City of Evans

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# City of Evans

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## **Independent Auditor's Report**

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

### **Report on the Financial Statements**

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

#### ***Management's Responsibility for the Financial Statements***

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

#### ***Auditor's Responsibility***

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

#### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Evans, Colorado, as of December 31, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Emphasis of Matters***

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



## **Other Matters**

### *Required Supplementary Information*

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

### *Other Information*

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

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

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

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

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

Greeley, Colorado  
May 19, 2020

## Basic Financial Statements

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Draft

May 19, 2020

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

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

### **FINANCIAL HIGHLIGHTS**

- The assets of the City exceeded its liabilities at the close of 2019 by \$169.5 million (net position). Of this amount, \$44.2 million (unrestricted net position) may be used to meet the City's ongoing obligations to citizens and creditors. Of the remaining balance, \$121 million is investments in capital assets and \$4.3 million is restricted for other purposes.
- The City's total net position increased by \$13.2 million. The governmental and business-type activities drove this change with an increase in revenue.
- Sales and use tax collections increased by \$371 thousand, a 3.9 percent increase from the prior year. Stable economic conditions contributed to this increase.
- At the end of 2019, the City's governmental funds reported combined ending fund balances of \$26 million, an increase of \$3.2 million in comparison to the ending balances of 2018. Of this total amount, \$4.4 million, or 17 percent, is available for spending at the City's discretion (unassigned fund balance).
- At the end of 2019, the unassigned fund balance for the General Fund was \$4.4 million, which was 32 percent of total General Fund 2019 expenditures. In addition, the City Charter requires the Emergency Contingency Fund to maintain a balance of 25 percent of the preceding fiscal year's (2018) audited General Fund expenditures, not to exceed \$1 million. The resulting 2019 fund balance related to the Emergency Contingency Fund (shown as combined with the General Fund) amounts to \$1 million in reserve for emergencies. Fund balances at 2019-year end for the General Fund, including the Emergency Contingency Fund, amount to \$12.5 million.
- As required under Accounting Principle GASB 68, the City reported an asset of \$1.5 million for its proportionate share of the net pension assets of the State of Colorado Fire and Police Pension Association plans at December 31, 2019. Footnote 8 explains the impact on net position in more detail.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**Fiduciary funds** - Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of these funds are not available to

support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

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

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

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements are found on Pages 29-54 of this report.

### **Other information**

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

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

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

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

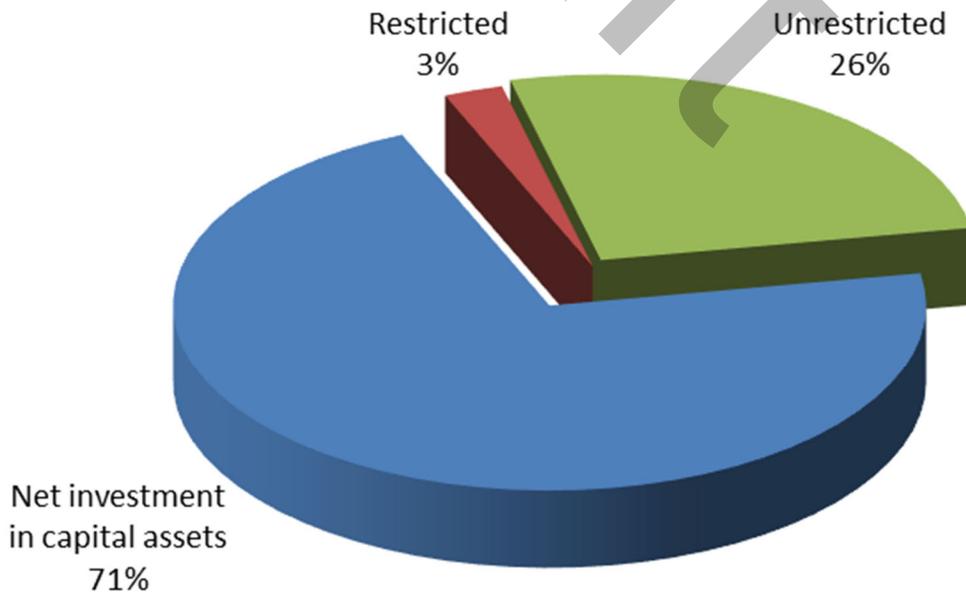
An additional portion of the City's net position (2.6 percent) represents resources that are subjected to external and internal restrictions on how they may be used. The remaining balance of unrestricted net position (\$44.2 million) may be used to meet the City's ongoing obligations to citizens and creditors. Table 1 provides a summary of the City's net position for 2019 as compared to 2018.

**Table 1**

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

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
<b>Assets:</b>						
Current and other assets	\$ 28,964	\$ 25,808	\$28,459	\$ 24,406	\$ 57,423	\$ 50,214
Capital assets	51,599	48,815	100,312	99,109	151,911	147,924
Net pension asset	1,461	2,193	-	-	1,461	2,193
<b>Total assets</b>	<b>82,024</b>	<b>76,816</b>	<b>128,771</b>	<b>123,515</b>	<b>210,795</b>	<b>200,331</b>
<b>Deferred outflows of resources</b>	2,279	1,490	-	-	2,279	1,490
<b>Liabilities:</b>						
Current liabilities	2,076	2,079	967	753	3,043	2,832
Long-term liabilities	503	554	38,826	40,695	39,329	41,249
<b>Total liabilities</b>	<b>2,579</b>	<b>2,633</b>	<b>39,793</b>	<b>41,448</b>	<b>42,372</b>	<b>44,081</b>
<b>Deferred inflows of resources</b>						
Unearned revenue – property taxes	901	901	-	-	901	901
Deferred inflows of resources relating to pensions	306	538	-	-	306	538
<b>Total Deferred inflows of resources</b>	<b>1,207</b>	<b>1,439</b>	<b>-</b>	<b>-</b>	<b>1,207</b>	<b>1,439</b>
<b>Net Position:</b>						
Net investment in capital assets	51,599	48,815	69,356	66,322	120,955	115,137
Restricted	2,819	3,455	1,485	1,530	4,304	4,985
Unrestricted	26,099	21,964	18,137	14,215	44,236	36,179
<b>Total net position</b>	<b>\$ 80,517</b>	<b>\$ 74,234</b>	<b>\$88,978</b>	<b>\$82,067</b>	<b>\$169,495</b>	<b>\$156,301</b>

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



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

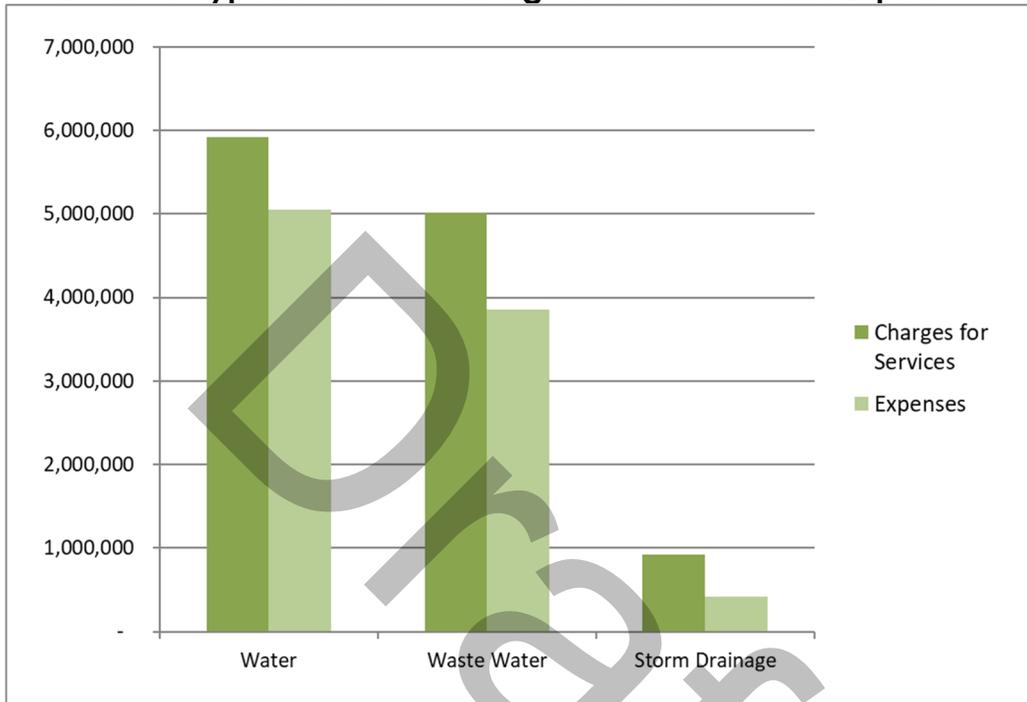
Table 2 shows the changes in net position for the fiscal year 2019 compared to the fiscal year 2018.

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

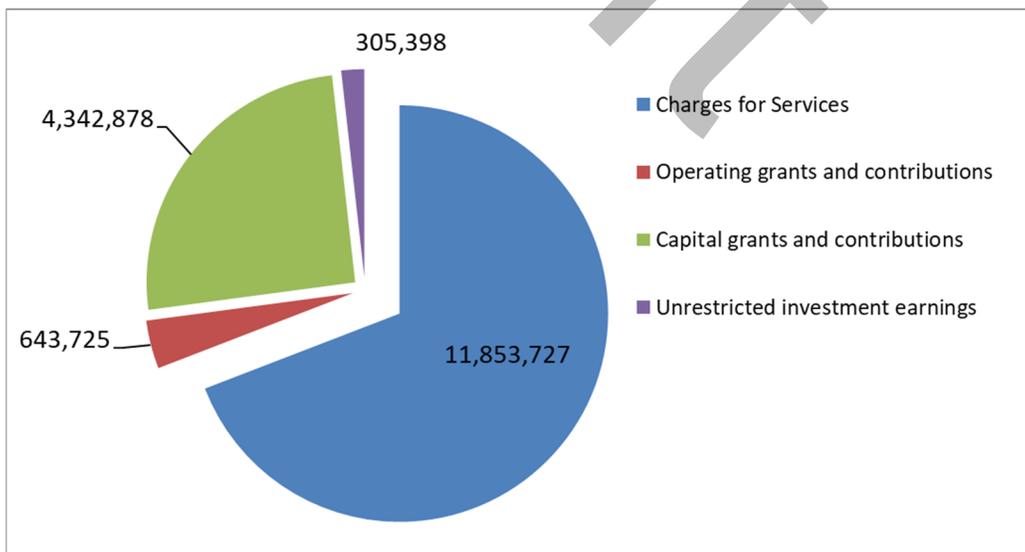
**Governmental Activities** - Governmental activities increased the City's net position by \$6.3 million, thereby accounting for a portion of the total growth in the net position of the City. Contributing to this growth was both the City's increase in revenues and slight decrease in expenditures.

