

# City of Evanston



# Comprehensive Annual Financial Report



Year Ending  
June 30, 2013

**CITY OF EVANSTON, WYOMING**

**FINANCIAL REPORT**

**June 30, 2013**

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November 25, 2013

To the Honorable Mayor,  
Members of the Governing Council, and Citizens of the City of Evanston.

State law requires that all general-purpose local governments publish within six months of the close of each fiscal year a complete set of financial statements presented in conformity with generally accepted accounting principle (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the comprehensive annual financial report of the City of Evanston for the fiscal year ended June 30, 2013.

This report consists of management's representations concerning the finances of the City of Evanston. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the City of Evanston has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City of Evanston's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the City of Evanston's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we attest that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The City of Evanston's financial statements have been audited by Porter, Muirhead, Cornia, & Howard, CPAs, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of Evanston, for the fiscal year ended June 30, 2013, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the City of Evanston's financial statements for the fiscal year ended June 30, 2013, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

The City of Evanston did not require a federally mandated "Single Audit." We had several grants but did not exceed the standards governing the Single Audit requirement. The independent audit requires reporting not only on the fair presentation of the financial statements, but also on the internal controls and compliance with legal requirements involving the administration of federal awards.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The City of Evanston's MD&A can be found immediately following the report of the independent auditors.

### ***Profile of the Government***

The government, located in the extreme southwest corner of the State of Wyoming, was incorporated June 23, 1888. The government has the power to extend its corporate limits by annexation, which is done periodically when deemed appropriate by the governing council and initiated and approved by a majority of the property owners to be annexed.

The government has operated under the mayor-council form of government since incorporated. Policy making and legislative authority are vested in the governing council, which consists of a mayor and a six-member council. The governing council is responsible, among other things, for passing ordinances, adopting the budget, and appointing committees and heads of the government's departments. The council is elected on a non-partisan basis.

Council members are elected to four-year staggered terms with three council members elected every two years. The mayor is elected to a four-year term. The six council members are elected from within their respective wards. There are three wards within the city limits and the mayor is elected at large.

The City of Evanston and Uinta County continue to show a population growth as evident by the 2010 census figures which were released recently. Evanston's 2010 population is 12,359 which reflect a 7.4 percent increase from the 2000 census. Uinta County's population is 21,118 and also reflects a 7.0 percent increase during the past decade. The City of Evanston's percentage to total county population did change a little at 58.5 percent, thus the formula used to calculate the sales tax distribution for Evanston changed from the previous year. This will help with inflation costs we have tried to absorb in our department budgets.

The local economy continues to be driven by the oil and gas industry, and it is anticipated that this industry will remain the major player in Evanston's economy for the next several years. The continued expansion of the medical professional staffing in the community has a large economical effect.

The City of Evanston provides a full range of services, including police, maintenance of streets, recreational activities, water, sewer, sanitation, community development, and youth alcohol and drug court.

The annual budget serves as the foundation for the City of Evanston's planning and control. All agencies of the City of Evanston are required to submit requests for appropriation to the government before the First Monday in May of each year. The government uses these requests as the starting point for developing a proposed budget. The government then presents this proposed budget to the council for review. The council is required to hold public hearings on the proposed budget and to adopt a final budget by the third Tuesday in June. The appropriated budget is prepared by fund function and department. Department heads may make transfers of appropriations within a department. Transfers of appropriations between departments, however, require the special approval of the governing council.

### ***Factors Affecting Financial Condition***

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the City of Evanston operates.

#### ***Local Economy:***

The Cities economy continues to be driven by the mineral industry and medical profession fields. The location to the Wasatch Front and no state tax helps Evanston remains a prime location for businesses to move to Wyoming if the economy would get better.

The mineral/oil industry has had huge impacts on the economy of Evanston this last year. People are just maintaining instead of spending much money. The decline has affected our sales tax and the economy in our community. Many other companies have had reductions in workforce or some businesses have closed all together and this is not helping our flow of cash in our community therefore, everyone feels the crunch.

Evanston is becoming a retirement location and there have been many employees transferred from our area with the oil companies making changes because of the economy. This year we saw a decline in the housing market in general. This is not indicative of activity in Evanston but the entire country.

Economic development is a high priority within the City to recruit new business adding diversity to the economic picture of our mineral and oil industry presently affecting our community. This year the economy has had a large effect on our government. We continue to try to attract new business to increase our tax basis.

#### ***Long-term financial planning:***

Declining revenues continue to dictate the City's approach towards capital construction and restricts a conservative approach for operating budgets. This is a difficult challenge, especially with the escalating costs of health insurance and the slower returns on investments.

The increase costs of fuel, housing materials, and other utilities, have required the city to evaluate many policies and operating efficiencies. The declining sales tax has had a large impact on our budgets. We continue to maintain services but capital construction is only accomplished with the funding coming from grants. However, we maintain a positive attitude toward the long term effect on our community and continue to do long term planning.

The City of Evanston continues to move forward with technology, training, and the demand of services. A continued search for grants remains our top focus. The economy of the country with the oil and gas prices fluctuating continues to affect our capital projects.

**Cash management policies and practices:** Cash temporarily idle during the year was invested in WYO-STAR investment pool, Wyoming Government Investment Fund, and GNMA bonds. The maturity of the investments depends on the type of investment.

The government's investment policy is to minimize credit and market risks while maintaining a competitive yield on its portfolio. Accordingly, deposits were either insured by Federal Depository Insurance or collateralized. All collateral on deposits was held either by the government, its agent or a fiscal institution's trust department in the government's name.

**Risk management:** The government continued a limited risk management program with various control techniques, including employee accident prevention training. This training is intended to minimize accident-related losses.

The risk management objectives of the City of Evanston are (1) the contiguity of essential services to the city, (2) the safety of City employees and the public and (3) the avoidance of unnecessary and unreasonable liability exposure.

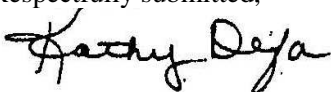
**Pension and other post-employment benefits:** The City of Evanston participates in several single-employer defined benefit pension plans for its employees. The City became involved with the Wyoming Retirement System to help secure employee's retirement. Our health premiums have increased by 50% due to continued health care expenses. During the fiscal year we made several changes to our insurance by increasing the deductible amount to help maintain good effective insurance coverage for our employees.

#### *Awards and Acknowledgment*

The City of Evanston received the Government Finance Officers Association award of Certificate of Achievement for Excellence in Financial Reporting for thirteen years. Recent changes to the statistical section requirements to meet GASB standards have required the Evanston City Council to reassess demand on time and record keeping, prompting the city to no longer participate in this reporting. However, this does not lower the level of efficiency in the organization to achieve the highest level of accounting reporting possible by the City of Evanston staff. We maintain the generally accepted accounting principles and applicable legal requirements necessary for detailed financial accountability.

The preparation of this report could not have been accomplished without the dedicated services of the entire staff of the finance department. The members of other departments of the City of Evanston need to be thanked for their contribution in helping the financial department accomplish accurate reports. Sincere appreciation is expressed to the Mayor and the City Council for their continued interest and support in conducting the financial operations of the City in a responsible and progressive manner.

Respectfully submitted,



Kathy Defa, City Treasurer



**FINANCIAL SECTION**



# **PORTER, MUIRHEAD, CORNIA & HOWARD**

(A Corporation of Certified Public Accountants)

123 West First Street Suite 800 P.O. Box 2750 Casper, Wyoming 82602 (307) 265-4311 Fax (307) 265-5180

## INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Members  
of the City Council  
City of Evanston, Wyoming

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 Evanston, Wyoming, as of and for the year ended June 30, 2013, 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 from 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.

Honorable Mayor and Members of the City Council  
City of Evanston, Wyoming

### ***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 Evanston, Wyoming, as of June 30, 2013, 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.

### ***Other Matters***

#### ***Required Supplementary Information***

The letter of transmittal has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on it.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to management's discussion and analysis 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 the audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The budgetary comparison information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The budgetary information has been subjected to the auditing procedures applied during 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 financial statements, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the budgetary comparison is fairly stated in all material respects in relation to the basic financial statements as a whole.

#### ***Other Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Evanston's basic financial statements. The other supplementary information as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. The other supplementary information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The other supplementary 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 financial statements, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplementary information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Honorable Mayor and Members of the City Council  
City of Evanston, Wyoming

**Other Reporting Required by Government Auditing Standards**

In accordance with Government Auditing Standards, we have also issued a report dated November 25, 2013 on our consideration of the City of Evanston'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 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 and should be considered in assessing the results of our audit.



Porter, Muirhead, Cornia & Howard

Certified Public Accountants

November 25, 2013  
Casper, Wyoming

## CITY OF EVANSTON, WYOMING

### MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2013

(Unaudited)

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As management of the City of Evanston, Wyoming, we offer readers of the City of Evanston, Wyoming's financial statements this narrative overview and analysis of the financial activities of the City of Evanston, Wyoming's for the fiscal year ended June 30, 2013.

#### ***Financial Highlights***

- The assets of the City of Evanston, Wyoming exceeded its liabilities at the close of the most recent fiscal year by \$106,093,963 (*net position*). Of this amount, \$36,472,981 (*unrestricted net position*) may be used to meet the government's ongoing obligations to citizens and creditors.
- The government's total net position increased by \$234,160.
- As of the close of the current fiscal year, the City of Evanston, Wyoming's governmental funds reported combined ending fund balances of \$9,485,012.
- At the end of the current fiscal year, unreserved fund balance for the general fund was \$7,886,836.

#### ***Overview of the Financial Statements***

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

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

The *statement of net position* presents information on all of the City of Evanston, Wyoming's assets and liabilities, with the difference between the two 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 of Evanston, Wyoming is improving or deteriorating.

The *statement of activities* presents information showing how the government'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 the government-wide financial statements distinguish functions of the City of Evanston, Wyoming 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 of Evanston, Wyoming include general government, public safety, highways, streets, and culture and recreation. The business-type activities of the City of Evanston, Wyoming include water, sewer and other non-major enterprise operations.

The government-wide financial statements can be found on pages 13-16 of this report.

***Fund financial statements.*** 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. The City of Evanston, Wyoming like other state and local governments uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City of Evanston, Wyoming can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

## CITY OF EVANSTON, WYOMING

### MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2013

(Unaudited)

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**Governmental funds.** *Governmental funds* are used to account for essentially 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 *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term 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 *governmental funds* and *governmental activities*.

The City of Evanston, Wyoming maintains 2 individual governmental funds. 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 and the debt service fund, both of which are considered to be major funds, data from the other two governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report.

The City of Evanston, Wyoming adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 17-20 of this report.

**Proprietary funds.** The City of Evanston, Wyoming maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City of Evanston, Wyoming uses enterprise funds to account for its Water, and Sewer operation. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the City of Evanston, Wyoming various functions. The City of Evanston, Wyoming uses internal service funds to account for its fleet of vehicles and office supplies. Because both of these services predominantly benefit governmental rather than business-type functions; they have been included within *governmental activities* in the government-wide statements.

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 for the Water and Sewer operation, all of which are considered to be major funds of the City of Evanston, Wyoming.

The basic proprietary fund financial statements can be found on 21-30 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 can be found on page 31-45 of this report.

In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the City of Evanston, Wyoming's progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found on page 47-50 of this report.

**CITY OF EVANSTON, WYOMING**

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2013

(Unaudited)

The combining statements for non-major governmental funds and internal service funds can be found on pages 53-55 of this report.

***Government-wide Financial Analysis***

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City of Evanston, Wyoming's net position reflect its investment in capital assets (e.g., land, buildings, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding. The City of Evanston, Wyoming uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the City of Evanston, Wyoming's investment in its 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.