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

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



**Business-type Activities - Revenues by Source**



## FINANCIAL ANALYSIS OF THE CITY'S FUNDS

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

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

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

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

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

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

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

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

## GENERAL FUND BUDGETARY HIGHLIGHTS

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

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

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

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

## CAPITAL ASSET AND DEBT ADMINISTRATION

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

Major capital asset additions during the year included the following:

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

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

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

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

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

**City of Evans Outstanding Debt**

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

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

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

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

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

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

### **Requests for Information**

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

**City of Evans**  
**Statement of Net Position**

**December 31, 2019**

	Governmental Activities	Business-Type Activities	Total
<b>Assets</b>			
Cash, cash equivalents and investments	\$ 23,759,951	\$ 17,570,049	\$ 41,330,000
Receivables	4,194,795	1,589,984	5,784,779
Prepaid items	9,469	12,039	21,508
Restricted cash, cash equivalents and investments	1,000,000	1,485,414	2,485,414
Investment in Greeley water	-	7,802,013	7,802,013
Capital assets, not being depreciated	15,373,583	32,959,339	48,332,922
Capital assets, being depreciated, net	36,225,227	67,352,590	103,577,817
Net pension asset	1,461,670	-	1,461,670
<b>Total assets</b>	<b>82,024,695</b>	<b>128,771,428</b>	<b>210,796,123</b>
<b>Deferred outflows of resources</b>			
Deferred outflows of resources relating to pensions	2,279,534	-	2,279,534
<b>Liabilities</b>			
Accounts payable	1,312,923	700,607	2,013,530
Accrued payroll	107,921	17,831	125,752
Deposits and escrows	475,235	97,717	572,952
Unearned revenue	46,260	-	46,260
Other liabilities	133,907	-	133,907
Accrued interest payable	-	151,208	151,208
<b>Noncurrent liabilities:</b>			
Accrued compensated absences	392,211	68,254	460,465
Due within one year	-	1,890,796	1,890,796
Due in more than one year	-	36,866,832	36,866,832
Net pension liability	110,655	-	110,655
<b>Total liabilities</b>	<b>2,579,112</b>	<b>39,793,245</b>	<b>42,372,357</b>
<b>Deferred inflows of resources</b>			
Deferred revenue - property taxes	901,366	-	901,366
Deferred inflows of resources relating to pensions	306,289	-	306,289
<b>Total deferred inflows of resources</b>	<b>1,207,655</b>	<b>-</b>	<b>1,207,655</b>
<b>Net position</b>			
Net investment in capital assets	51,598,810	69,356,314	120,955,124
<b>Restricted for:</b>			
Emergencies	1,000,000	-	1,000,000
Debt service	-	1,485,414	1,485,414
Parks and recreation	468,352	-	468,352
Pensions	1,351,015	-	1,351,015
Unrestricted	26,099,285	18,136,455	44,235,740
<b>Total net position</b>	<b>\$ 80,517,462</b>	<b>\$ 88,978,183</b>	<b>\$ 169,495,645</b>

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

**City of Evans**  
**Statement of Activities**

**Year Ended December 31, 2019**

Functions/programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Governmental activities:</b>				
General government	\$ 5,278,108	\$ 2,382,194	\$ 33,805	\$ -
Public safety	5,751,593	548,734	-	-
Public works	4,116,219	876,473	-	909,532
Culture, parks and recreation	1,248,166	1,177,674	-	248,214
Community development	962,834	-	-	-
Flood recovery	66,538	-	19,130	-
<b>Total governmental activities</b>	<b>17,423,458</b>	<b>4,985,075</b>	<b>52,935</b>	<b>1,157,746</b>
<b>Business-type activities:</b>				
Water	5,046,102	5,921,363	-	2,163,730
Wastewater	3,859,968	5,012,256	463,398	2,098,713
Storm drainage	422,194	920,108	180,327	80,435
<b>Total business-type activities</b>	<b>9,328,264</b>	<b>11,853,727</b>	<b>643,725</b>	<b>4,342,878</b>
<b>Total primary government</b>	<b>\$ 26,751,722</b>	<b>\$ 16,838,802</b>	<b>\$ 696,660</b>	<b>\$ 5,500,624</b>
<b>General revenues</b>				
Taxes:				
Property taxes				
Specific ownership taxes				
Sales and use taxes				
Franchise taxes				
Other taxes				
Intergovernmental				
Earnings on investments				
Other revenues				
Gain on disposal of capital assets				
<b>Subtotal general revenues</b>				
Transfers in (out)				
<b>Total general revenues and transfers</b>				
<b>Changes in net position</b>				
<b>Net position at beginning of year</b>				
<b>Net position at end of year</b>				

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

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

**City of Evans**  
**Balance Sheet**  
**Governmental Funds**  
**December 31, 2019**

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

Evans Redevelopment Agency	Other Governmental Funds	Total Governmental Funds
\$ 15,887	\$ 8,253,558	\$ 23,759,951
-	-	1,000,000
441,442	162,945	4,194,795
-	-	180,629
75	-	9,469
<u>\$ 457,404</u>	<u>\$ 8,416,503</u>	<u>\$ 29,144,844</u>
\$ 216,290	\$ 80,430	\$ 1,312,923
600	1,200	46,260
-	-	107,921
-	-	475,235
-	-	180,629
-	106,000	133,907
<u>216,890</u>	<u>187,630</u>	<u>2,256,875</u>
-	-	901,366
-	-	901,366
-	-	9,394
-	1,215,519	2,215,519
-	40,795	429,815
240,514	6,972,559	18,907,116
-	-	4,424,759
<u>240,514</u>	<u>8,228,873</u>	<u>25,986,603</u>
<u>\$ 457,404</u>	<u>\$ 8,416,503</u>	<u>\$ 29,144,844</u>

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

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

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

Total fund balance - governmental funds \$ 25,986,603

Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the fund financial statements.

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

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

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

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

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

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

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

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

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

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

## City of Evans

### Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances with the Government-wide Statement of Activities

Year Ended December 31, 2019

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

Net change in fund balance - total governmental funds \$ 3,155,173

Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are shown in the statement of net position and allocated over their estimated useful lives as annual depreciation expense in the statement of activities:

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

Proceeds from sale of capital assets are shown as an other financing source, but are reduced by the net book value of the asset to calculate the gain or loss on sale of capital assets on the statement of activities. This is the net book value of the capital assets sold. (1,623)

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

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

Changes in pension accounts relating to the City's defined benefit retirement plans are recognized on the statement of activities and not included in the fund financial statements. 179,914

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**Change in net position of governmental activities** **\$ 6,283,175**

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

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

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

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

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

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

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

**City of Evans**  
**Statement of Cash Flows**  
**Proprietary Funds**

**Year Ended December 31, 2019**

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

*Continued.*

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

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

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

Draft

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

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<b>Assets</b>	
Restricted cash and investments	\$ 49,467
<b>Total assets</b>	<b>\$ 49,467</b>
<b>Net position</b>	
Restricted	\$ 49,467
<b>Total net position</b>	<b>\$ 49,467</b>

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

Draft

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

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

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

**City of Evans**  
**Notes to Financial Statements**  
**December 31, 2019**

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## **1. Summary of Significant Accounting Policies**

### ***Reporting Entity***

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

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

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

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

### ***Blended Component Unit***

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

### ***Government-wide and Fund Financial Statements***

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

**City of Evans**  
**Notes to Financial Statements**  
**December 31, 2019**

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

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

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

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

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

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

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

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

The City reports the following major governmental funds:

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

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

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

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

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

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

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

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

### ***Budgets***

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

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

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

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

***Cash and Investments***

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

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

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

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

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

***Restricted Cash***

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

***Prepaid Items***

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

***Bond Premiums, Discounts and Issuance Costs***

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

***Capital Assets***

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

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

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

**City of Evans**  
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Estimated useful lives for asset types are as follows:

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

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***Compensated Absences***

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

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

***Long-Term Obligations***

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

***Property Taxes***

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

***Deferred Outflows/Inflows of Resources***

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

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time.

**City of Evans**  
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The City reports a deferred inflow of resource relating to property taxes. In addition, the City reports deferred inflows of resources for pension-related amounts. See Note 8 for additional information.

***Fund Balance and Net Position***

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

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

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

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

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

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

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

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

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

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

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

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

	General Fund	Street Construction Fund	Parks Construction Fund	Evans Redevelopment Agency	Nonmajor Governmental Funds	Total Governmental Funds
<b>Nonspendable:</b>						
Prepaid items	\$ 9,394	\$ -	\$ -	\$ -	\$ -	\$ 9,394
<b>Restricted:</b>						
Emergency reserve	1,000,000	-	-	-	-	1,000,000
Parks and recreation	-	-	-	-	595,142	595,142
Street construction	-	-	-	-	620,377	620,377
<b>Committed:</b>						
Surcharge fees	389,020	-	-	-	-	389,020
Street construction	-	-	-	-	40,795	40,795
<b>Assigned:</b>						
Special revenue funds	-	-	-	240,514	6,972,559	7,213,073
Street construction	-	4,705,606	-	-	-	4,705,606
Park construction	-	-	297,040	-	-	297,040
Fund balance policy	6,691,397	-	-	-	-	6,691,397
<b>Unassigned:</b>	<b>4,424,759</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,424,759</b>
<b>Total</b>	<b>\$ 12,514,570</b>	<b>\$ 4,705,606</b>	<b>\$ 297,040</b>	<b>\$ 240,514</b>	<b>\$ 8,228,873</b>	<b>\$ 25,986,603</b>

**Pensions**

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

**Accounting Estimates**

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

**2. Cash and Investments**

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

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

**City of Evans**  
**Notes to Financial Statements**  
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The above amounts are classified in the statements of net position and fiduciary net position as follows:

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

### ***Cash Deposits***

#### ***Custodial Credit Risk***

This is the risk that, in the event of failure of a depository financial institution, a government will not be able to recover its deposits. The City's deposit policy is in accordance with CRS 11-10.5-101, the Colorado Public Deposit Protection Act ("PDPA"), which governs the investment of public funds. PDPA requires that all units of local governments deposit cash in eligible public depositories. Eligibility is determined by state regulations. Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by the PDPA. The financial institution is allowed to create a single collateral pool for all public funds held. The pool is maintained by another institution, or held in trust for all of the uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits. The institution's internal records identify collateral by depositor and as such, these deposits are considered uninsured but collateralized. The State Regulatory Commissions for banks and financial services are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools. At December 31, 2019, the City had deposits with financial institutions with a carrying amount of \$10,043,462. The bank balances with the financial institutions were \$11,152,409, of which \$1 million was covered by federal depository insurance. The remaining balance of \$10,152,409 was collateralized with securities held by the financial institutions' agents but not in the City's name.