**City of Evanston, Wyoming Net Position**

	Governmental Activities		Business-type Activities		Total	
	2012	2013	2012	2013	2012	2013
Current assets	\$ 11,071,602	\$ 10,295,957	\$ 27,644,528	\$ 28,713,461	\$ 38,716,130	\$ 39,009,418
Capital assets Net Accum. Dep	36,125,486	37,177,145	32,936,456	31,779,040	69,061,942	68,956,185
Total assets	47,197,088	47,473,102	60,580,984	60,492,501	107,778,072	107,965,603
Current Liabilities	546,843	564,033	295,742	316,200	842,585	880,233
Total Non-Current Liabilities	696,055	693,280	379,627	298,127	1,075,682	991,407
Total Liabilities	1,242,898	1,257,313	675,369	614,327	1,918,267	1,871,640
Net Position						
Invested in capital assets, net of related debt	36,125,486	37,177,145	32,785,682	31,654,277	68,911,168	68,831,422
Restricted	205,847	205,847	522,798	583,713	728,645	789,560
Unrestricted	9,622,855	8,680,518	26,597,135	27,640,184	36,219,990	36,320,702
Total net position	\$ 45,954,188	\$ 46,063,510	\$ 59,905,615	\$ 59,878,174	\$ 105,859,803	\$ 105,941,684

An additional portion of the City of Evanston, Wyoming's net position represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net position* \$36,472,981 may be used to meet the government's ongoing obligations to citizens and creditors.

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

**CITY OF EVANSTON, WYOMING**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

June 30, 2013

(Unaudited)

**Governmental activities.** Governmental activities for the City of Evanston, Wyoming are provided in the following table.

**City of Evanston, Wyoming's Changes in Net Position**

	Governmental Activities		Business-type Activities		Total	
	2012	2013	2012	2013	2012	2013
Revenues:						
Program revenues:						
Charges for services	\$ 496,259	\$ 392,764	\$ 4,435,352	\$ 4,640,803	\$ 4,931,611	\$ 5,033,567
Operating grants and contributions	1,276,065	2,202,285	-	-	1,276,065	2,202,285
General revenues:						
Property taxes	960,110	654,511	-	-	960,110	654,511
Other taxes	6,170,054	5,521,244	81	-	6,170,135	5,521,244
Grants and contributions not restricted to specific programs	2,482,602	2,256,462	-	-	2,482,602	2,256,462
Unrestricted Investment Earnings	129,512	(194,150)	106,456	53,621	235,968	(140,529)
Miscellaneous Revenue	279,966	143,248	(56)	-	279,910	143,248
Transfers	(699,000)	(381,024)	699,000	379,000	-	(2,024)
Total revenues	11,095,568	10,595,340	5,240,833	5,073,424	16,336,401	15,668,764
Expenses:						
General government	4,891,961	4,649,980	-	-	4,891,961	4,649,980
Public safety	2,867,968	2,801,389	-	-	2,867,968	2,801,389
Public Works	1,465,117	1,491,289	-	-	1,465,117	1,491,289
Recreation	1,512,239	1,541,513	-	-	1,512,239	1,541,513
Interest on long-term debt	5,721	1,847	-	-	5,721	1,847
Water	-	-	2,595,872	2,532,569	2,595,872	2,532,569
Sewer	-	-	762,166	804,743	762,166	804,743
Golf	-	-	1,111,701	956,494	1,111,701	956,494
Sanitation	-	-	786,359	807,059	786,359	807,059
Other Non Major Enterprise Funds	-	-	1,040	-	1,040	-
Total expenses	10,743,006	10,486,018	5,257,138	5,100,865	16,000,144	15,586,883
Increase in net position before transfers						
Change in net position	352,562	109,322	(16,305)	(27,441)	336,257	81,881
Net position – 6/30/12	45,601,626	45,954,188	59,921,920	59,905,615	105,523,546	105,859,803
Net position – 6/30/13	\$ 45,954,188	\$ 46,063,510	\$ 59,905,615	\$ 59,878,174	\$ 105,859,803	\$ 105,941,684



## CITY OF EVANSTON, WYOMING

### MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2013

(Unaudited)

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The City of Evanston, Wyoming is very active in searching and obtaining grants to maintain the level of service and living conditions for our residents. We have received Homeland Security grants along with Alcohol and Tobacco Grants, and the Selective Traffic Enforcement Grant.

Other awarded grants, to the City of Evanston, Wyoming furnished resources to support functions such as the Medical Spec Building, Pioneer Oil Land Purchase, Safe Routes to School and the Strand Theater Restoration. The City of Evanston, Wyoming continues to aggressively undertake an endeavor for the youth of our community through the installment of a Youth Drug and Alcohol Court that is funded by the State of Wyoming grant.

#### ***Expenses and Program Revenues – Governmental Activities***

General Government is our major expense. This division is comprised of City Council, Judicial, Executive, Attorney, Community Development, Treasurer/Clerk, Urban Renewal, General Services, and Youth Services.

Our Public Works Departments include Engineering, Administration, and Street Divisions.

For the most part, expenses closely paralleled inflation and growth in the demand for services.

To monitor the expense of services to the community, The City of Evanston, Wyoming has structured the divisions to better analyze our expenses. Therefore, the City of Evanston, Wyoming can review the cost of specific services to provide a more fiscal responsibility.

#### ***Revenues by Source – Governmental Activities***

Revenues were monitored closely during the fiscal year due to sales tax, mineral royalties, and interest income

***Business-type activities.*** Business-type activities increased City of Evanston, Wyoming assets as follows.

With the completion of the new water treatment plant, the City of Evanston, Wyoming feels confident that it will help monitor the water flow to improve service and reduce the negative impact when drought conditions exist. Revenues were increased to help maintain expenses for the water/sewer services.

#### ***Financial Analysis of the Government's Funds***

As noted earlier, the City of Evanston, Wyoming uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

***Governmental funds.*** The focus on the City of Evanston, Wyoming'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 of Evanston, Wyoming's financing requirements. In particular, *unreserved fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

The general fund is the chief operating fund of the City of Evanston, Wyoming. At the end of the current fiscal year, unreserved fund balance of the general fund was \$7,886,836 while total fund balance of all governmental funds reached \$9,485,012. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. The general fund balance of the City of Evanston, Wyoming decreased by \$769,677 during the current fiscal year.

- Sales tax rate decreased tax revenues by \$649,481.
- Property tax decreased by \$27,506.
- Transfer of funds to Golf and Cemetery Fund of \$754,329.
- Investments were reduced by \$67,342.
- Charges for Services increased by \$82,070.

## CITY OF EVANSTON, WYOMING

### MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2013

(Unaudited)

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The long-term liability (\$729,769) including accrued compensated absences, are not due and payable in the current period and therefore are not reported in the funds.

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

Unrestricted net position of the Water, Sewer, Sanitation and other Enterprise Funds at the end of the year amounted to \$27,640,184. The total growth in unrestricted net position for these funds was \$1,043,049. Other factors concerning the finances of these funds have already been addressed in the discussion of the City of Evanston, Wyoming's business-type activities.

#### **General Fund Budgetary Highlights**

Differences between the original and the final amended budget was a \$123,001 increase in appropriations. There were a few unexpected expenditures or grants that were approved during the fiscal year and a brief summary follows:

- \$85,106 capital outlay for grants and proposed capital projects.
- \$37,895 department budgets for miscellaneous expenses during the fiscal year.

#### **Capital Asset and Debt Administration**

**Capital assets.** The City of Evanston, Wyoming's investment in capital assets for its governmental and business type activities as of June 30, 2013 amounts to \$68,956,185 (net of accumulated depreciation). This investment in capital assets included land, buildings and system, improvements, machinery and equipment, park facilities, roads, highways, and bridges.

Major capital asset events during the current fiscal year included the following:

- Airport Planning Grant
- Bear River Rehabilitation
- Medical Spec Building Utilities
- Pioneer Oil Land Purchase
- Safe Route to School
- Anderson Park Irrigation Improvement
- Water Treatment Plant Upgrades
- Waste Water Treatment Plant Upgrades
- Golf Course Green Enhancement Project

**CITY OF EVANSTON, WYOMING**

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2013

(Unaudited)

**City of Evanston, Wyoming's Capital Assets**  
(Net of Depreciation)

	Governmental Activities		Business-type Activities		Total	
	2012	2013	2012	2013	2012	2013
Land	\$ 20,067,992	\$ 11,329,898	\$ 733,694	\$ 733,694	\$ 20,801,686	\$ 12,063,592
Construction in Progress	10,700	153,259	27,741	111,008	38,441	264,267
Buildings and system	29,229,583	40,183,125	65,456,701	65,691,228	94,686,284	105,874,353
Machinery and Equipment	5,186,515	5,215,167	2,694,736	2,703,796	7,881,251	7,918,963
Infrastructure	17,588,070	17,588,070	-	-	17,588,070	17,588,070
Total Accum. Depreciation	(36,125,486)	(37,292,374)	(35,976,416)	(37,460,686)	(72,101,902)	(74,753,060)
<b>Total</b>	<b>\$ 35,957,374</b>	<b>\$ 37,177,145</b>	<b>\$ 32,936,456</b>	<b>\$ 31,779,040</b>	<b>\$ 68,893,830</b>	<b>\$ 68,956,185</b>

Additional information on the City of Evanston, Wyoming's capital assets can be found in Note 3 on pages 40-42 of this report.

**Long-term debt.** At the end of the current fiscal year, the City of Evanston, Wyoming had total debt outstanding of \$1,078,847.

**City of Evanston's Outstanding Debt**

	Governmental		Business-type		Total	
	2012	2013	2012	2013	2012	2013
Governmental Activities Long Term	\$ 696,055	\$ 729,768	\$ -	\$ -	\$ 696,055	\$ 729,768
Accrued Compensated Absences	-	-	228,853	231,399	228,853	231,399
Lease Purchase Obligation	-	-	150,774	117,679	150,774	117,679
<b>Total</b>	<b>\$ 696,055</b>	<b>\$ 729,768</b>	<b>\$ 379,627</b>	<b>\$ 349,078</b>	<b>\$ 1,075,682</b>	<b>\$ 1,078,846</b>

The City of Evanston, Wyoming's total debt is \$1,078,847 for the current fiscal year. Additional information on the City of Evanston, Wyoming's long-term debt can be found in Note 3 on pages 42-43 of this report.

## CITY OF EVANSTON, WYOMING

### MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2013

(Unaudited)

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#### ***Economic Factors and Next Year's Budgets and Rates***

- The unemployment rate for the City of Evanston, Wyoming is currently 4.3 percent, which is a decrease from a rate of 5.1 percent a year ago. This compares to the state's average unemployment rate of 5.4 percent and the national average rate of 8.2 percent.

Across Wyoming, unemployment rates followed a seasonal pattern and fell slightly or were unchanged. The unemployment rate fell by one percentage point in Uinta County. The local economy continues to suffer driven by the mineral industry and decline of construction. All businesses are just trying to hold on and brave the economic storm. All of these factors were considered in preparing the City of Evanston, Wyoming budget for the 2013 fiscal year.

#### ***Requests for Information***

The financial report is designed to provide a general overview of the City of Evanston, Wyoming's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the Treasurer, 1200 Main Street, City of Evanston, Wyoming, 82930.

## **BASIC FINANCIAL STATEMENTS**

**CITY OF EVANSTON, WYOMING**

**STATEMENT OF NET POSITION**

June 30, 2013

	Primary Government		Total
	Governmental Activities	Business-type Activities	
<b>ASSETS</b>			
Cash and cash equivalents	\$ 1,672,973	\$ 2,740,140	\$ 4,413,113
Investments at fair value	33,372,976	4,442	33,377,418
Receivables (net of allowance for uncollectibles)			
Accounts receivable	623,837	478,913	1,102,750
Accrued interest	18,949	-	18,949
Property taxes	39,854	-	39,854
Internal balances	(25,439,831)	25,439,831	-
Inventory	7,199	50,135	57,334
Capital assets not being depreciated			
Land	11,329,898	733,694	12,063,592
Construction in progress	153,259	111,008	264,267
Capital assets being depreciated			
Buildings and systems	40,183,125	65,691,228	105,874,353
Machinery and equipment	5,215,167	2,703,796	7,918,963
Infrastructure	17,588,070	-	17,588,070
	<u>74,469,519</u>	<u>69,239,726</u>	<u>143,709,245</u>
Less accumulated depreciation	<u>(37,292,374)</u>	<u>(37,460,686)</u>	<u>(74,753,060)</u>
Total capital assets (net of accumulated depreciation)	<u>37,177,145</u>	<u>31,779,040</u>	<u>68,956,185</u>
Total assets	<u>47,473,102</u>	<u>60,492,501</u>	<u>107,965,603</u>

(Continued)

See accompanying notes to the financial statements

	Primary Government		
	Governmental Activities	Business-type Activities	Total
<b>LIABILITIES</b>			
Accounts payable	\$ 162,662	\$ 165,372	\$ 328,034
Due to other funds		-	-
Accrued payroll	140,709	44,327	185,036
Accrued liabilities	211,274	-	211,274
Court bonds payable	12,900	-	12,900
Unearned grant revenue	14,321	-	14,321
Unearned - cash in lieu of land development	137,958	-	137,958
Deposits payable	-	55,550	55,550
Long-term liabilities:			
Due in one year	36,488	50,951	87,439
Due in more than one year	693,280	298,127	991,407
Total liabilities	<u>1,409,592</u>	<u>614,327</u>	<u>2,023,919</u>
<b>NET POSITION</b>			
Invested in capital assets, net of related debt	37,177,145	31,654,277	68,831,422
Restricted for			
Landfill maintenance	-	583,713	583,713
Perpetual fund			
Expendable	105,847	-	105,847
Nonexpendable	100,000	-	100,000
Unrestricted	<u>8,680,518</u>	<u>27,640,184</u>	<u>36,320,702</u>
Total net position	<u>\$ 46,063,510</u>	<u>\$ 59,878,174</u>	<u>\$ 105,941,684</u>

**CITY OF EVANSTON, WYOMING**

STATEMENT OF ACTIVITIES  
Year Ended June 30, 2013

<u>Function/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
<b>Governmental activities:</b>				
General government	\$ 4,649,980	\$ 101,711	\$ 2,202,285	\$ -
Public safety	2,801,389	232,241	-	-
Public works	1,491,289	-	-	-
Culture and recreation	1,541,513	58,812	-	-
Interest on long-term debt	1,847	-	-	-
<b>Total governmental activities</b>	<b>10,486,018</b>	<b>392,764</b>	<b>2,202,285</b>	<b>-</b>
<b>Business-type activities:</b>				
Water	2,532,569	2,405,790	-	-
Sewer	804,743	1,032,241	-	-
Golf	956,494	414,725	-	-
Sanitation	807,059	763,198	-	-
Other nonmajor enterprise funds	-	24,849	-	-
<b>Total business-type activities</b>	<b>5,100,865</b>	<b>4,640,803</b>	<b>-</b>	<b>-</b>
<b>Total primary government</b>	<b>\$ 15,586,883</b>	<b>\$ 5,033,567</b>	<b>\$ 2,202,285</b>	<b>\$ -</b>

General revenues

Property taxes and other taxes

Sales tax

Franchise taxes

Motor vehicle taxes

Grants and contributions not restricted to specific programs

Unrestricted investment earnings

Miscellaneous revenue

Transfers

Total general revenues and transfers

Change in net position

Net position - beginning of year

Net position - end of year

See accompanying notes to the financial statements



Net (Expense) Revenue and Changes in Net Position

Primary Government

Governmental Activities	Business-type Activities	Total
\$ (2,345,984)	\$ -	\$ (2,345,984)
(2,569,148)	-	(2,569,148)
(1,491,289)	-	(1,491,289)
(1,482,701)	-	(1,482,701)
(1,847)	-	(1,847)
(7,890,969)	-	(7,890,969)
-	(126,779)	(126,779)
-	227,498	227,498
-	(541,769)	(541,769)
-	(43,861)	(43,861)
-	24,849	24,849
-	(460,062)	(460,062)
(7,890,969)	(460,062)	(8,351,031)
654,511	-	654,511
5,070,815	-	5,070,815
176,232	-	176,232
274,197	-	274,197
2,256,462	-	2,256,462
(194,150)	53,621	(140,529)
143,248	-	143,248
(381,024)	379,000	(2,024)
8,000,291	432,621	8,432,912
109,322	(27,441)	81,881
45,954,188	59,905,615	105,859,803
\$ 46,063,510	\$ 59,878,174	\$ 105,941,684

**CITY OF EVANSTON, WYOMING**

BALANCE SHEET  
Governmental Funds  
June 30, 2013

	General	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>			
Cash and cash equivalents	\$ -	\$ 1,566,362	\$ 1,566,362
Investments at fair value	33,372,976	-	33,372,976
Receivables (net of allowance for uncollectibles)			
Accounts receivable	589,778	31,863	621,641
Accrued interest	18,949	-	18,949
Property taxes	39,854	-	39,854
Total assets	<u>\$ 34,021,557</u>	<u>\$ 1,598,225</u>	<u>\$ 35,619,782</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>			
Accounts payable	\$ 162,613	\$ 49	\$ 162,662
Accrued payroll	140,709	-	140,709
Accrued liabilities	211,274	-	211,274
Court bonds payable	12,900	-	12,900
Unearned grant revenue	14,321	-	14,321
Unearned - cash in lieu of land development	137,958	-	137,958
Due to other funds	23,789,199	-	23,789,199
Current portion of advance payable to water fund	248,198	-	248,198
Total current liabilities	<u>24,717,172</u>	<u>49</u>	<u>24,717,221</u>
Noncurrent portion of advance payable to water fund	1,402,434	-	1,402,434
Total noncurrent liabilities	<u>1,402,434</u>	<u>-</u>	<u>1,402,434</u>
Total liabilities	<u>26,119,606</u>	<u>49</u>	<u>26,119,655</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred property taxes	15,115	-	15,115
Total deferred inflows of resources	<u>15,115</u>	<u>-</u>	<u>15,115</u>
<b>Fund balances</b>			
Nonspendable			
Permanent fund principal	-	100,000	100,000
Restricted, cemetery perpetual care	-	105,847	105,847
Assigned, emergency repairs	5,500,000	-	5,500,000
Unassigned	2,386,836	1,392,329	3,779,165
Total fund balances	<u>7,886,836</u>	<u>1,598,176</u>	<u>9,485,012</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 34,021,557</u>	<u>\$ 1,598,225</u>	<u>\$ 35,619,782</u>

See accompanying notes to the financial statements

**CITY OF EVANSTON, WYOMING**

**RECONCILIATION OF GOVERNMENTAL FUNDS  
FUND BALANCES TO NET POSITION OF GOVERNMENTAL ACTIVITIES  
June 30, 2013**

Total governmental fund balances		\$ 9,485,012
<p>Amounts reported for governmental activities in the statement of net assets are different because:</p>		
<p>Long-term liabilities, including accrued compensated absences, are not due and payable in the current period and therefore, are not reported in the funds:</p>		
Accrued compensated absences		(729,768)
<p>Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds:</p>		
General government capital assets (net of accumulated depreciation)	\$ 36,745,618	
Permanent fund capital assets (net of accumulated depreciation)	<u>431,527</u>	37,177,145
<p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds:</p>		
Deferred property taxes		15,115
<p>Internal service funds are used by management to charge the costs of certain activities, such as motor vehicle costs, and vision care, to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net position. This is the amount of unrestricted net position of the internal service funds:</p>		
<p>Motor Vehicle Fund</p>		
Current assets	116,006	
Current liabilities	<u>-</u>	<u>116,006</u>
Net position of governmental activities		<u><u>\$ 46,063,510</u></u>

See accompanying notes to the financial statements

**CITY OF EVANSTON, WYOMING**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**

Governmental Funds  
Year Ended June 30, 2013

	General Fund	Other Governmental Funds	Total Governmental Funds
<b>REVENUES</b>			
Taxes	\$ 6,138,188	\$ 233,932	\$ 6,372,120
Licenses and permits	147,197	-	147,197
Fines and forfeitures	158,559	-	158,559
Intergovernmental revenues	4,463,985	-	4,463,985
Charges for services	38,393	58,812	97,205
Interest and miscellaneous	(170,049)	103,711	(66,338)
	<hr/>	<hr/>	<hr/>
Total revenues	10,776,273	396,455	11,172,728
<b>EXPENDITURES</b>			
General government	2,556,416	-	2,556,416
Public safety and transportation	2,680,810	-	2,680,810
Public works	1,455,746	-	1,455,746
Health, welfare and recreation	1,148,865	345,029	1,493,894
Intergovernmental expenditures	721,812	-	721,812
Capital outlay	2,427,972	168,746	2,596,718
	<hr/>	<hr/>	<hr/>
Total expenditures	10,991,621	513,775	11,505,396
Excess (deficiency) of revenues over expenditures	<hr/>	<hr/>	<hr/>
	(215,348)	(117,320)	(332,668)
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	200,000	173,305	373,305
Transfers out	(754,329)	-	(754,329)
	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	(554,329)	173,305	(381,024)
Net change in fund balances	(769,677)	55,985	(713,692)
Fund balances - beginning of year	8,656,513	1,542,191	10,198,704
	<hr/>	<hr/>	<hr/>
Fund balances - end of year	\$ 7,886,836	\$ 1,598,176	\$ 9,485,012
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

See accompanying notes to the financial statements

**CITY OF EVANSTON, WYOMING**

RECONCILIATION OF THE STATEMENT OF REVENUES,  
EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES

Year Ended June 30, 2013

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

Net change in fund balances - total governmental funds		\$ (713,692)
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Governmental funds report capital outlays as expenditures.

However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeded depreciation in the current period:

General government

Capital outlay	\$ 2,323,082	
Additional construction in progress	346,890	
Less completed construction in progress	(204,331)	
Depreciation expense	<u>(1,413,731)</u>	1,051,910

The disposal of capital assets that results in a loss (cost is greater than the accumulated depreciation) does not require the use of current financial resources of governmental funds. Thus, that change is not recorded in the governmental funds. This is the net effect of these differences in the treatment of the disposal of capital assets:

Disposal of capital assets (cost basis)	(78,982)	
Accumulated depreciation	<u>78,730</u>	(252)

Compensated absences 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:

Compensated absences as of June 30, 2012	696,055	
Compensated absences as of June 30, 2013	<u>(729,768)</u>	(33,713)

Internal service activities are accounted for in a separate fund. However, in the statement of activities the activity of the Internal Service Fund has been eliminated and the excess revenue over expenditures has been recognized.

Internal service fund changes in net position:

Motor Vehicle Fund		1,434
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Certain revenues are not recognized as current financial resources and, therefore, are not reported as revenues in governmental funds:

Deferred revenue as of June 30, 2012	(211,480)	
Deferred property taxes as of June 30, 2013	<u>15,115</u>	<u>(196,365)</u>

Change in net position of governmental activities		<u>\$ 109,322</u>
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See accompanying notes to the financial statements

**CITY OF EVANSTON, WYOMING**

**STATEMENT Of NET POSITION**

Proprietary Funds

June 30, 2013

	<u>Business-type Activities - Enterprise Funds</u>		
	<u>Water</u>	<u>Sewer</u>	<u>Golf</u>
	<u>Fund</u>	<u>Fund</u>	<u>Fund</u>
<b>ASSETS</b>			
Current assets			
Cash and cash equivalents	\$ -	\$ -	\$ -
Investments, at fair value	4,442	-	-
Accounts receivable (net of allowance for uncollectibles)	306,339	101,930	-
Due from other funds	12,573,401	9,844,990	1,330,075
Inventory	-	-	50,135
Current portion of advance receivable from general fund	238,096	-	-
Total current assets	<u>13,122,278</u>	<u>9,946,920</u>	<u>1,380,210</u>
Noncurrent assets			
Long term portion of advance receivable from general fund	1,412,536	-	-
Total noncurrent assets	<u>1,412,536</u>	<u>-</u>	<u>-</u>
Capital assets			
Land	161,500	240,005	312,189
Buildings and systems	43,947,498	15,411,119	6,267,611
Machinery and equipment	431,057	375,758	657,193
Construction in progress	61,371	42,553	-
	<u>44,601,426</u>	<u>16,069,435</u>	<u>7,236,993</u>
Less accumulated depreciation	<u>20,549,513</u>	<u>13,572,877</u>	<u>2,213,856</u>
Total capital assets (net of accumulated depreciation)	<u>24,051,913</u>	<u>2,496,558</u>	<u>5,023,137</u>
Total assets	<u>38,586,727</u>	<u>12,443,478</u>	<u>6,403,347</u>