#### ***Investments***

##### ***Credit Risk***

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

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

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

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

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

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

At December 31, 2019, the City had invested \$13,739,030 in the Colorado Local Government Liquid Asset Trust (the "Trust"), an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commission administers and enforces all State statutes governing the Trust. The Trust operates similarly to a money market fund and each share is equal in value to \$1. The Trust offers shares in two portfolios, COLOTRUST PRIME and COLOTRUST PLUS+. COLOTRUST PRIME invests only in U.S. Treasury and government agencies. COLOTRUST PLUS+ can invest in U.S. Treasury, government agencies, and in the highest-rate commercial paper. A designated custodial bank serves as custodian for the Trust's portfolios pursuant to a custodian agreement. The custodian acts as a safekeeping agent for the Trust's investment portfolios and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by the Trust. The Trust adheres to FASB and reports its investments in accordance with ASC 820. The Trust is rated AAAM by Standard and Poor's and is measured at net asset value.

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

***Interest Rate Risk***

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

***Custodial Credit Risk - Investments***

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

**3. Receivables**

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

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

**City of Evans**  
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**4. Capital Assets**

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

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

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

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

**City of Evans**  
**Notes to Financial Statements**  
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A summary of changes in business-type activity capital assets is as follows:

	Beginning Balance	Increases	(Decreases)	Transfers	Ending Balance
<b>Capital assets, not being depreciated:</b>					
Investment in Greeley water	\$ 7,802,013	\$ -	\$ -	\$ -	\$ 7,802,013
Water rights	25,755,155	-	-	-	25,755,155
Land	74,002	257,187	-	-	331,189
Construction in progress	3,216,347	3,560,007	114,641	(18,000)	6,872,995
<b>Total capital assets, not being depreciated</b>	<b>36,847,517</b>	<b>3,817,194</b>	<b>114,641</b>	<b>(18,000)</b>	<b>40,761,352</b>
<b>Capital assets, being depreciated:</b>					
System improvements	84,802,422	578,546	-	-	85,380,968
Machinery and equipment	7,762,714	43,281	-	-	7,805,995
Buildings and improvements	746,720	-	-	-	746,720
Intangible assets	150,134	10,000	-	18,000	178,134
Infrastructure	1,036,885	-	-	-	1,036,885
<b>Total capital assets, being depreciated</b>	<b>94,498,875</b>	<b>631,827</b>	<b>-</b>	<b>18,000</b>	<b>95,148,702</b>
<b>Less accumulated depreciation for:</b>					
System improvements	(22,006,738)	(2,336,349)	-	-	(24,343,087)
Machinery and equipment	(1,749,841)	(557,410)	-	-	(2,307,251)
Buildings and improvements	(500,056)	(379,810)	-	-	(879,866)
Intangible assets	(45,993)	(47,738)	-	-	(93,731)
Infrastructure	(132,473)	(39,704)	-	-	(172,177)
<b>Total accumulated depreciation</b>	<b>(24,435,101)</b>	<b>(3,361,011)</b>	<b>-</b>	<b>-</b>	<b>(27,796,112)</b>
<b>Total capital assets, being depreciated, net</b>	<b>70,063,774</b>	<b>(2,729,184)</b>	<b>-</b>	<b>18,000</b>	<b>67,352,590</b>
<b>Business-type activities capital assets, net</b>	<b>\$ 106,911,291</b>	<b>\$ 1,088,010</b>	<b>\$ 114,641</b>	<b>\$ -</b>	<b>\$ 108,113,942</b>

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

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

**City of Evans**  
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**5. Long-Term Debt**

***Governmental Activities***

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

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

***Business-Type Activities Debt***

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

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

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

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

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

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

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

## 6. Interfund Transfers

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

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

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

## 7. Risk Management

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

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

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

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

## 8. Retirement Commitments

### *General Employees Defined Contributions Plan*

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

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

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

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

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

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

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

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

*Plan description.* The Plan is a cost-sharing multiple-employer defined benefit pension plan covering substantially all full-time employees of participating fire or police departments in Colorado hired on or after

April 8, 1978 (New Hires), provided that they are not already covered by a statutorily exempt plan. As of August 1, 2003, the Plan may include clerical and other personnel from fire districts whose services are auxiliary to fire protection. The Plan became effective January 1, 1980.

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

Colorado Revised Statutes Title 31, Article 31 grants the authority to establish and amend the benefit terms to the Fire & Police Pension Association of Colorado Board of Directors. The Fire & Police Pension Association of Colorado issues a publicly available financial report that can be obtained at [www.fppaco.org](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. The annual normal retirement benefit is 2.0 percent of the average of the member's highest three years' base salary for each year of credited service up to ten years, plus 2.5 percent for each year of service thereafter. The benefit earned prior to January 1, 2007 for members of affiliated Social Security employers will be reduced by the amount of Social Security income payable to the member annually. Effective January 1, 2007, members currently covered under Social Security will receive half the benefit when compared to the Statewide Defined Benefit Plan ("SWDBP"). Benefits paid to retired members are evaluated and may be re-determined every October 1. The amount of any increase is based on the Board's discretion and can range from 0 to the higher of 3 percent or the Consumer Price Index.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

At December 31, 2019, the City reported a net pension asset of \$1,461,670 for its proportionate share of the net pension asset. The net pension asset was measured as of December 31, 2018, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of January 1, 2019. The City's proportion of the net pension asset was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating Departments, actuarially determined. At December 31, 2018, the City's proportion was 10.5891 percent, which was an increase of 0.0967 from its proportion measured as of December 31, 2017.

**City of Evans**  
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For the year ended December 31, 2018, the City recognized pension expense of \$26,419. At December 31, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

***Deferred Compensation Plan***

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

**9. Rate Maintenance**

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

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

**City of Evans**  
**Notes to Financial Statements**  
**December 31, 2019**

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**Water Fund**

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2019 Gross revenues	\$ 7,688,950
2019 Operation and maintenance expense	4,136,343
<hr/>	
Net revenues as defined in 2013	
CWRPDA loan agreement	3,552,607
110% of 2013 loan debt service	(171,590)
<hr/>	
Amount 2019 net revenue exceeded the 2013 loan requirements	\$ 3,381,017

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**10. Commitments and Contingencies**

***TABOR Reserves***

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

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

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

***Litigation***

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

***Grants***

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

**City of Evans**  
**Notes to Financial Statements**  
**December 31, 2019**

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### **11. Related Party Transactions**

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

### **12. Northern Integrated Supply Project**

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

### **13. Riverside Library and Cultural Center**

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

### **14. Subsequent Events**

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

No additional events requiring recognition or disclosure were identified.

## Required Supplementary Information

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Draft

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

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

*See accompanying Independent Auditor's Report.*

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

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

*See accompanying Independent Auditor's Report.*

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

**Last Ten Years**

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

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

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

*See accompanying Independent Auditor's Report.*

**City of Evans**  
**Schedule of City Contributions**

**Last Ten Years**

	2019	2018	2017	2016	2015	2014	2013
<b>FPPA - Defined Benefit Plan</b>							
Statutorily Required Contribution	\$ 37,706	\$ 46,903	\$ 45,880	\$ 42,552	\$ 39,658	\$ 38,178	\$ 37,505
Contributions in Relation to the Statutorily Required Contribution	37,706	46,903	45,880	42,552	39,658	38,178	37,505
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 471,668	\$ 586,294	\$ 573,503	\$ 531,901	\$ 495,725	\$ 477,223	\$ 468,813
Contributions as a Percentage of Covered Payroll	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%
<b>FPPA - Statewide Hybrid Plan</b>							
Statutorily Required Contribution	\$ 186,062	\$ 168,768	\$ 160,443	\$ 145,665	\$ 116,826	\$ 115,244	\$ 110,233
Contributions in Relation to the Statutorily Required Contribution	\$ 186,062	\$ 168,768	\$ 160,443	\$ 145,665	\$ 116,826	\$ 115,244	\$ 110,233
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 2,325,777	\$ 2,109,605	\$ 2,005,423	\$ 1,820,819	\$ 1,460,325	\$ 1,440,309	\$ 1,377,913
Contributions as a Percentage of Covered Payroll	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%
<p>This schedule is presented to show information for 10 years. Until information for the full 10-year period is available, information will be presented for the years it is available.</p>							

*See accompanying Independent Auditor's Report.*

**Other Supplementary Information**  
**Combining and Individual Nonmajor Fund Statements and Schedules**

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Draft

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

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

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

See accompanying Independent Auditor's Report.

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

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

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

See accompanying Independent Auditor's Report.

**Budgetary Comparison Schedules**

**Other Governmental Funds**

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Draft

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

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

*See accompanying Independent Auditor's Report.*

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

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

*See accompanying Independent Auditor's Report.*

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

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

*See accompanying Independent Auditor's Report.*

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

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

*See accompanying Independent Auditor's Report.*

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

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

*See accompanying Independent Auditor's Report.*

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

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

*See accompanying Independent Auditor's Report.*

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

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

*See accompanying Independent Auditor's Report.*

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

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

*See accompanying Independent Auditor's Report.*

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

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

*See accompanying Independent Auditor's Report.*

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

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

*See accompanying Independent Auditor's Report.*

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

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

*See accompanying Independent Auditor's Report.*

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## Budgetary Comparison Schedules

### Enterprise Funds

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

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

*See accompanying Independent Auditor's Report.*

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

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

*See accompanying Independent Auditor's Report.*

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

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

*See accompanying Independent Auditor's Report.*

## Budgetary Comparison Schedule

### Fiduciary Fund

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

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

*See accompanying Independent Auditor's Report.*

## Supplemental Section

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Draft

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

<b>LOCAL HIGHWAY FINANCE REPORT</b>		City or County: Evans, CO
		YEAR ENDING : December 2019
This Information From The Records Of City of Evans, CO	Prepared By: Phone:	Jacque Troudt 970-475-1127