See accompanying notes to the financial statements

Business-type Activities - Enterprise Funds

<u>Sanitation Fund</u>	<u>Other Enterprise Fund</u>	<u>Totals</u>	<u>Governmental Activities- Internal Service Fund</u>
\$ 2,514,856	\$ 225,284	\$ 2,740,140	\$ 106,610
-	-	4,442	-
68,413	2,231	478,913	2,197
40,733	-	23,789,199	-
-	-	50,135	7,199
-	-	238,096	-
<u>2,624,002</u>	<u>227,515</u>	<u>27,300,925</u>	<u>116,006</u>
-	-	1,412,536	-
-	-	1,412,536	-
20,000	-	733,694	-
65,000	-	65,691,228	278,623
1,239,788	-	2,703,796	44,291
-	7,084	111,008	-
<u>1,324,788</u>	<u>7,084</u>	<u>69,239,726</u>	<u>322,914</u>
<u>1,124,440</u>	<u>-</u>	<u>37,460,686</u>	<u>322,603</u>
<u>200,348</u>	<u>7,084</u>	<u>31,779,040</u>	<u>311</u>
<u>2,824,350</u>	<u>234,599</u>	<u>60,492,501</u>	<u>116,317</u>

(Continued)

**CITY OF EVANSTON, WYOMING**

STATEMENT OF NET POSITION (CONTINUED)

Proprietary Funds

June 30, 2013

	<u>Business-type Activities - Enterprise Funds</u>		
	<u>Water Fund</u>	<u>Sewer Fund</u>	<u>Golf Fund</u>
<b>LIABILITIES</b>			
Current liabilities			
Accounts payable	\$ 69,365	\$ 50,541	\$ 18,754
Accrued payroll	24,744	11,293	-
Deposits payable	55,550	-	-
Total current liabilities	<u>149,659</u>	<u>61,834</u>	<u>18,754</u>
Noncurrent liabilities			
Due within one year	114,252	54,708	78,298
Due in more than one year	6,013	2,879	39,381
Total noncurrent liabilities	<u>120,265</u>	<u>57,587</u>	<u>117,679</u>
Total liabilities	<u>269,924</u>	<u>119,421</u>	<u>136,433</u>
<b>NET POSITION</b>			
Invested in capital assets, net of related debt	24,051,913	2,496,558	4,905,458
Restricted for landfill maintenance	-	-	-
Unrestricted	<u>14,264,890</u>	<u>9,827,499</u>	<u>1,361,456</u>
Total net position	<u>\$ 38,316,803</u>	<u>\$ 12,324,057</u>	<u>\$ 6,266,914</u>

See accompanying notes to the financial statements



Business-type Activities - Enterprise Funds

<u>Sanitation Fund</u>	<u>Other Enterprise Fund</u>	<u>Totals</u>	<u>Governmental Activities - Internal Service Fund</u>
\$ 19,628	\$ 7,084	\$ 165,372	\$ -
8,290	-	44,327	-
-	-	55,550	-
<u>27,918</u>	<u>7,084</u>	<u>265,249</u>	<u>-</u>
50,869	-	298,127	-
2,678	-	50,951	-
<u>53,547</u>	<u>-</u>	<u>349,078</u>	<u>-</u>
<u>81,465</u>	<u>7,084</u>	<u>614,327</u>	<u>-</u>
200,348	-	31,654,277	311
583,713	-	583,713	-
<u>1,958,824</u>	<u>227,515</u>	<u>27,640,184</u>	<u>116,006</u>
<u>\$ 2,742,885</u>	<u>\$ 227,515</u>	<u>\$ 59,878,174</u>	<u>\$ 116,317</u>

**CITY OF EVANSTON, WYOMING**

**STATEMENT OF REVENUES, EXPENSES, AND  
CHANGES IN FUND NET POSITION**

Proprietary Funds  
Year Ended June 30, 2013

	<u>Business-type Activities - Enterprise Funds</u>		
	<u>Water Fund</u>	<u>Sewer Fund</u>	<u>Golf Fund</u>
Operating revenues			
Charges for services	\$ 2,376,614	\$ 1,030,332	\$ 414,725
Miscellaneous	29,176	1,909	-
Total operating revenues	<u>2,405,790</u>	<u>1,032,241</u>	<u>414,725</u>
Operating expenses			
Personnel services	818,522	370,020	-
Contractual services	67,318	-	400,302
Repairs and maintenance	130,897	44,145	140,078
Supplies	409,877	35,359	139,570
Interest expense	-	-	6,286
Miscellaneous	7,528	21,133	27,602
Capital outlay	-	74,308	-
Depreciation	976,993	151,217	242,656
Utilities	121,434	108,561	-
Total operating expenses	<u>2,532,569</u>	<u>804,743</u>	<u>956,494</u>
Operating income (loss)	<u>(126,779)</u>	<u>227,498</u>	<u>(541,769)</u>
Nonoperating revenues			
Interest income	29,506	19,143	-
Total nonoperating revenues	<u>29,506</u>	<u>19,143</u>	<u>-</u>
Income (loss) before transfers	<u>(97,273)</u>	<u>246,641</u>	<u>(541,769)</u>
Transfers in	-	-	579,000
Transfers out	(200,000)	-	-
Total transfers	<u>(200,000)</u>	<u>-</u>	<u>579,000</u>
Change in net position	(297,273)	246,641	37,231
Total net position - beginning of year	<u>38,614,076</u>	<u>12,077,416</u>	<u>6,229,683</u>
Total net position - end of year	<u>\$ 38,316,803</u>	<u>\$ 12,324,057</u>	<u>\$ 6,266,914</u>

See accompanying notes to the financial statements

Business-type Activities - Enterprise Funds

<u>Sanitation Fund</u>	<u>Other Enterprise Fund</u>	<u>Totals</u>	<u>Governmental Activities Internal Service Fund</u>
\$ 758,389	\$ 24,849	\$ 4,604,909	\$ 55,743
4,809	-	35,894	-
<u>763,198</u>	<u>24,849</u>	<u>4,640,803</u>	<u>55,743</u>
280,390	-	1,468,932	-
-	-	467,620	-
100,801	-	415,921	-
291,279	-	876,085	56,333
-	-	6,286	-
13,055	-	69,318	-
680	-	74,988	-
120,854	-	1,491,720	-
-	-	229,995	-
<u>807,059</u>	<u>-</u>	<u>5,100,865</u>	<u>56,333</u>
<u>(43,861)</u>	<u>24,849</u>	<u>(460,062)</u>	<u>(590)</u>
<u>4,972</u>	<u>-</u>	<u>53,621</u>	<u>-</u>
<u>4,972</u>	<u>-</u>	<u>53,621</u>	<u>-</u>
<u>(38,889)</u>	<u>24,849</u>	<u>(406,441)</u>	<u>(590)</u>
-	-	579,000	2,024
-	-	(200,000)	-
-	-	379,000	2,024
<u>(38,889)</u>	<u>24,849</u>	<u>(27,441)</u>	<u>1,434</u>
<u>2,781,774</u>	<u>202,666</u>	<u>59,905,615</u>	<u>114,883</u>
<u>\$ 2,742,885</u>	<u>\$ 227,515</u>	<u>\$ 59,878,174</u>	<u>\$ 116,317</u>

**CITY OF EVANSTON, WYOMING**

**STATEMENT OF CASH FLOWS**

Proprietary Funds

Year Ended June 30, 2013

	<u>Business-type Activities - Enterprise Funds</u>		
	<u>Water Fund</u>	<u>Sewer Fund</u>	<u>Golf Fund</u>
Cash flows from operating activities			
Receipts from customers	\$ 2,443,718	\$ 1,043,887	\$ 414,725
Receipts from other funds	-	-	-
Payments to suppliers for services	(793,863)	(253,891)	(714,652)
Payments to employees for services	(824,727)	(367,781)	-
Settlement of interfund operating activities	(560,233)	(298,123)	(1,330,075)
Net cash and cash equivalents provided (used) by operating activities	264,895	124,092	(1,630,002)
Cash flows from noncapital financing activities			
Transfers from (to) other funds	(200,000)	-	579,000
Net cash and cash equivalents provided (used) by noncapital financing activities	(200,000)	-	579,000
Cash flows from capital and related financing activities			
Principal payments	-	-	(33,095)
Acquisitions of property and equipment	(167,489)	(143,233)	(16,500)
Net cash and cash equivalents used by capital and related financing activities	(167,489)	(143,233)	(49,595)
Cash flows from investing activities			
Interest on investments	32,726	19,141	-
Net cash and cash equivalents provided by investing activities	102,594	19,141	-
Net increase (decrease) in cash and cash equivalents	-	-	(1,100,597)
Cash and cash equivalents - beginning of year	-	-	1,100,597
Cash and cash equivalents - end of year	\$ -	\$ -	\$ -

See accompanying notes to the financial statements

Business-type Activities - Enterprise Funds

<u>Sanitation Fund</u>	<u>Other Enterprise Fund</u>	<u>Totals</u>	<u>Governmental Activities - Internal Service Fund</u>
\$ 766,736	\$ 24,798	\$ 4,693,864	\$ -
-	-	-	54,168
(413,329)	-	(2,175,735)	(58,001)
(273,932)	-	(1,466,440)	-
<u>1,654,267</u>	<u>-</u>	<u>(534,164)</u>	<u>-</u>
<u>1,733,742</u>	<u>24,798</u>	<u>517,525</u>	<u>(3,833)</u>
<u>-</u>	<u>-</u>	<u>379,000</u>	<u>2,024</u>
<u>-</u>	<u>-</u>	<u>379,000</u>	<u>2,024</u>
<u>-</u>	<u>-</u>	<u>(33,095)</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>(327,222)</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>(360,317)</u>	<u>-</u>
<u>4,972</u>	<u>-</u>	<u>56,839</u>	<u>-</u>
<u>4,972</u>	<u>-</u>	<u>126,707</u>	<u>-</u>
1,738,714	24,798	662,915	(1,809)
<u>776,142</u>	<u>200,486</u>	<u>2,077,225</u>	<u>108,419</u>
<u>\$ 2,514,856</u>	<u>\$ 225,284</u>	<u>\$ 2,740,140</u>	<u>\$ 106,610</u>

(Continued)

**CITY OF EVANSTON, WYOMING**

**STATEMENT OF CASH FLOWS (CONTINUED)**

Proprietary Funds

Year Ended June 30, 2013

	<u>Business-type Activities - Enterprise Funds</u>		
	<u>Water Fund</u>	<u>Sewer Fund</u>	<u>Golf Fund</u>
Reconciliation of operating income (loss) to net cash and cash equivalents provided (used) by operating activities			
Operating income (loss)	\$ (126,779)	\$ 227,498	\$ (541,769)
Adjustments to reconcile income to net cash and cash equivalents provided by operating activities			
Depreciation	976,993	151,217	242,656
Change in operating assets and liabilities			
Accounts receivable	38,943	11,646	-
Due from other funds	(560,233)	(298,123)	(1,330,075)
Inventory	-	-	986
Accounts payable	(56,809)	29,615	(1,800)
Accrued payroll	(338)	194	-
Accrued liabilities	(5,867)	2,045	-
Deposits payable	(1,015)	-	-
Net cash and cash equivalents provided (used) by operating activities	<u>\$ 264,895</u>	<u>\$ 124,092</u>	<u>\$ (1,630,002)</u>
Supplemental Information			
Non-cash investing, capital and financing activities:			
Net increase in the fair value of investments	<u>\$ 3,218</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying notes to the financial statements

<u>Business-type Activities - Enterprise Funds</u>			<u>Governmental Activities - Internal Service Fund</u>
<u>Sanitation Fund</u>	<u>Other Enterprise Funds</u>	<u>Totals</u>	
\$ (43,861)	\$ 24,849	\$ (460,062)	\$ (590)
120,854	-	1,491,720	-
3,538	(51)	54,076	(1,575)
1,654,267	-	(534,164)	-
-	-	986	(1,433)
(7,514)	-	(36,508)	(235)
6,458	-	6,314	-
-	-	(3,822)	-
-	-	(1,015)	-
<u>\$ 1,733,742</u>	<u>\$ 24,798</u>	<u>\$ 517,525</u>	<u>\$ (3,833)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,218</u>	<u>\$ -</u>

## CITY OF EVANSTON, WYOMING

### NOTES TO FINANCIAL STATEMENTS

June 30, 2013

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

##### ***Reporting Entity***

The financial statements of the City of Evanston, Wyoming (“the City”) include the accounts of all City operations. The City provides a broad range of services to citizens, including general government, public safety, streets, sanitation and health, cultural and park facilities and social services. It also operates the water, sewer and other sanitation utilities and several recreational facilities.

The City of Evanston is a municipal corporation governed by an elected mayor and six elected council members. The City serves as the nucleus for the reporting entity under the provisions of GASB Statement No. 14, as amended by GASB No. 39, for its basic financial statements. Using this premise, the City is not financially accountable for any other organizations and thus, includes only the financial activity of the various funds of the City within its basic financial statements. The City of Evanston has no component units nor is it considered a component unit of any other government.

The accounting policies of the City of Evanston conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant policies:

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

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

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

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

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 government 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, expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.



## CITY OF EVANSTON, WYOMING

### NOTES TO FINANCIAL STATEMENTS

June 30, 2013

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#### **Note 1. Summary of Significant Accounting Policies (Continued)**

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

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The accounts of the City are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures, or expenses, as appropriate. Government resources are allocated to and accounted for in the individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

The City reports the following major governmental funds:

The *general fund* is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. The Drug Court is included as part of the general fund of the City.

The City reports the following major proprietary funds:

The *water fund* accounts for the activities of the City's water distribution system.

The *sewer fund* accounts for the activities of the City sewage treatment plant and collection system.

The *golf fund* accounts for the activities of the City's golf course.

The *sanitation fund* accounts for the activities of the City's sanitation department.

Additionally, the City reports the following fund types:

The *special revenue funds* are used to account for the proceeds of designated specific revenue sources that are restricted to expenditures for specified purposes.

The *permanent fund* is used to account for resources legally restricted for use in the care and maintenance of the City's cemetery.

The *internal service fund* is used for motor vehicle services provided to other departments or agencies of the City, or to other governments, on a cost reimbursement basis.

Effective this reporting period is GASB Statement No. 62, Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements (GASB 62). This statement brings the authoritative accounting and financial reporting literature for state and local governments together in a single source, with the FASB and AICPA guidance modified as necessary to appropriately recognize the governmental environment and the needs of governmental financial statement users. GASB No. 62 will result in a more consistent application of applicable guidance in financial statements of state and local governments. This statement also supersedes GASB Statement No. 20, Accounting and Financial Reporting for Proprietary Funds and other Governmental Entities That Use Proprietary Fund Accounting, thereby eliminating the election provided in that Statement for enterprise funds and business-type activities to apply post-November 30, 1989 FASB Statements and Interpretations that do not conflict with or contradict GASB pronouncements. However, those entities can continue to apply, as other accounting literature, post-November 30, 1989 FASB pronouncements that do not conflict with or contradict GASB pronouncements, including this Statement.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the government's water and sewer function 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.

**CITY OF EVANSTON, WYOMING**

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

---

**Note 1. Summary of Significant Accounting Policies (Continued)**

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

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.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's enterprise funds are charges to customers for sales and services. The City also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

***Assets, Liabilities, and Net Position or Equity***

***Deposits and Investments***

The City's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

State statutes authorize the City to invest in securities issued or guaranteed by the U.S. Treasury or agencies of the United States government, bank certificates of deposit, shares or savings certificates of savings and loan associations, Tennessee Valley Authority bonds and notes and export-import bank notes and guaranteed participations.

Investments for the City are reported at fair value. Fair value is determined using the latest bid price or by the closing exchange price at the statements of net position date. A significant portion of the City's investment activity is conducted in a pooled investment account with the State of Wyoming, State Treasurer's office. The State Treasurer's Investment Pool (WYO-STAR) operates in accordance with appropriate state laws and regulations. The reported value of the pool is the same as the fair value of the pool shares.

***Receivables and Payables***

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

All trade and property tax receivables are shown net of an allowance for uncollectibles.

***Property Taxes***

Property taxes attach as an enforceable lien on property as of May 11. Taxes are levied on or about August 1 and payable in two installments on September 1 and March 1. Uinta County bills and collects its own property taxes and also taxes for all municipalities and political subdivisions within the County including the City. City property tax revenues are recognized when levied to the extent that they result in current receivables, which means when collected within the current period or expected to be collected within 60 days of the fiscal year end to be used to pay liabilities of the current period.

**CITY OF EVANSTON, WYOMING**

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

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**Note 1. Summary of Significant Accounting Policies (Continued)**

***Assets, Liabilities, and Net Position or Equity (Continued)***

The City is permitted by Wyoming Statutes to levy taxes up to 8 mills of assessed valuation for all purposes, exclusive of state revenue, except for the payment of public debt and interest thereon. The combined tax rate to finance general government services other than the payment of principal and interest on long-term debt for the year ended June 30, 2013, was 8 mills which mean that the City has levied to the maximum amount available.

***Inventories and Prepaid Items***

All inventories are valued at cost using the first-in/first-out (FIFO) method. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

***Compensated Absences Benefits***

It is the City's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. All vacation pay and sick leave is accrued when incurred in the government-wide, proprietary, and fiduciary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

***Capital Assets***

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, 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 more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost.

In case of the initial capitalization of general infrastructure assets (i.e., those reported by governmental activities) the government chose to include all such items regardless of their acquisition date or amount. The government was able to estimate the historical cost for the initial reporting of these assets through back trending (i.e., estimating the current replacement cost of the infrastructure to be capitalized and using an appropriate price-level index to deflate the cost to the acquisition year or estimated acquisition year). As the government constructs or acquires additional capital assets each period, including infrastructure assets, they are capitalized and reported at historical cost. The reported value excludes normal maintenance and repairs which are essentially amounts spent in relation to capital assets that do not increase the capacity or efficiency of the item or extend its useful life beyond the original estimate. In the case of donations, the government values these capital assets at the estimated fair value of the item at the date of its donation.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. Property, plant, and equipment of the City, is depreciated using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	50
Building improvements	20
Public domain infrastructure	50
System infrastructure	30
Vehicles	5
Office equipment	5
Computer equipment	5

**CITY OF EVANSTON, WYOMING**

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

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***Note 1. Summary of Significant Accounting Policies (Continued)***

***Assets, Liabilities, and Net Position or Equity (Continued)***

***Long-Term Obligations***

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

***Fund Equity***

Governmental fund equity is classified as fund balance. Fund balance is further classified as nonspendable, restricted, committed, assigned or unassigned. Nonspendable fund balance cannot be spent because of its form. Restricted fund balance has limitations imposed by creditors, grantors, or contributors or by enabling legislation or constitutional provisions. Committed fund balance is a limitation imposed by the City's council through approval of resolutions. Assigned fund balances are a limitation imposed by a designee of the City's council. Unassigned fund balance in the general fund is the net resources in excess of what can be properly classified in one of the above four categories. Negative unassigned fund balance in other governmental funds represents excess expenditures incurred over the amounts restricted, committed, or assigned to those purposes. Proprietary fund equity is classified the same as in the government-wide statements.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted fund balance. Furthermore, committed fund balances are reduced first, followed by assigned amounts, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of those unrestricted fund balance classifications can be used.

For the government-wide financial statements, net position are reported as restricted when constraints placed on net position are either: (1) Externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of the governments or (2) imposed by law through constitutional provision or enabling legislation.

***Use of Estimates***

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure 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.

***Reclassification***

Certain balances of the prior year have been reclassified to conform with the presentation of the current year with no effect on net position.

***Implementation of Governmental Accounting Standards Board (GASB) Statement No. 63 and 65***

During the year ended June 30, 2013, the City implemented two new accounting standards. GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, resulted in a change to the Authority's financial reporting. Those changes are reflected in this financial report. GASB No. 65, *Items Previously Reported as Assets and Liabilities*, resulted in no change.

**CITY OF EVANSTON, WYOMING**

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

**Note 2. Stewardship, Compliance, and Accounting**

***Budgets and Budgetary Accounting***

The City follows these procedures in establishing the budgetary data reflected in the financial statements:

1. Prior to May 15, the City Treasurer submits to the City Council a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them.
2. A public hearing is conducted on the third Tuesday in June to obtain public comments.
3. The budget is adopted no later than twenty-four hours after the third Tuesday in June.
4. At the request of the City Treasurer or upon its own motion after publication of notice, the City Council may by resolution transfer any unencumbered or unexpended appropriation balance or part thereof from one fund or department to another. Management may amend the budget at the object line item level without seeking Council approval provided the fund or department's total budget is not modified.
5. No officer or employee of the City shall make any expenditure or encumbrance in excess of the total appropriation for any department.
6. All appropriations excluding appropriations for capital projects shall lapse following the close of the budget year to the extent they are not expended.
7. The appropriated budget is prepared by fund, function, and department using the accrual basis of accounting. The government's department heads may make transfers of appropriations within a department. Transfers of appropriations between departments require the approval of the council. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the department level.
8. Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is not employed as an extension of formal budgetary integration.

**Note 3. Detailed Notes on all Funds**

***Deposits and Investments***

As of June 30, 2013, the City had the following investments:

Investment Type	Fair Value	Interest Rate	Investment Maturities (In Years)				Investment Ratings
			Less Than 1	1-5	6-10	More Than 10	
GNMA	\$ 34,037	5.50-9.50%	\$ -	\$ -	\$ 2,598	\$ 31,439	Not Rated
FHLB	9,447,956	1.50-2.04%	-	5,821,140	3,626,816	-	AAA/Aaa *
Certificates of deposit	666,196	4.00-5.00%	-	666,196	-	-	Not Rated
Money market	307	0.01%	307	-	-	-	Not Rated
State Treasurer's investment pool (WYO-STAR)	23,228,922		23,228,922	-	-	-	Not Rated
	<u>\$33,377,418</u>		<u>\$ 23,229,229</u>	<u>\$6,487,336</u>	<u>\$ 3,629,414</u>	<u>\$ 31,439</u>	

\* These investments were rated as AAA by Standard & Poor's and Aaa by Moody's Investors Service

**CITY OF EVANSTON, WYOMING**

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

**Note 3. Detailed Notes on all Funds (Continued)**

**Interest rate risk.** Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The City’s investments are held in an external pooled investment account, and as a means of limiting its exposure to fair value losses arising from rising interest rates, the City attempts to match its investment maturities to expected cash flow needs. With this investment focus, investments are expected to reach maturity with limited gains or losses.

**Credit risk.** State law does not allow governments to invest in commercial paper and corporate bonds. Therefore, the City’s investments have limited exposure to credit risk. As of June 30, 2013, the State Treasurer’s Investment Pool (WYO-STAR) did not have a quality service credit rating.

**Concentration of credit risk.** The City does not have a formal policy that mandates or limits an investment in any one issuer as of a specified percentage of the City’s total investments. The composition of the investment portfolio of City at June 30, 2013 is as follows:

Deposit and Investment Types	Fair Value	Percent of Portfolio
GNMA	\$ 34,037	0.10%
FHLB	9,447,956	28.31%
Certificate of deposits	666,196	2.00%
Money market	307	0.00%
WYO-STAR Investment Pool	23,228,922	69.59%
	\$ 33,377,418	100%

**Custodial credit risk – deposits.** In the case of deposits, this is the risk that in the event of a bank failure, the City’s deposits may not be returned to it. The City does not have a formal policy for custodial credit risk; however, State statutes require that the City’s deposits in excess of the Federal depository insurance amount be collateralized. At June 30, 2013, the City’s deposits were fully insured or collateralized as required by statutes.

**Custodial credit risk – investments.** For an investment, this is the risk that, in the event of the failure of the counterparty, 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 does not have a formal policy for custodial credit risk; however, all City investments were held by brokers or the Treasurer of the State of Wyoming in the City’s name.