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

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

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

**IV. LOCAL HIGHWAY DEBT STATUS**  
(Show all entries at par)

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

**V. LOCAL ROAD AND STREET FUND BALANCE**

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

**Notes and Comments:**

**LOCAL HIGHWAY FINANCE REPORT**

STATE:  
Colorado  
YEAR ENDING (mm/yy):  
December 2019

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

ITEM	AMOUNT	ITEM	AMOUNT
<b>A.3. Other local imposts:</b>		<b>A.4. Miscellaneous local receipts:</b>	
a. Property Taxes and Assessments		a. Interest on investments	79,858
b. Other local imposts:		b. Traffic Fines & Penalties	256,556
1. Sales Taxes		c. Parking Garage Fees	
2. Infrastructure & Impact Fees	853,415	d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	
4. Licenses		f. Charges for Services	
5. Specific Ownership &/or Other	60,750	g. Other Misc. Receipts	209,941
6. Total (1. through 5.)	914,165	h. Other	42,629
c. Total (a. + b.)	914,165	i. Total (a. through h.)	588,984
	(Carry forward to page 1)		(Carry forward to page 1)

ITEM	AMOUNT	ITEM	AMOUNT
<b>C. Receipts from State Government</b>		<b>D. Receipts from Federal Government</b>	
1. Highway-user taxes	662,782	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	
a. State bond proceeds		b. FEMA	212,908
b. Project Match		c. HUD	
c. Motor Vehicle Registrations	71,985	d. Federal Transit Admin	
d. Other (Specify) - SB18-001	43,696	e. U.S. Corps of Engineers	
e. Other (Specify)		f. Other Federal	696,624
f. Total (a. through e.)	115,681	g. Total (a. through f.)	909,532
4. Total (1. + 2. + 3.f)	778,463	3. Total (1. + 2.g)	
			(Carry forward to page 1)

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

	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
<b>A.1. Capital outlay:</b>			
a. Right-Of-Way Costs			0
b. Engineering Costs		415,479	415,479
c. Construction:			
(1). New Facilities			0
(2). Capacity Improvements		3,491,171	3,491,171
(3). System Preservation		775,691	775,691
(4). System Enhancement & Operation			0
(5). Total Construction (1) + (2) + (3) + (4)	0	4,266,862	4,266,862
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	4,682,341	4,682,341
			(Carry forward to page 1)

Notes and Comments:

## Reports to Governmental Agencies

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Draft



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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Evans, Colorado (the "City"), as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise City's basic financial statements, and have issued our report thereon dated May 19, 2020.

**Internal Control over Financial Reporting**

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

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

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

**Compliance and Other Matters**

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



### **Purpose of this Report**

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

Greeley, Colorado  
May 19, 2020

Draft



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

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

### Report on Compliance for Each Major Federal Program

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

#### ***Management's Responsibility***

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

#### ***Auditor's Responsibility***

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

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

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

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



## Report on Internal Control over Compliance

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

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

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

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

Greeley, Colorado  
May 19, 2020

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

---

**Section I - Summary of Auditor's Results**

***Financial Statements***

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

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

Noncompliance material to financial statements noted?  
\_\_\_\_\_ Yes      X   No

***Federal Awards***

Internal control over major federal programs:

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

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

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?  
\_\_\_\_\_ Yes      X   No

Identification of major federal programs:

<u>CFDA/Contract Number</u>	<u>Name of Federal Program or Cluster</u>
15.227	Distribution of Receipts to State and Local Governments
20.205	Highway Planning and Construction

Dollar threshold used to distinguish between Type A and Type B programs: \$750,000

Auditee qualified as low-risk auditee?   X   Yes    \_\_\_\_\_ No

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

---

**Section II - Financial Statement Findings**

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

**Section III - Federal Award Findings and Questioned Costs**

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

**Section IV - Prior Year Findings**

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

Draft

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

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

*See accompanying Independent Auditor's Report.*

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

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**1. Basis of Presentation**

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

**2. Summary of Significant Accounting Policies**

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

**3. Indirect Cost Rate**

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

**4. Subrecipients**

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

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# CITY COUNCIL WORK SESSION REPORT

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**DATE:** May 5, 2020  
**AGENDA ITEM:** Work Session Item #3  
**SUBJECT:** Police Department 2019 Annual Report  
**NAME & TITLE:** James L. Becklenberg, City Manager  
Rick Brandt, Chief of Police

---

**ISSUE DESCRIPTION:**

The 2019 Annual Report for the Police Department highlights organizational accomplishments, community engagement strategies, and officer recognitions. Data pertaining to case load and briefs of major cases handled by the Investigative Unit are also presented. A review of calls for service, traffic safety, and crime trends are offered in comparison to previous years activities. An update on the Co-Responder Program will be made. The report concludes with goals and objectives for 2020.

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**FINANCIAL SUMMARY:**

N/A

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**REQUESTING FROM CITY COUNCIL:**

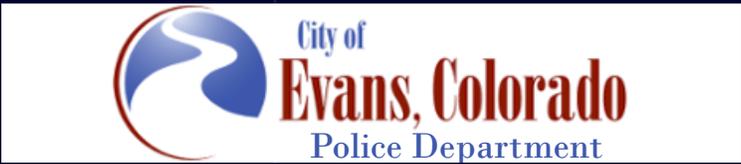
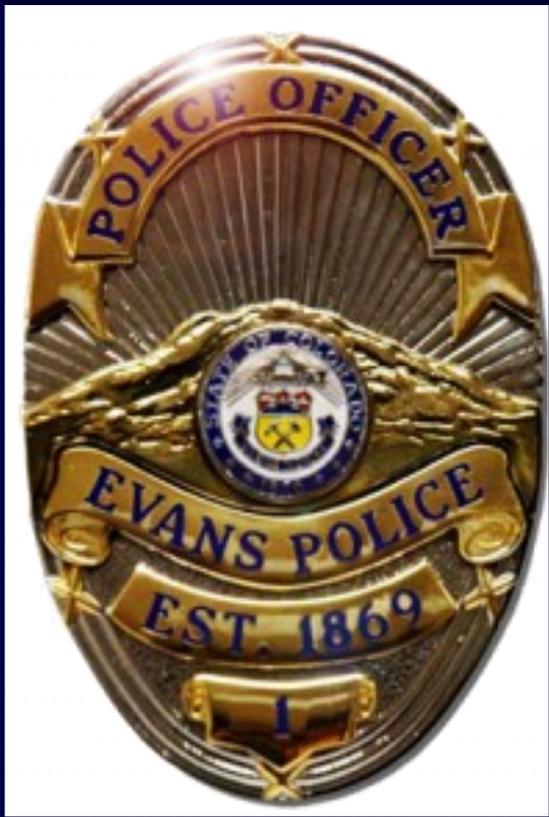
Discussion and Feedback

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**ATTACHMENTS:**

- 2019 Annual Report

# Evans Police Department 2019 Annual Report



## Message From the Chief



I am proud to present the Evans Police Department 2019 annual report. This report highlights significant events and programs the officers and civilian staff contributed to making the City of Evans such a great place to work and live. The three pillars of policing that guide our mission are reducing crime, traffic safety, and positively contributing to the quality of life our residents continue to enjoy.

2019 offered a number of challenges to the police department including maintaining staffing levels to service a growing community, the implementation of new software designed to improve information sharing including inter-agency intelligence has been a valuable tool.

Staffing impacted overall operations for much of the 3rd and 4th quarters of 2019. Retirements and other vacancies prompted the department to initiate emergency staffing protocols which include all of patrol being assigned 12-hour shifts. By the end of the year the department was carrying nine vacant sworn positions.

The Evans Police Department continues to enjoy strong relationships with our community. Our partnerships with residents, businesses, schools and civic organizations such as the

Moose Lodge have been rewarding and mutually beneficial. A highlight was the 2019 Special Olympics Polar Plunge held on March 9th, 2019. City Manager Jim Becklenberg and I both took the plunge in support of our athletes. Thanks, Jim! The PD also hosted our first Coffee with a Cop at the Riverside Library. It was a great event with over 135 folks joining officers for coffee, donuts and conversation. In 2019 we expanded our social media presence by using Twitter to push out important information during major events such as road closures, SWAT operations, and other calls of importance to our residents.

I am proud of the amazing work done by EPD officers and staff. The City of Evans has many reasons to take pride in the dedicated men and women of the department.



### Our Mission

*In partnership with our community, we are dedicated to protecting the innocent, the tireless pursuit of justice, and to serve with respect and compassion.*

### Our Values

*We, the members of the Evans Police Department, are proudly committed to and guided by the following core values in achieving our mission:*

- *Professionalism*
- *Respect*
- *Integrity*
- *Dedication*
- *Excellence*

### Inside this issue

Chief's Message.....	2
Staff Photos—Admin/Sergeants.....	3
Staff Photos—Officers.....	4
Community Engagement.....	5 & 6
Awards & Recognitions.....	7 & 8
Service Awards and New Hires.....	9
Investigations Unit .....	10
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Violent Crimes.....	12
Property Crimes.....	13
Co-Responder Program.....	14
The Year Ahead.....	15

# Non-Sworn and Administrative Staff



Brenda Garcia  
Police Records Specialist



Rachel Volz  
Police Records Specialist



Susan Harris  
Property/Evidence Technician



Codie Thomasson  
Community Service Technician



Rick Brandt  
Chief of Police

The Evans Police Department is committed to developing our members, increasing organizational capacity, and strategically planning for the future. These goals are illustrated in a number of programs and incentives such as education reimbursement, mandatory education requirements, training opportunities for officers and staff, supervisor training and mentoring, and the lateral pay skills-based system. The Master Police Officer position was created with these objectives in mind.



Dan Ranous  
Operations Commander

# Sergeants



Pete Bratton  
Patrol



Brian Cobb  
Investigations



Joe Gabriel  
Patrol



Chad Harding  
Patrol



Gabe Reimer  
Patrol



Jon Trahan  
Patrol



Rob Wardlaw  
Patrol

# Master Police Officers



Luke Croissant  
Patrol



Shawn Holmes  
Patrol



Joe Kauffman  
Detective



Brad Rodriguez  
Detective



Brett Stone  
Detective

The purpose of creating a quasi-supervisory position within the Police Officer rank structure is to capitalize on the knowledge, skills, abilities, education, and commitment of our tenured officers while increasing and expanding their capacity and preparing them for leadership and future promotion. Master Police Officers attain their position by having served as an Evans Police Officer for a minimum of six years and successfully completing a specific training regimen. Master Police Officers are recognized leaders in the organization along with their additional responsibilities they act as mentors, teachers, and coaches for newer officers.