**Equity in Pooled Cash and Investments – Internal Balances**

Except when required by trust agreements or City policy, the operating cash of certain funds are pooled into one bank account and/or investment not identified with any particular fund. The accounting records for each applicable fund reflect equity in the pooled cash and/or investments or its actual cash balance. When a particular fund overdraws its share of the pooled cash or investment account, the deficit is recorded as a payable in the fund and a corresponding entry is made in another fund to reflect the receivable from the other fund.

**CITY OF EVANSTON, WYOMING**

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

**Note 3. Detailed Notes on all Funds (Continued)**

***Equity in Pooled Cash and Investments - Internal Balances (Continued)***

The following is a detailed reconciliation of the City's individual fund level financial statement balances for the year ended June 30, 2013, to the government-wide statements.

	Government-Wide Statements Internal Balances		Fund Level Financial Statements Due From/To Other Funds	
	Receivable	Payable	Receivable	Payable
Due to/from other funds				
Governmental activities	\$ -	\$ 25,439,831	\$ -	\$ -
General fund	-	-	-	23,789,199
Business-type activities	25,439,831	-	-	-
Enterprise funds				
Water fund	-	-	12,573,401	-
Sewer fund	-	-	9,844,990	-
Sanitation fund	-	-	40,733	-
Golf fund	-	-	1,330,075	-
	\$ 25,439,831	\$ 25,439,831	\$ 23,789,199	\$ 23,789,199
Advances to/from other funds				
Governmental activities				
General fund	\$ -	\$ -	\$ -	\$ 1,650,632
Business-type activities				
Water fund	-	-	1,650,632	-
	\$ -	\$ -	\$ 1,650,632	\$ 1,650,632

The water fund advanced the general fund \$2,000,000 for the purpose of paying the construction costs incurred for the Restoration of Section One of the Roundhouse Project. The interest will be calculated using a rate equal to the WYO-STAR Investment account.

Year ending June 30,	Advance Payable Water Fund	
	Principal	Interest
2014	\$ 248,198	\$ 1,802
2015	248,469	1,531
2016	248,740	1,260
2017	249,011	988
2018	249,283	717
2018-2020	406,931	1,834
	\$ 1,650,632	\$ 8,132

**CITY OF EVANSTON, WYOMING**

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

**Note 3. Detailed Notes on all Funds (Continued)**

***Receivables***

As of year end, the City's accounts receivable including the applicable allowances for uncollectible accounts are as follows:

	General	Water Fund	Sewer Fund	Sanitation Fund	Nonmajor and Other Funds	Total
Receivables						
Customer	\$ -	\$ 306,339	\$ 101,930	\$ 68,413	\$ 2,231	\$ 478,913
Grants	151,466	-	-	-	-	151,466
Franchise fees	39,796	-	-	-	-	39,796
Sales and use tax	361,323	-	-	-	-	361,323
Municipal court	596,421	-	-	-	-	596,421
Miscellaneous	-	-	-	-	31,863	31,863
Allowance for bad debts	(559,228)	-	-	-	-	(559,228)
Internal service	2,196	-	-	-	-	2,196
	<u>\$ 589,778</u>	<u>\$ 306,339</u>	<u>\$ 101,930</u>	<u>\$ 68,413</u>	<u>\$ 34,094</u>	<u>\$ 1,102,750</u>

***Interfund Transfers***

The following is a detailed reconciliation of the City's interfund transfers for the year ended June 30, 2013.

	Transfers In	Transfers Out
Governmental Activities:		
General Fund	\$ 200,000	\$ 754,329
Internal Service Fund		
Motor Vehicle Fund	2,024	-
Permanent Fund		
Cemetery Fund	173,305	-
Total governmental activities	<u>375,329</u>	<u>754,329</u>
Business-type Activities:		
Golf Fund	579,000	-
Water Fund	-	200,000
Total business-type activities	<u>579,000</u>	<u>200,000</u>
Total governmental wide	<u>\$ 954,329</u>	<u>\$ 954,329</u>

Transfers are used to 1) move revenues from the fund with collection authorization to the debt service fund as debt service principal and interest payments become due, 2) move restricted amounts from borrowings to the debt service fund to establish mandatory reserve accounts, 3) move unrestricted general fund revenues to finance various programs that the government must account for in other funds in accordance with budgetary authorizations, including amounts provided as subsidies or matching funds for various grant programs.



**CITY OF EVANSTON, WYOMING**

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

**Note 3. Detailed Notes on all Funds (Continued)**

**Capital Assets**

Capital asset activity for the year ended June 30, 2013 was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental activities				
Capital assets not being depreciated				
Land	\$ 9,423,799	\$ 1,906,100	\$ -	\$11,329,899
Construction in progress	10,700	346,890	204,331	153,259
Total capital assets not being depreciated	<u>9,434,499</u>	<u>2,252,990</u>	<u>204,331</u>	<u>11,483,158</u>
Capital assets being depreciated				
Buildings and systems	39,873,777	309,348	-	40,183,125
Machinery and equipment	5,186,515	107,634	78,982	5,215,167
Infrastructure	17,588,070	-	-	17,588,070
Total capital assets being depreciated	<u>62,648,362</u>	<u>416,982</u>	<u>78,982</u>	<u>62,986,362</u>
Less accumulated depreciation for				
Buildings and systems	14,408,971	1,191,210	-	15,600,181
Machinery and equipment	4,443,594	172,860	78,730	4,537,724
Infrastructure	17,104,809	49,661	-	17,154,470
Total accumulated depreciation	<u>35,957,374</u>	<u>1,413,731</u>	<u>78,730</u>	<u>37,292,375</u>
Total capital assets, being depreciated, net	<u>26,690,988</u>	<u>(996,749)</u>	<u>252</u>	<u>25,693,987</u>
Governmental activities capital assets, net	<u><u>\$36,125,487</u></u>	<u><u>\$ 1,256,241</u></u>	<u><u>\$204,583</u></u>	<u><u>\$37,177,145</u></u>

**CITY OF EVANSTON, WYOMING**

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

**Note 3. Detailed Notes on All Funds (Continued)**

**Capital Assets (Continued)**

	Beginning Balance	Additions	Deletions	Ending Balance
Business-type activities				
Capital assets not being depreciated				
Land	\$ 733,694	\$ -	\$ -	\$ 733,694
Construction in progress	27,741	111,008	27,741	111,008
Total capital assets not being depreciated	761,435	111,008	27,741	844,702
Capital assets being depreciated				
Buildings and systems	65,456,701	234,527	-	65,691,228
Machinery and equipment	2,694,736	16,510	7,450	2,703,796
Total capital assets being depreciated	68,151,437	251,037	7,450	68,395,024
Less accumulated depreciation for				
Buildings and systems	34,029,994	1,278,828	-	35,308,822
Machinery and equipment	1,946,422	212,892	7,450	2,151,864
Total accumulated depreciation	35,976,416	1,491,720	7,450	37,460,686
Total capital assets, being depreciated, net	32,175,021	(1,240,683)	-	30,934,338
Business-type activities capital assets, net	\$ 32,936,456	\$ (1,129,675)	\$ 27,741	\$ 31,779,040

Machinery and equipment that was purchased through a lease purchase obligation is included in machinery and equipment of the business-type activities. The purchase price of that equipment was \$187,500 with accumulated depreciation of \$78,582 and the current year depreciation expense of \$37,500 was expensed in business-type activities.

**CITY OF EVANSTON, WYOMING**

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

**Note 3. Detailed Notes on All Funds (Continued)**

***Capital Assets (Continued)***

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

*Governmental activities*

General government	\$ 1,194,512
Public safety	85,381
Public works, including depreciation of general infrastructure assets	101,890
Capital assets held in the permanent fund	<u>31,948</u>
Total depreciation expense for governmental activities	<u><u>\$ 1,413,731</u></u>

*Business-type activities*

Water fund	\$ 976,993
Sewer fund	151,217
Golf fund	242,656
Sanitation fund	<u>120,854</u>
Total depreciation expense for business-type activities	<u><u>\$ 1,491,720</u></u>

***Long-Term Debt***

The changes on long-term debt for the year ended June 30, 2013 were as follows:

	<u>Balance July 1, 2012</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30, 2013</u>	<u>Due Within One Year</u>
Governmental activities					
Compensated absences	<u>\$ 696,055</u>	<u>\$ 33,713</u>	<u>\$ -</u>	<u>\$ 729,768</u>	<u>\$ 36,488</u>
Governmental activities long-term liabilities	<u><u>\$ 696,055</u></u>	<u><u>\$ 33,713</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 729,768</u></u>	<u><u>\$ 36,488</u></u>
For the governmental activities, compensated absences are generally liquidated by the general fund.					
Business-type activities					
Compensated absences	<u>\$ 228,853</u>	<u>\$ 2,546</u>	<u>\$ -</u>	<u>\$ 231,399</u>	<u>\$ 11,570</u>
Lease purchase obligation	<u>150,774</u>	<u>-</u>	<u>33,095</u>	<u>117,679</u>	<u>39,381</u>
Business-type activities long-term liabilities	<u><u>\$ 379,627</u></u>	<u><u>\$ 2,546</u></u>	<u><u>\$ 33,095</u></u>	<u><u>\$ 349,078</u></u>	<u><u>\$ 50,951</u></u>

**CITY OF EVANSTON, WYOMING**

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

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**Note 3. Detailed Notes on All Funds (Continued)**

***Long-Term Debt (Continued)***

Debt outstanding, (excluding accrued compensated absences) at June 30, 2013 is comprised of the following issue:

\$187,500 lease purchase obligation, interest rate 4.792%, payable monthly, principal and interest payments of \$3,282 through June 2015, serviced by the Golf Fund. \$ 117,679

Future minimum lease payments under all debt except compensated absences outstanding as of June 30, 2013 are as follows:

Year ending June 30,	
2014	\$ 39,381
2015	<u>86,640</u>
	126,021
Less amount representing interest	<u>(8,342)</u>
Net present value of minimum lease payment	<u><u>\$ 117,679</u></u>

***Assigned Fund Balances***

The City Council has established tentative plans for financial resources to be utilized in future periods. Such plans or intent are subject to change and may never be legally authorized or result in expenditures.

As of June 30, 2013 the City Council had established the following tentative plans:

Emergency building repairs as follows:

City Hall	\$ 1,000,000
Police and Fire Buildings	1,500,000
Public Works Buildings	1,000,000
Recreation Center	<u>2,000,000</u>
	<u><u>\$ 5,500,000</u></u>

**CITY OF EVANSTON, WYOMING**

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

**Note 3. Detailed Notes on All Funds (Continued)**

***Construction Commitments***

The City has several outstanding construction projects as of June 30, 2013. The projects include street improvements, stabilization of the machine shop, improvements to the recreation center, and the completion of the water treatment facilities. At year end, the City's commitments with contractors are as follows:

Project Name	Original Contract Amount	Expended To Date	Remaining Commitment
<b>Governmental-activities</b>			
<b>General Fund</b>			
Airport Planning Grant	\$ 25,000	\$ 14,940	\$ 10,060
Medical Spec Building	1,988,000	136,061	1,851,939
Urban Systems Street Overlay	158,430	2,258	156,172
Total governmental activities	2,171,430	153,259	2,018,171
<b>Business-type activities</b>			
<b>Water Fund</b>			
Medical Spec Building	65,000	19,779	45,221
Aspen Groves Valve Replacement	50,519	41,593	8,926
<b>Sewer Fund</b>			
Medical Spec Building	65,000	42,553	22,447
<b>Storm Water Fund</b>			
Medical Spec Building	25,000	7,083	17,917
Total business-type activities	205,519	111,008	94,511
Total primary government	\$ 2,376,949	\$ 264,267	\$ 2,112,682

***Risk Management***

The City is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets, errors and omissions, injuries to employees and natural disasters. During the year ended June 30, 2013 the City contracted with various insurance companies for property insurance (including boiler and machinery), general liability insurance, professional insurance and vehicle insurance. Settlements have not exceeded coverage's in any of the past three fiscal years. The government has had no significant reductions in insurance coverage from coverage in the prior years.

The Government pays into the State Worker's Compensations System a premium based on a rate per covered payroll. This rate is calculated based on accident history and administrative costs.

## CITY OF EVANSTON, WYOMING

### NOTES TO FINANCIAL STATEMENTS

June 30, 2013

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#### **Note 3. Detailed Notes on All Funds (Continued)**

##### ***Retirement Plans***

The City contributes to the Wyoming Retirement System (“System”) a statewide cost sharing multiple-employer public employee retirement (PERS). The System provides retirement, disability and death benefits according to the predetermined formulas. Benefits are established by Title 9, Chapter 3 of Wyoming Statutes. The System issued a publicly available financial report that includes audited financial statements and required supplementary information for the System. The report may be obtained by writing to the Wyoming Retirement System, Fifth Floor West, 6101 Yellowstone Road, Cheyenne, Wyoming 82002.

Plan members are required to contribute 7.00% of their annual covered salary and the City is required to contribute 7.12% of the annual covered payroll. Legislation enacted in 1979 allows the employer to pay any or all of the employee’s contribution in addition to the matching contribution. The City currently pays 11.44% of the required total contributions and the employees contribute the remaining portion, 2.68% of the required total contribution. Contribution rates are established by Title 9, Chapter 3 of the Wyoming Statutes.

The City’s contributions to the System for the years ended June 30, 2013, 2012, and 2011, were \$239,740 and \$254,552 and \$256,644 respectively and the employees’ contributions were \$55,568 and \$59,634 and \$56,278, respectively, equal to the required contribution for the year.

The City’s police officers also participate in the Wyoming Retirement System. The Police Pension Plan is funded by amounts withheld from participating employees’ salaries and by contributions from the City. These contributions are determined by state statutes and as of June 30, 2013 the percentages to be contributed on compensation were 8.60% for the employees and the same for the City. The City currently pays 11.44% of the required total contributions and the police officers contribute the remaining portion, 5.76% of the required total contribution.

For the years ended June 30, 2013, 2012, and 2011 the contributions to the Police Pension Plan were \$219,395, \$232,524 and \$241,990 respectively. The City’s portion of these contributions were \$145,923, \$154,655 and \$157,868 respectively and the employees’ contributions were \$73,472, \$77,869 and \$84,123, respectively, equal to the required contributions for each year.

#### **Note 4. Operating Lease – Lessor**

Under a month to month agreement, the City leased a building to a tenant at the rate of \$8,000 per month for the first year and increasing \$1,000 per month for each subsequent year. The cost of the leased property is \$3,617,843 with accumulated depreciation of \$452,478. Rental income from this lease was \$98,000 for the year ending June 30, 2013.

#### **Note 5. Accounting Standards Issued, But Not Implemented**

As of June 30, 2013, the Governmental Accounting Standards Board had issued the following standards which the City will implement in its next fiscal year.

Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27* was issued to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. Management has not concluded its assessment of the effect of implementing this guidance.

**REQUIRED SUPPLEMENTARY INFORMATION**

**CITY OF EVANSTON, WYOMING**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL**

General Fund  
Year Ended June 30, 2013

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>PROPERTY TAXES AND OTHER TAXES</b>				
Property taxes	\$ 475,000	\$ 475,000	\$ 616,944	\$ 141,944
Motor vehicle tax	225,000	225,000	273,590	48,590
Sales and use taxes	4,435,000	4,435,000	5,070,815	635,815
Franchise fees	138,500	138,500	176,232	37,732
Car company tax	200	200	607	407
	<u>5,273,700</u>	<u>5,273,700</u>	<u>6,138,188</u>	<u>864,081</u>
<b>LICENSES AND PERMITS</b>	<u>91,100</u>	<u>91,100</u>	<u>147,197</u>	<u>56,097</u>
<b>INTERGOVERNMENTAL REVENUES</b>				
State gasoline tax	270,000	270,000	328,515	58,515
Severance tax	447,000	447,000	456,164	9,164
Cigarette tax	118,257	118,257	107,445	(10,812)
State funding	698,383	698,383	698,375	(8)
Grants	4,279,298	4,358,904	2,207,524	(2,151,380)
Mineral royalties	675,000	675,000	665,962	(9,038)
	<u>6,487,938</u>	<u>6,567,544</u>	<u>4,463,985</u>	<u>(2,103,559)</u>
<b>CHARGES FOR SERVICES</b>				
Public safety fees	21,500	21,500	20,890	(610)
Permits and fees	9,900	9,900	17,503	7,603
	<u>31,400</u>	<u>31,400</u>	<u>38,393</u>	<u>6,993</u>
<b>FINES AND FORFEITURES</b>	<u>202,000</u>	<u>202,000</u>	<u>158,559</u>	<u>(43,441)</u>
<b>MISCELLANEOUS REVENUES</b>				
Interest earnings	245,000	245,000	(195,196)	(440,196)
Leases	16,300	16,300	25,057	8,757
Gain on sale of fixed assets	1,000	1,000	90	(910)
	<u>262,300</u>	<u>262,300</u>	<u>(170,049)</u>	<u>(432,349)</u>
<b>Total revenues</b>	<u>12,348,438</u>	<u>12,428,044</u>	<u>10,776,273</u>	<u>(1,652,178)</u>

(Continued)



**CITY OF EVANSTON, WYOMING**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL (CONTINUED)**

General Fund  
Year Ended June 30, 2013

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>GENERAL GOVERNMENT</b>				
City Council				
Salaries and benefits	\$ 112,953	\$ 112,953	\$ 110,515	\$ 2,438
Contractual	90,353	90,353	63,670	26,683
	<u>203,306</u>	<u>203,306</u>	<u>174,185</u>	<u>29,121</u>
Attorney				
Contractual	157,000	157,000	130,278	26,722
	<u>157,000</u>	<u>157,000</u>	<u>130,278</u>	<u>26,722</u>
Judicial				
Salaries and benefits	67,037	67,037	60,640	6,397
Contractual	74,827	74,827	56,548	18,279
	<u>141,864</u>	<u>141,864</u>	<u>117,188</u>	<u>24,676</u>
Mayor				
Contractual	6,100	6,100	1,558	4,542
	<u>6,100</u>	<u>6,100</u>	<u>1,558</u>	<u>4,542</u>
Community Development				
Salaries and benefits	239,547	239,547	226,882	12,665
Contractual	55,554	55,554	24,640	30,914
	<u>295,101</u>	<u>295,101</u>	<u>251,522</u>	<u>43,579</u>
Administrative				
Salaries and benefits	137,754	137,754	128,439	9,315
Contractual	138,906	138,906	54,099	84,807
	<u>276,660</u>	<u>276,660</u>	<u>182,538</u>	<u>94,122</u>
Treasury				
Salaries and benefits	234,706	234,706	230,311	4,395
Contractual	107,325	107,325	86,021	21,304
	<u>342,031</u>	<u>342,031</u>	<u>316,332</u>	<u>25,699</u>
Clerk				
Salaries and benefits	208,240	208,240	211,974	(3,734)
Contractual	80,084	80,084	37,995	42,089
	<u>288,324</u>	<u>288,324</u>	<u>249,969</u>	<u>38,355</u>
Emergency Reserve				
Contractual	93,000	93,000	36,737	56,263
	<u>93,000</u>	<u>93,000</u>	<u>36,737</u>	<u>56,263</u>
Urban Renewal				
Salaries and benefits	62,807	62,807	62,144	663
Contractual	43,735	43,735	16,850	26,885
	<u>106,542</u>	<u>106,542</u>	<u>78,994</u>	<u>27,548</u>
Economic Development				
Contractual	21,250	21,250	14,636	6,614
	<u>21,250</u>	<u>21,250</u>	<u>14,636</u>	<u>6,614</u>

(Continued)

**CITY OF EVANSTON, WYOMING**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL (CONTINUED)**

General Fund  
Year Ended June 30, 2013

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>GENERAL GOVERNMENT (Continued)</b>				
Youth Services - Summer Youth Program				
Salaries and benefits	\$ -	\$ -	\$ 2,583	\$ (2,583)
	-	-	2,583	(2,583)
Youth Services				
Salaries and benefits	35,475	35,475	18,263	17,212
Contractual	72,000	72,000	68,039	3,961
	107,475	107,475	86,302	21,173
YDAC Grant				
Salaries and benefits	87,454	87,454	52,298	35,156
Contractual	41,927	41,927	37,196	4,731
	129,381	129,381	89,494	39,887
General Services				
Salaries and benefits	494,353	494,353	441,069	53,284
Contractual	433,513	433,513	383,031	50,482
	927,866	927,866	824,100	103,766
Total general government	3,095,900	3,095,900	2,556,416	539,484
<b>PUBLIC SAFETY AND TRANSPORTATION</b>				
Police Administrative				
Salaries and benefits	110,634	110,634	109,935	699
Contractual	296,834	296,834	197,497	99,337
	407,468	407,468	307,432	100,036
Police Detective				
Salaries and benefits	649,077	649,077	482,669	166,408
Contractual	32,810	32,810	21,910	10,900
	681,887	681,887	504,579	177,308
Police Patrol				
Salaries and benefits	1,459,187	1,459,187	1,273,287	185,900
Contractual	97,200	97,200	83,592	13,608
	1,556,387	1,556,387	1,356,879	199,508
Support				
Salaries and benefits	419,075	419,075	408,910	10,165
Contractual	22,358	22,358	18,182	4,176
	441,433	441,433	427,092	14,341
Police Grants				
Salaries and benefits	42,481	42,481	39,176	3,305
Contractual	67,761	67,761	45,652	22,109
	110,242	110,242	84,828	25,414
Total public safety and transportation	3,197,417	3,197,417	2,680,810	516,607

(Continued)

**CITY OF EVANSTON, WYOMING**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL (CONTINUED)

General Fund  
Year Ended June 30, 2013

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>PARKS AND RECREATION</b>				
Administrative				
Contractual	\$ 1,161,538	\$ 1,161,538	\$ 1,148,865	\$ 12,673
	<u>1,161,538</u>	<u>1,161,538</u>	<u>1,148,865</u>	<u>12,673</u>
Total parks and recreation	<u>1,161,538</u>	<u>1,161,538</u>	<u>1,148,865</u>	<u>12,673</u>
<b>PUBLIC WORKS</b>				
Administrative				
Salaries and benefits	185,067	185,067	151,542	33,525
Contractual	53,266	53,266	27,111	26,155
	<u>238,333</u>	<u>238,333</u>	<u>178,653</u>	<u>59,680</u>
Engineering				
Salaries and benefits	67,100	67,100	53,870	13,230
Contractual	37,717	37,717	11,685	26,032
	<u>104,817</u>	<u>104,817</u>	<u>65,555</u>	<u>39,262</u>
Streets				
Salaries and benefits	559,758	559,758	432,992	126,766
Contractual	1,148,163	1,148,163	778,546	369,617
	<u>1,707,921</u>	<u>1,707,921</u>	<u>1,211,538</u>	<u>496,383</u>
Total public works	<u>2,051,071</u>	<u>2,051,071</u>	<u>1,455,746</u>	<u>595,325</u>
<b>INTERGOVERNMENTAL EXPENDITURES</b>	<u>858,850</u>	<u>896,745</u>	<u>721,812</u>	<u>174,933</u>
<b>CAPITAL OUTLAY</b>	<u>4,548,431</u>	<u>4,633,537</u>	<u>2,427,972</u>	<u>2,205,565</u>
Total expenditures	<u>14,913,207</u>	<u>15,036,208</u>	<u>10,991,621</u>	<u>4,044,587</u>
Excess (deficiency) of revenues over expenditures	<u>(2,564,769)</u>	<u>(2,608,164)</u>	<u>(215,348)</u>	<u>2,392,816</u>
<b>Other financing (uses)</b>				
Transfers in	200,000	200,000	200,000	-
Transfers (out)	(1,112,270)	(1,112,270)	(754,329)	357,941
Total other financing (uses)	<u>(912,270)</u>	<u>(912,270)</u>	<u>(554,329)</u>	<u>357,941</u>
Net change in fund balance	<u>(3,477,039)</u>	<u>(3,520,434)</u>	<u>(769,677)</u>	<u>2,750,757</u>
Fund balance - beginning of year	<u>8,656,513</u>	<u>8,656,513</u>	<u>8,656,513</u>	<u>-</u>
Fund balance - end of year	<u>\$ 5,179,474</u>	<u>\$ 5,136,079</u>	<u>\$ 7,886,836</u>	<u>\$ 2,750,757</u>

**COMBINING AND INDIVIDUAL FUND INFORMATION AND  
OTHER SUPPLEMENTARY INFORMATION**

## **NONMAJOR GOVERNMENTAL FUNDS**

### **SPECIAL REVENUE FUNDS**

Special Revenue Funds are used to account for the proceeds of designated specific revenue sources that are restricted to expenditure for specified purposes.