# Police Officers



Josh Desmond  
Patrol



David Driscoll  
Patrol



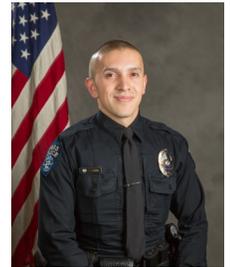
Todd Ediger  
Patrol



Ryan Fandre  
Patrol



Bobby Gallegos  
Patrol



Luis Garcia  
Patrol



Deidra Jesmer  
Patrol



Brandon Martin  
Patrol



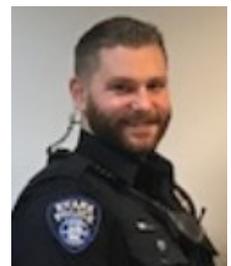
Teresa McClatchey  
Community Resource Officer



Troy McDaniel  
Patrol



Fernando Miramontes  
Detective



Dan Obrien  
Patrol



Luis Pacheco  
Patrol



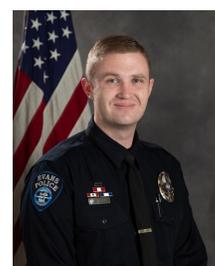
Jason Peppas  
Patrol



Jason Schissler  
Patrol



Keil Schuett  
Patrol



Grant Yount  
Patrol

# Community Engagement

## 2019 Event Participation

- No-Shave November & December
- Santa-Cops
- Read Across America
- RCLL Chili Cook Off
- Coats for Kids / Pie Auction
- Polar Plunge
- Special Olympics Torch Run
- Special Olympics Competitive Events
- Cops Fighting Cancer
- National Night Out
- Special Olympics Tip-a-Cop
- Citizens Police Academy
- Teen Citizens Police Academy
- Story Time @ Riverside Library
- Drug Take Back
- Cops N' Pops

## COATS FOR KIDS

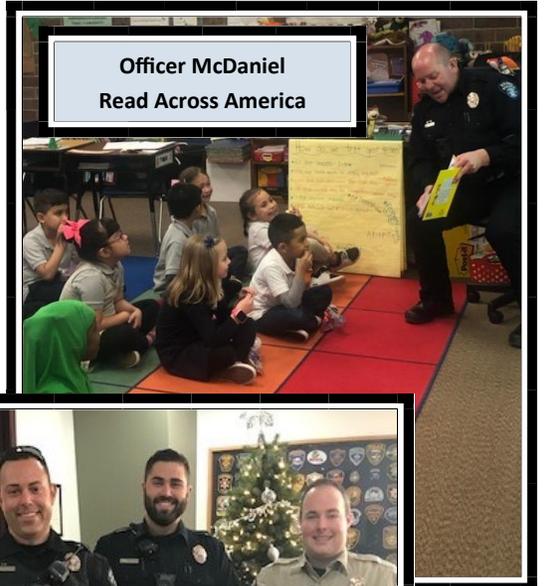


### Evans PD FOP Lodge 64 Pie Auction

Over \$1,100 was raised at the auction to purchase 50 coats. Moose Lodge, Sam's Club and Houston Graphics donated another 50 coats/gloves/hats.



Above- Sgt Wardlaw Officer Jesmer, Officer Fandre and Officer Obrien participating in 17th Annual Cops Fighting Cancer



Officer McDaniel  
Read Across America



Right- Chief Brandt, Officer Peppas, Officer Driscoll, and CST Thomasson gathering gifts for Santa Cops

# Community Engagement



No Shave November & December raised \$1,510 for Special Olympics

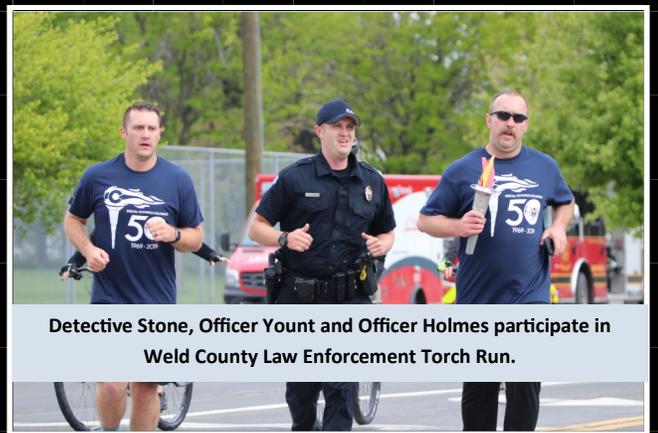


Officer McClatchey and CST Thomasson serving up p-pancakes to help raise money for Special Olympics



## TIP-A-COP

Evans PD partnered with Greeley PD and Weld County SO to help raise over \$4800 for Special Olympics Colorado.

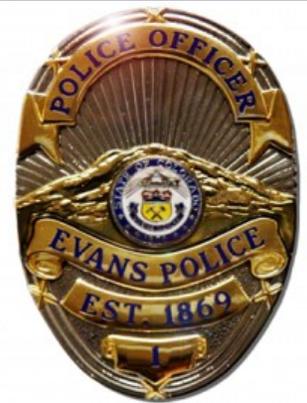


Detective Stone, Officer Yount and Officer Holmes participate in Weld County Law Enforcement Torch Run.



## Citizens Police Academy

Promotes community partnerships and is designed to familiarize individuals with the day-to-day operations of the Evans Police Department.



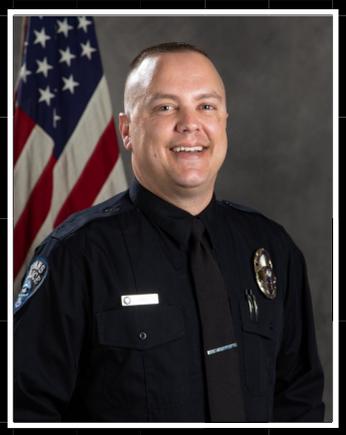
# Awards and Recognition

## Officer of The Year

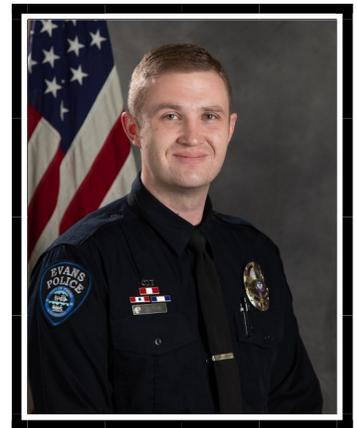
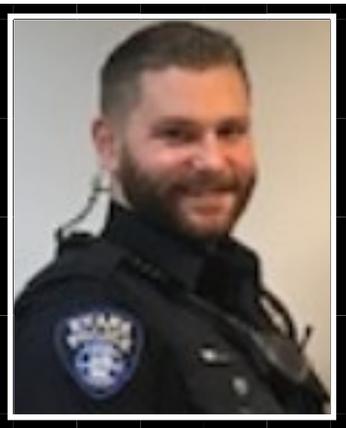


**Officer Desmond** -Conducts himself in a manner that is above reproach. He is not only tactically and technically proficient, but excels in all manners of policing. Officer Desmond, more so than any other officer this year, has consistently shown drive and motivation to contact and arrest felony offenders. Whether it be through citizen contacts, traffic stops, or through intelligence led policing, Officer Desmond has kept the citizens of Evans much safer through his numerous felony arrests and investigations.

## Lifesaving Awards



**Sergeant Harding** - Responded to the report of a 20 year old male who had overdosed. Upon his arrival, the male was found in the bathroom, unconscious and not breathing. He immediately administered a dose of Narcan and fire and medical personnel started CPR. Within minutes the male had regained consciousness and was able to walk out of the residence on his own. Had Sgt. Harding not administered Narcan, the male may not have survived.



**Officers Obrien**

**Officer Jesmer**

**Officer Yount**

Responded to Kum and Go on the report of an unwanted male in the bathroom. Upon their arrival, he was unconscious and not breathing. The three were able to pull him out, administer Narcan and start CPR. Because of their efforts, he regained consciousness and survived the ordeal.

# Awards and Recognition

## FBI National Academy

Commander Dan Ranous was selected to attend the FBI National Academy in Quantico, VA! The FBI National Academy is a professional course of study for U.S. and international law enforcement managers. The 10-week program—which provides coursework in intelligence theory, terrorism and terrorist mindsets, management science, law, behavioral science, law enforcement communication, and forensic science—serves to improve the administration of justice in police departments and agencies at home and abroad and to raise law enforcement standards, knowledge, and cooperation worldwide. It is a rare privilege to attend this highly regarding program. Only about 1% of all police officers in the world are afforded this outstanding opportunity.

Commander Ranous attended the academy from July through September. Notably, each session asks attendees to submit a interesting or especially difficult case to the class in the form of a case study. Dan was selected to present the Perrin murder / suicide case from 2014. Having a case presentation selected for this case study is somewhat of an honor given that around 250 officers from around the world attend each class.



Dan traverses the dreaded Bear Trap



Dan standing with the famous Iwo Jima Flag

# Service Awards / Hiring



## Officer Gallegos

Has served Evans PD since 2014, and has been involved with Santa Cops, National Night Out, and Special Olympics just to name a few of his many contributions to our community.



## Officer Miramontes

Was hired in 2014 and is currently assigned to a regional task force. "Fern" has assisted in the capture of many felons and seizure of dangerous drugs.



## Sergeant Trahan

Began his career with Evans PD in 2004 .  
He was promoted to Sergeant in 2016 and supervises a patrol platoon.



## Officer Driscoll

Joined Evans in 2019 and has proven to be a great addition to the team.

Welcome aboard!

# Investigations Unit

## Cases Assigned to Detectives

<b>Property Crime</b>	<b>11</b>
<b>Persons Crime (Assaults, Child Abuse, etc.)</b>	<b>11</b>
<b>Death Investigations</b>	<b>14</b>
<b>Robbery</b>	<b>1</b>
<b>Homicides</b>	<b>0</b>
<b>Sex Offense</b>	<b>32</b>
<b>New Sex Offender Registrations</b>	<b>26</b>
<b>General Investigations</b>	<b>2</b>
<b>1995 Cold Case Homicide Follow-Up Investigation</b>	<b>1</b>
<b>Total New Cases 2019</b>	<b>98</b>

## Major Cases

### Drug Related Shooting

On September 29, 2019 Officers responded to a shooting in the State Farm Road area. After a thorough investigation it was determined a male party had driven up from Texas to illegally purchase marijuana. The transaction apparently did not go as planned and one of the suspects shot at the other one. The injured man suffered a minor grazing wound. All the people involved were eventually identified and arrested.

### Select Stay Robbery

On May 01, 2019 a male suspect entered the front lobby of the Select Stay and demanded the money from the night clerk and then fled the area. Several leads were from witness statements at the time of the robbery; however, no direct connection has been made. The suspect still remains at large. No other robberies matching this suspect have been reported.

### 1995 Cold Case Homicide Investigation

A person of interest was identified in the State of North Dakota on an unrelated criminal offense. The suspect has been identified but has been thought to have fled to Mexico. Renewed efforts were made to ensure that DNA evidence, fingerprint identification and current contact information for all family members of the victim and witnesses were completed. The updating of information to various databases has led to a possible location of the suspect in Mexico. On going attempts are being made to positively locate the known suspect.

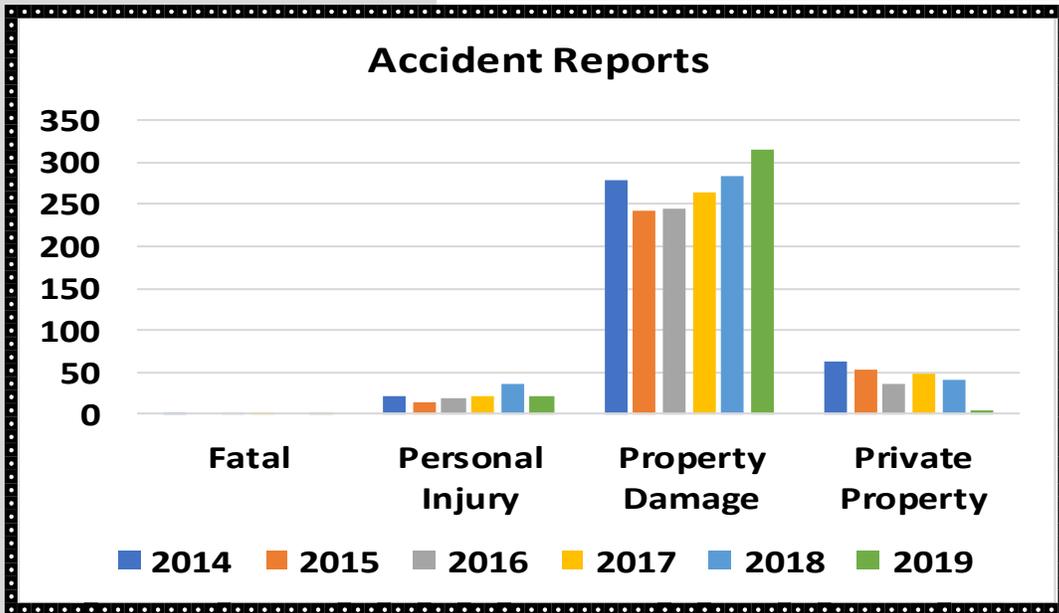
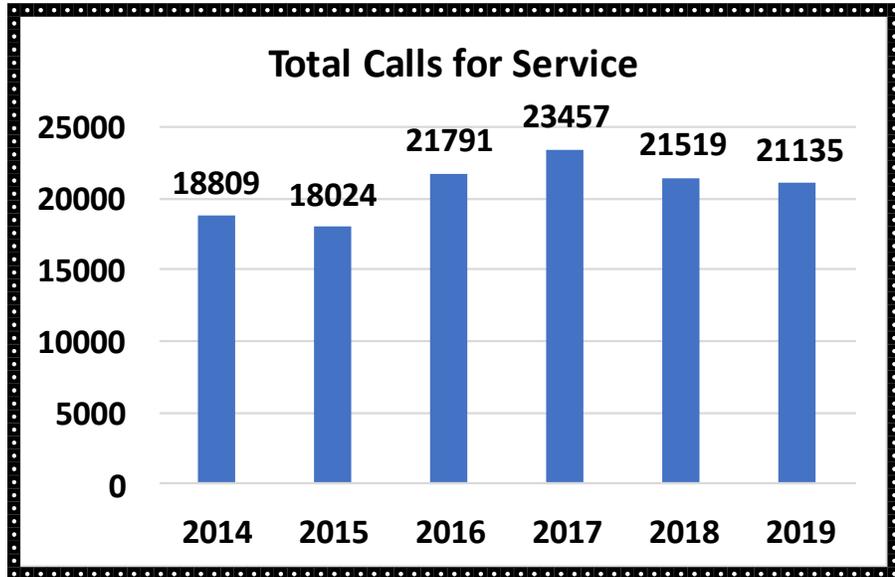
### Investigations Unit

The investigations unit has three full-time detectives under the supervision of a sergeant. Being assigned a report is merely the first step in the process for a detective. Reviewing evidence, interviewing witnesses, suspects, and victims often requires many hours of preparation prior to actually beginning the work of preparing a case for the District Attorney. Once a case is filed even more time and effort is needed to prepare for trials, some of which may last days and weeks and the lead detective is often required to be present for the entire trial process.

# Patrol Division

## Patrol

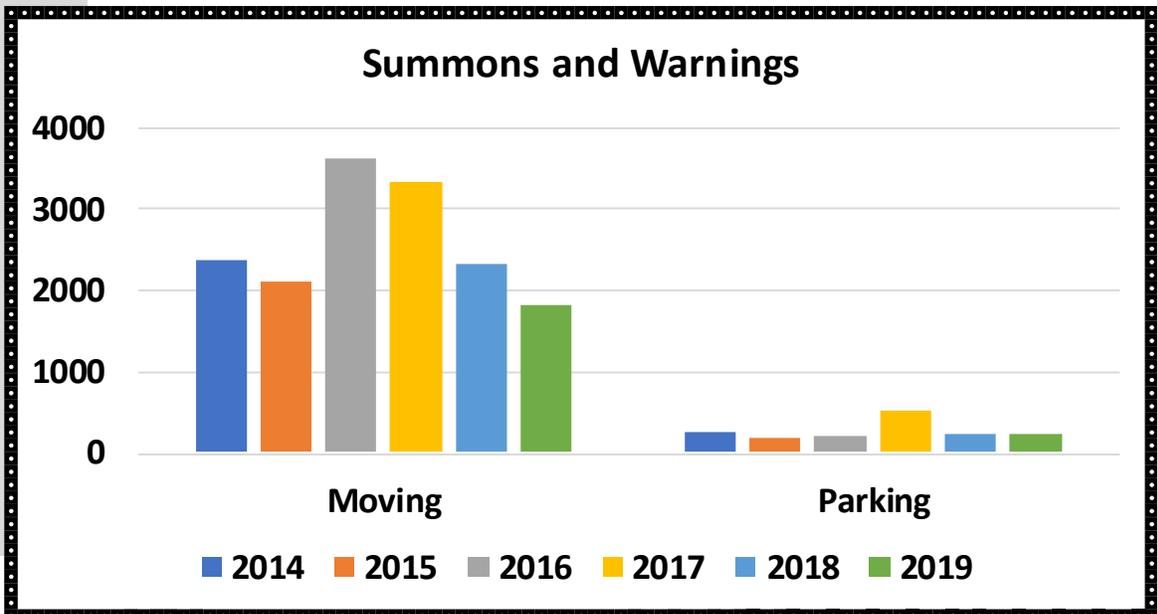
Often referred to as the backbone of any police agency, patrol officers are the first of the first responders. Officers handled over 21,000 calls for service in 2019, or about 58 calls per 24-hour day.



2019 Evans PD saw a 6% (-21) decrease in traffic accident reports. Of those 341 accidents reported, 35% were hit and run and 8% were alcohol or drug related.

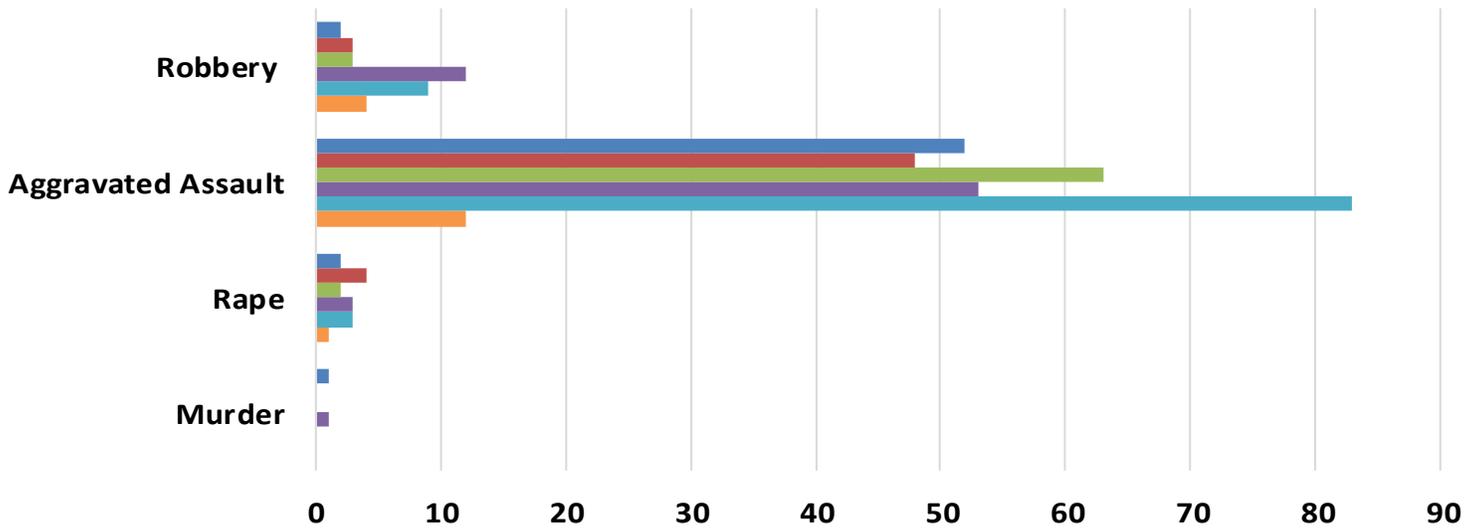
While accidents involving property damage

That translates to an average of about 1,354 calls handled by each officer last year.



# Violent Crimes

## Violent Crimes



	Murder	Rape	Aggravated Assault	Robbery
2014	1	2	52	2
2015	0	4	48	3
2016	0	2	63	3
2017	1	3	53	12
2018	0	3	83	9
2019	0	1	12	4

The significant changes in the data from 2019 from previous years is a result of the police departments transition to new federal and state crime reporting systems.

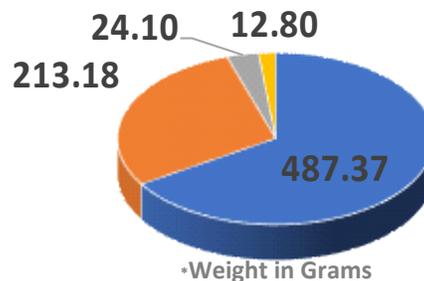
### Clearance Rates - Violent Crimes

Violent Crimes	2017	2018	2019	% Change
Murder	100%	N/A	N/A	N/A
Rape	0%	0%	0%	0%
Aggravated Assault	60%	87%	100%	13%
Robbery	50%	22%	50%	28%

The street value of the seized narcotics total approximately \$53,900 (based on average costs per gram in Colorado in 2019).

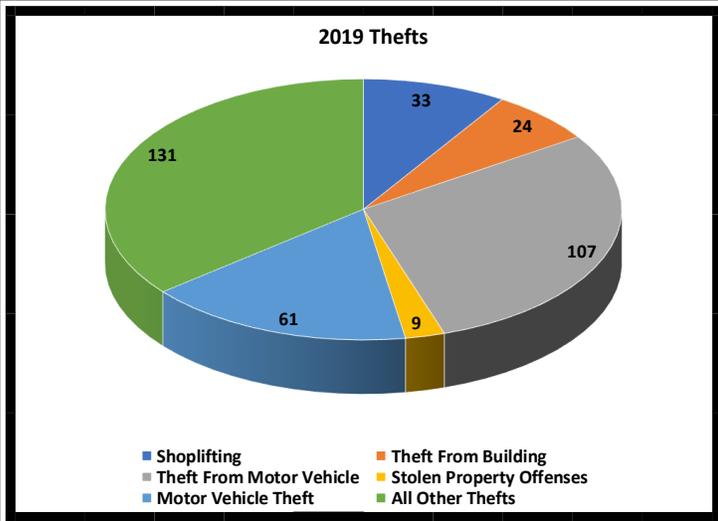


### Total Drugs Seized 2019\*



- METHAMPHETAMINE
- MARIJUANA
- HEROIN
- COCAINE

# Property Crimes

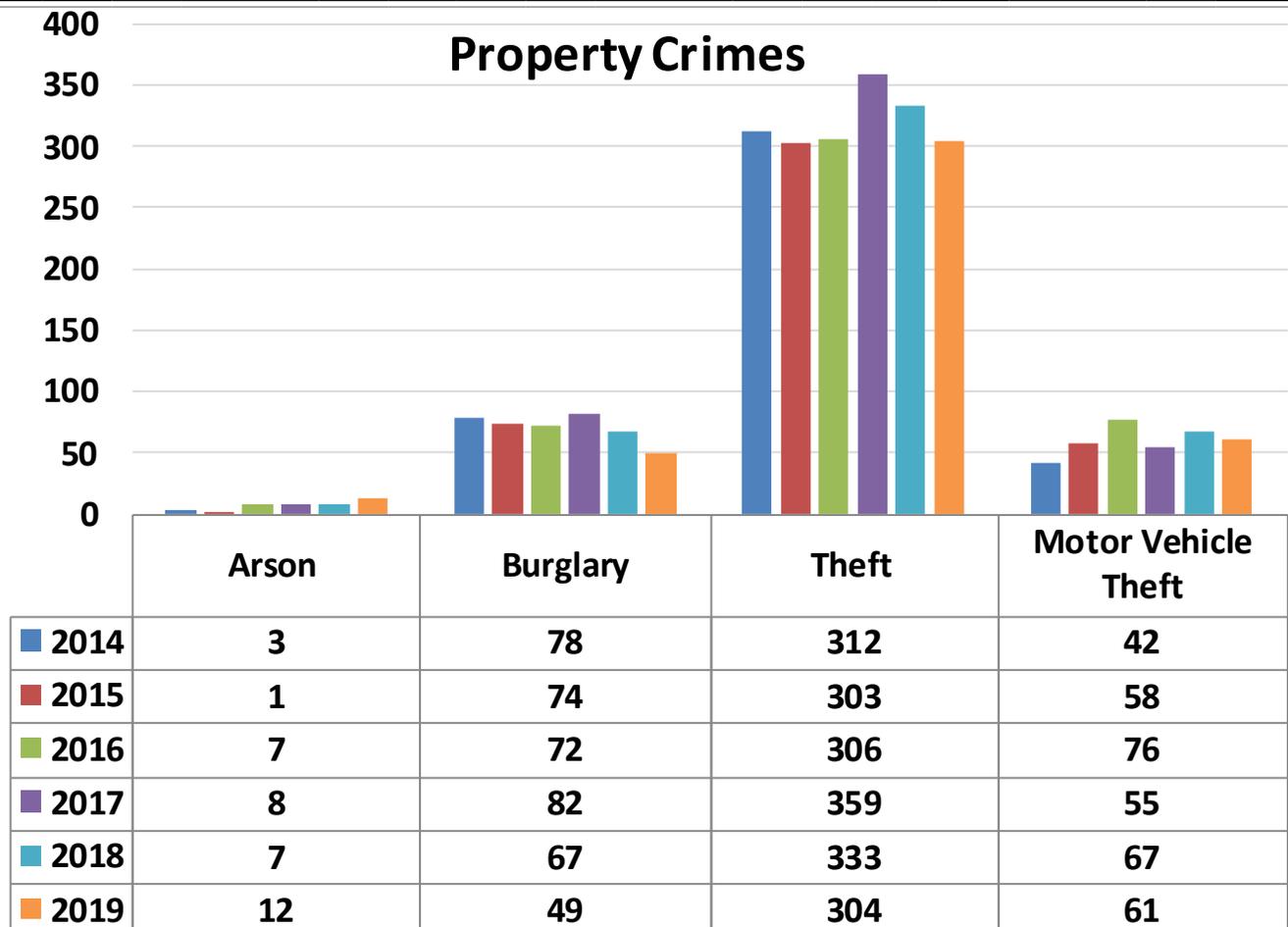


## Preventing Crime

With a large number of thefts, specifically thefts involving motor vehicles, Evans PD reminds everyone to always lock your vehicle and keep valuables out of plain sight or take them with you.

The City of Evans experienced property crimes at about the same levels that occurred in 2014 and 2015. After seeing some increases in these crime categories during 2016— 2018, the police department responded to about 13% fewer property crimes in 2019. Although impossible to qualify, some of the reduction is likely due to the new reporting models fully implemented in 2019. Overall, the reduction coincides with a slight reduction of about 6% in total calls for service handled in 2019 over previous year two years.

## Property Crimes



# Co-Responder Program



Terri Singer      Tom Greeley      Amanda Roland      Cora Jessup

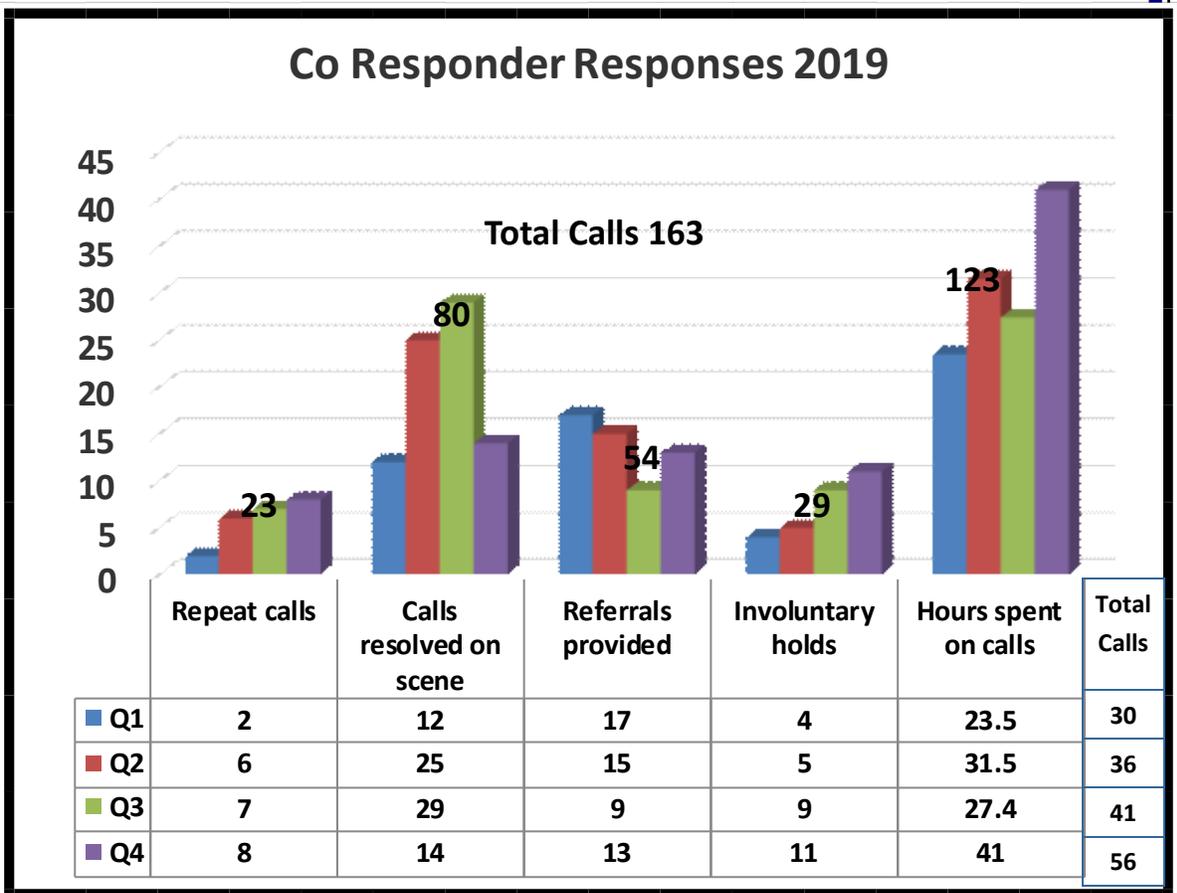
Since the initial launch of the Co-Responder Program in 2018, the G.E.M (Greeley Evans Mobile) has continued to grow. In Partnership with Evans Police Department, North Range Behavioral Health, has continued to provide access to a behavioral health clinician for individuals suffering from mental illness or chemical dependency.

The Co-Responders have continued to aid the officers in treating the individuals and assisting with resources. The Co-Responders, when appropriate, continue to advise the officers on options that may result in more effective treatment. In addition, providing this assistance may also reduce repeated calls for service for the officers.

There are two clinicians assigned to the Evans Police Department, Tom Greeley, MSW and Terri Singer, LPC, the Co-Responder Coordinator. The clinicians are housed in the Evans Police Department, which allows them to be close and readily accessible to the officers. The Co-Responders also assist with transports, which allows the officers to return to their patrol duties.

The Co-Responder Program continues to track the data which will also assist with continuing to develop the program and the overall effectiveness for the community.

**Right-** graph lists all co-responder calls for service in 2019 and has them broken down by quarters. Q2/Q3 we saw an increase in on scene resolution whereas Q4 show the most amount of repeat calls and hours spent by co-responders.



# The Year Ahead

2020 promises to be an exciting and challenging year! With sworn staffing increasing by two FTE's the department will have the ability to increase and enhance services. Two areas where the PD will experience improved enforcement are in traffic safety and in investigative capacity.



## **Traffic Safety**

With two fulltime traffic safety officers answering to a patrol sergeant. The staffing will provide for a traffic officer to be on duty seven days per week. With the increased staff we expect to see 25% increase in traffic stops with the goal of reducing traffic crashes in Evans by at least 15%.

## **Special Investigations Unit**

Once the sworn positions are filled we will re-deploy one patrol position to the Investigations Unit, increasing investigative capacity from three to four detectives. Within that structure two detectives will become a Special Investigations Team. This team will offer investigative support, inter agency coordination of criminal investigations and they will monitor local career criminals. The team will bring a level of flexibility and capacity the department has not previous had.

## **Property and Evidence**

By transitioning from a part time to a full time Property and Evidence Custodian, combined with enhanced evidence management systems we anticipate increasing efficiency significantly. Once the position is filled we will quadruple property disposition capacity within the first year.

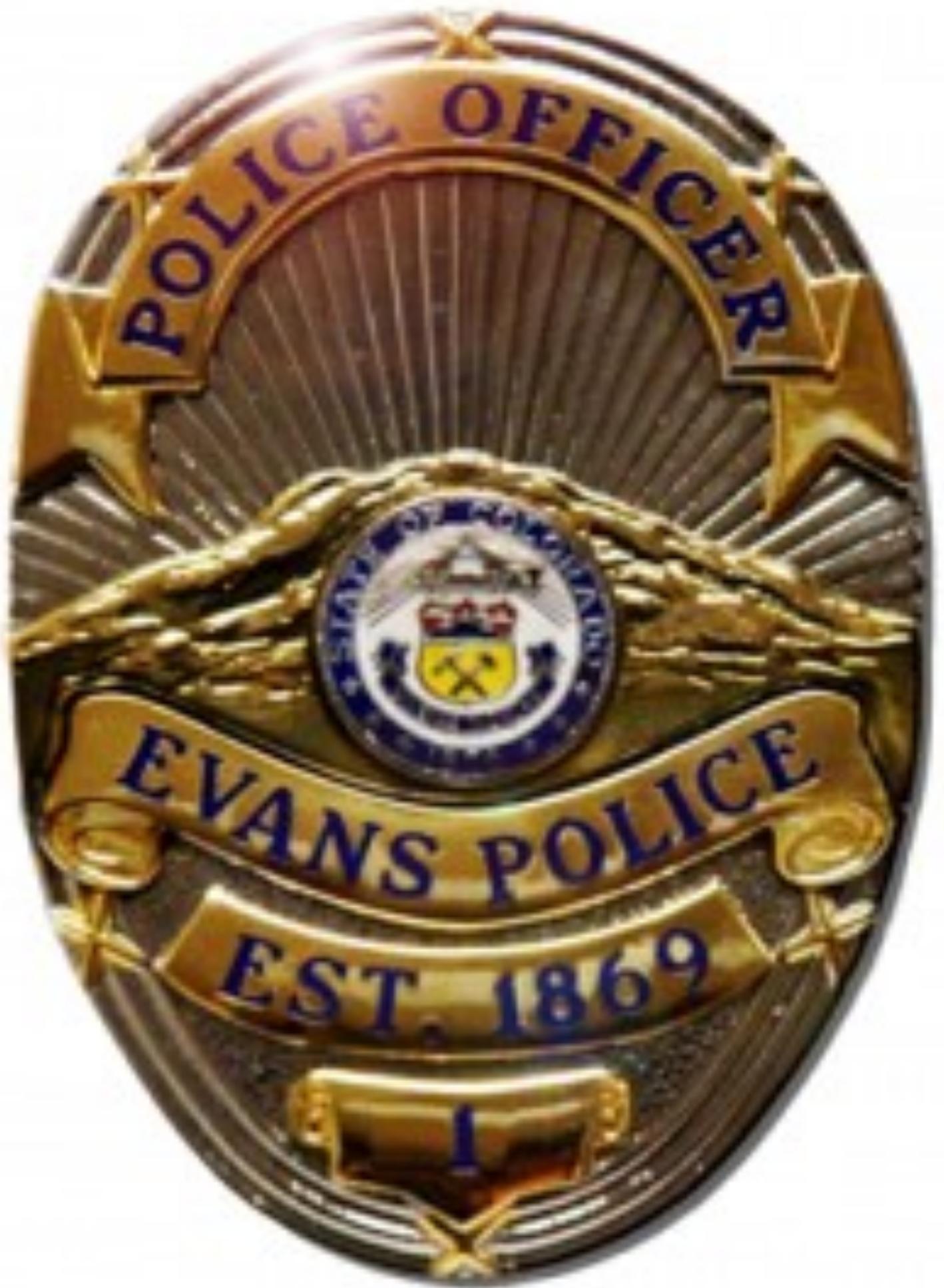


## **Police Facility**

The next phase of the police facility project is to identify possible sites for the building and, based on the site selections begin design cost calculations and estimates. As a part of this step staff will update the public safety impact fee study to ensure that new developments in Evans pay their fair share for future police staffing and facilities costs.

## **Short-term Police Facility Expansion**

In anticipation of growth within the police department it is necessary to plan for short-term solutions as the current facility is staffed beyond design capacity. Various expansion options will be explored and evaluated that will provide adequate space for police operations.





# 2019 POLICE DEPARTMENT ANNUAL REPORT



# Community Engagement

Very successful year! Facebook, Twitter, Citizens Police Advisory Committee, Coffee with a Cop, Colorado Special Olympics Polar Plunge, and Special Olympics Tip-A-Cop events all expanded outreach and engagement.



# Awards & Recognitions

Officer of the Year



Officer Josh Desmond

Life Saving Award Recipients



Sgt. Chad Harding



Officer Dan Obrien



Officer Deidra Jesmer



Officer Grant Yount



# Hires and Service Awards



Sgt. John Trahan  
15 years of service



Ofc. Bobby Gallegos  
5 years of service



David Driscoll hired 2019



# Investigations Unit

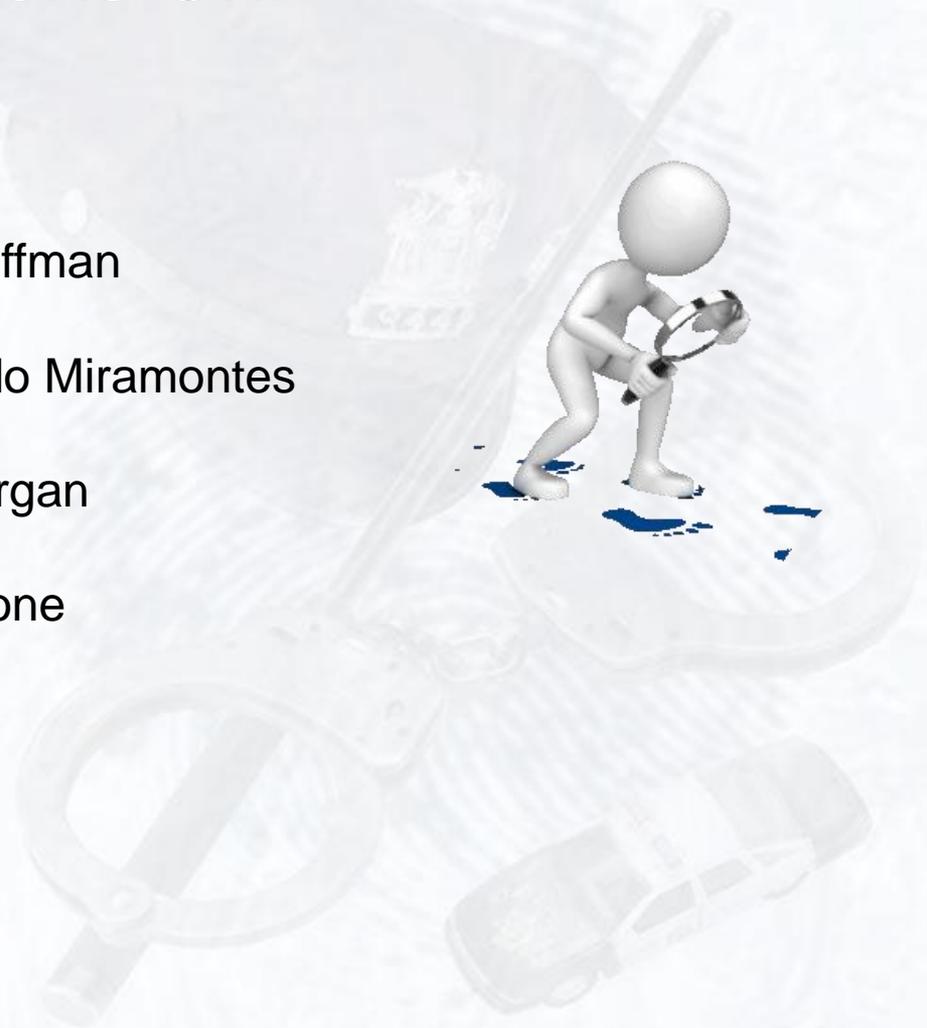
Sgt. Brian Cobb

Detective Joe Kauffman

Detective Fernando Miramontes

Detective Don Morgan

Detective Brett Stone



# Patrol and Traffic Enforcement

- Calls for Service down about 1.5%
- Traffic Accidents – 6% lower than 2018
- Injury Accidents down 40%
- Impaired Drivers up 26%



# Crime

- 82% decrease in violent crime – aggravated assaults down 86% (NIBRS vs UCR)
- Property crime up 10% over 2018.
  - 9% decrease in motor vehicle thefts (67 vs 61).

# Clearance Rates

- Clearance rates exceed state averages.



# Drugs Seized

- 487 grams of methamphetamine – street value \$43,200
- 213 grams of marijuana – street value \$5,700
- 24 grams of heroin – street value \$4,500
- Cocaine seized totaled 13 grams worth about \$500.



# Co-Responder Program

- Co-responders assisted officers on 163 calls.
- All co-responder positions have been filled!



*Where hope begins.*



Terri Singer

Tom Greeley

Amanda Roland

Cora Jessup

# Goals and Objectives for 2020



- Once new Traffic unit is fully staffed, increase stops for unsafe driving by 25% with the goal of reducing traffic crashed by at least 15%.
- Within existing staffing levels, establish a special investigations team to increase investigative coordination with other agencies and increase monitoring of local career criminals.
- Improve evidence management operations by quadrupling the rate of evidence property disposed annually in the first year.
- Update impact fee study to ensure that new development pays its fair share for future police staffing and facilities.
- Based on 2019 facility needs study begin to identify potential facility sites and cost for design.
- Identify plan for short-term facility shortage to enable adequate space for headquarters operations

Questions?