- The Lodging Tax Fund is used to account for the special 3% lodging tax that is restricted for the purpose of promoting tourism within the City.
- The Economic Development Fund is used to account for the lease with Wyoming Northstar Incorporated and Clean Energy that is restricted for the purpose of economic development of the City.

### **PERMANENT FUND**

Permanent funds are used to report resources that are legally restricted to the extent that only earnings, not principal, may be used for the purposes that support the reporting government's programs.

- Permanent Fund - Cemetery Fund - This fund is used to account for the assets held by the City for the ongoing maintenance of the public cemetery.

**CITY OF EVANSTON, WYOMING**

**COMBINING BALANCE SHEET  
Nonmajor Governmental Funds  
June 30, 2013**

	Special Revenue			Permanent Fund	Total Nonmajor Governmental Funds
	Lodging Tax Fund	Economic Development Fund	Total	Cemetery Fund	
<b>ASSETS</b>					
Cash and cash equivalents	\$ 826,202	\$ 247,790	\$ 1,073,992	\$ 492,370	\$ 1,566,362
Accounts receivable	21,271	-	21,271	10,592	31,863
Total assets	<u>\$ 847,473</u>	<u>\$ 247,790</u>	<u>\$ 1,095,263</u>	<u>\$ 502,962</u>	<u>\$ 1,598,225</u>
<b>LIABILITIES</b>					
Accounts payable	\$ -	\$ -	\$ -	\$ 49	\$ 49
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>49</u>	<u>49</u>
<b>FUND BALANCES</b>					
Nonspendable					
Permanent fund principal	-	-	-	100,000	100,000
Restricted	-	-	-	105,847	105,847
Unassigned	847,473	247,790	1,095,263	297,066	1,392,329
Total fund balances	<u>847,473</u>	<u>247,790</u>	<u>1,095,263</u>	<u>502,913</u>	<u>1,598,176</u>
Total liabilities and fund balances	<u>\$ 847,473</u>	<u>\$ 247,790</u>	<u>\$ 1,095,263</u>	<u>\$ 502,962</u>	<u>\$ 1,598,225</u>

**CITY OF EVANSTON, WYOMING**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
Nonmajor Governmental Funds  
Year Ended June 30, 2013**

	Special Revenue			Permanent Fund	Total Nonmajor Governmental Funds
	Lodging Tax Fund	Economic Development Fund	Total	Cemetery Fund	
Revenues					
Taxes	\$ 233,932	\$ -	\$ 233,932	\$ -	\$ 233,932
Charges for services	-	-	-	58,812	58,812
Rental income	-	98,000	98,000	-	98,000
Interest and miscellaneous	308	-	308	5,403	5,711
Total revenues	234,240	98,000	332,240	64,215	396,455
Expenditures					
Current					
Health, welfare and recreation	156,014	-	156,014	189,015	345,029
Capital outlay	-	152,717	152,717	16,029	168,746
Total expenditures	156,014	152,717	308,731	205,044	513,775
Excess (deficiency) of revenues over expenditures	78,226	(54,717)	23,509	(140,829)	(117,320)
Other Financing Sources					
Transfers in	-	-	-	173,305	173,305
Total other financing sources	-	-	-	173,305	173,305
Net change in fund balances	78,226	(54,717)	23,509	32,476	55,985
Fund balances - beginning of year	769,247	302,507	1,071,754	470,437	1,542,191
Fund balances - end of year	<u>\$ 847,473</u>	<u>\$ 247,790</u>	<u>\$ 1,095,263</u>	<u>\$ 502,913</u>	<u>\$ 1,598,176</u>

**CITY OF EVANSTON, WYOMING**

SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND  
BALANCE - BUDGET AND ACTUAL  
Special Revenue Fund - Lodging Tax  
Year Ended June 30, 2013

	Budgeted Amounts		Actual	Variance with final Budget Positive (Negative)
	Original	Final		
Revenues				
Lodging tax	\$ 225,000	\$ 225,000	\$ 233,932	\$ 8,932
Interest	50	50	308	258
Total revenues	<u>225,050</u>	<u>225,050</u>	<u>234,240</u>	<u>9,190</u>
Expenditures				
General expenses	650	650	436	214
Marketing and promotion	183,350	183,350	125,258	58,092
Matching fund/grants	22,000	22,000	11,270	10,730
Contractual services	19,050	19,050	19,050	-
Total expenditures	<u>225,050</u>	<u>225,050</u>	<u>156,014</u>	<u>69,036</u>
Excess of revenues over expenditures	-	-	78,226	78,226
Fund balance - beginning of year	<u>769,247</u>	<u>769,247</u>	<u>769,247</u>	<u>122,714</u>
Fund balance - end of year	<u>\$ 769,247</u>	<u>\$ 769,247</u>	<u>\$ 847,473</u>	<u>\$ 78,226</u>



## **NONMAJOR PROPRIETARY FUNDS**

Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises - where the intent of the government's council is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or where the government's council has decided that periodic determination of net income is appropriate for accountability purposes.

### **STORM WATER MAINTENANCE FUND**

The Storm Water Maintenance Fund is an enterprise fund used to account for the maintenance of the City's Storm Water system.

**CITY OF EVANSTON, WYOMING**

STATEMENT OF NET POSITION

Nonmajor Proprietary Fund

June 30, 2013

	Business-type Activities - Enterprise Funds	
	Storm Water Maintenance Fund	Total Other Enterprise Fund
<b>ASSETS</b>		
Current assets		
Cash and cash equivalents	\$ 225,284	\$ 225,284
Accounts receivable (net of allowance for uncollectibles)	2,231	2,231
Total current assets	227,515	227,515
Capital assets		
Construction in progress	7,084	7,084
Total capital assets (net of accumulated depreciation)	7,084	7,084
Total assets	234,599	234,599
<b>LIABILITIES</b>		
Current liabilities		
Accounts payable	7,084	7,084
Total current liabilities	7,084	7,084
Total liabilities	7,084	7,084
<b>NET POSITION</b>		
Invested in capital assets, net of related debt	-	-
Unassigned	227,515	227,515
Total net position	\$ 227,515	\$ 227,515

**CITY OF EVANSTON, WYOMING**

**STATEMENT OF REVENUES, EXPENSES, AND  
CHANGES IN FUND NET POSITION**

Nonmajor Proprietary Fund  
Year Ended June 30, 2013

	<u>Business-type Activities - Enterprise Funds</u>	
	<u>Storm Water Maintenance Fund</u>	<u>Total Other Enterprise Fund</u>
Operating revenues		
Charges for services	\$ 24,849	\$ 24,849
Total operating revenues	<u>24,849</u>	<u>24,849</u>
Operating expenses		
Total operating expenses	<u>-</u>	<u>-</u>
Operating income	<u>24,849</u>	<u>24,849</u>
Nonoperating revenues		
Total nonoperating revenues	<u>-</u>	<u>-</u>
Income before transfers	<u>24,849</u>	<u>24,849</u>
Change in net position	24,849	24,849
Total net position - beginning of year	<u>202,666</u>	<u>202,666</u>
Total net position - end of year	<u><u>\$ 227,515</u></u>	<u><u>\$ 227,515</u></u>

**CITY OF EVANSTON, WYOMING**

STATEMENT OF CASH FLOWS  
 Nonmajor Proprietary Fund  
 Year Ended June 30, 2013

	Business-type Activities - Enterprise Funds	
	Storm Water Maintenance Fund	Total Other Enterprise Fund
Cash flows from operating activities:		
Cash received from customers	\$ 24,798	\$ 24,798
Net cash provided by operating activities	24,798	24,798
Cash flows from noncapital financing activities:		
Net cash provided by noncapital financing activities	-	-
Cash flows from capital and related financing activities:		
Net cash (used) for capital and related financing activities	-	-
Net increase in cash and cash equivalents	24,798	24,798
Cash and cash equivalents - beginning of year	200,486	200,486
Cash and cash equivalents - end of year	\$ 225,284	\$ 225,284
Reconciliation of operating income to net cash provided by operating activities:		
Operating income	\$ 24,849	\$ 24,849
Adjustments to reconcile income to net cash provided by operating activities:		
Changes in assets and liabilities:		
Accounts receivable	(51)	(51)
Net cash operating activities	\$ 24,798	\$ 24,798

### **INTERNAL SERVICE FUNDS**

Internal Service Funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the City, or to other governments, on a cost-reimbursement basis.

### **MOTOR VEHICLE FUND**

Motor Vehicle Fund - This fund is used to account for the financing of motor vehicle services provided for the various departments of the City.

**CITY OF EVANSTON, WYOMING**

**STATEMENT OF NET POSITION**

Internal Service Fund

June 30, 2013

	<u>Motor Vehicle Fund</u>	<u>Total</u>
<b>ASSETS</b>		
Current assets		
Cash and cash equivalents	\$ 106,610	\$ 106,610
Accounts receivable	2,197	2,197
Inventory	<u>7,199</u>	<u>7,199</u>
Total current assets	<u>116,006</u>	<u>116,006</u>
Capital assets		
Building and systems	278,623	278,623
Machinery and equipment	<u>44,291</u>	<u>44,291</u>
	322,914	322,914
Less accumulated depreciation	<u>322,603</u>	<u>322,603</u>
Total capital assets (net of accumulated depreciation)	<u>311</u>	<u>311</u>
Total assets	<u>116,317</u>	<u>116,317</u>
<b>LIABILITIES</b>		
Total liabilities	<u>-</u>	<u>-</u>
<b>NET POSITION</b>		
Invested in capital assets, net of related debt	311	311
Unrestricted	<u>116,006</u>	<u>116,006</u>
Total net position	<u>\$ 116,317</u>	<u>\$ 116,317</u>

**CITY OF EVANSTON, WYOMING**

**STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN FUND NET POSITION**

Internal Service Fund  
Year Ended June 30, 2013

	<u>Motor Vehicle Fund</u>	<u>Total</u>
Operating revenues		
Charges for services	<u>\$ 55,743</u>	<u>\$ 55,743</u>
Total operating revenues	<u>55,743</u>	<u>55,743</u>
Operating expenses		
Reproduction	13,772	13,772
Supplies	<u>42,561</u>	<u>42,561</u>
Total operating expenses	<u>56,333</u>	<u>56,333</u>
Operating loss	<u>(590)</u>	<u>(590)</u>
Non operating revenues		
Transfer in	<u>2,024</u>	<u>2,024</u>
Change in net position	1,434	1,434
Net position - beginning of year	<u>114,883</u>	<u>114,883</u>
Net position - end of year	<u><u>\$ 116,317</u></u>	<u><u>\$ 116,317</u></u>

**CITY OF EVANSTON, WYOMING**

STATEMENT OF CASH FLOWS  
Internal Service Fund  
Year Ended June 30, 2013

	Motor Vehicle Fund	Total
Cash flows from operating activities		
Cash received from other funds	\$ 54,168	\$ 54,168
Cash payments to suppliers for services	<u>(58,001)</u>	<u>(58,001)</u>
Net cash provided by operating activities	<u>(3,833)</u>	<u>(3,833)</u>
Cash flows from noncapital financing activities	<u>2,024</u>	<u>2,024</u>
Cash flows from capital and related financing activities	<u>-</u>	<u>-</u>
Cash flows from investing activities	<u>-</u>	<u>-</u>
Net decrease in cash and cash equivalents	(1,809)	(1,809)
Cash and cash equivalents - beginning of year	<u>108,419</u>	<u>108,419</u>
Cash and cash equivalents - end of year	<u>\$ 106,610</u>	<u>\$ 106,610</u>
 Reconciliation of operating loss to net cash provided by operating activities		
Operating loss	\$ (590)	\$ (590)
Adjustments to reconcile income to net cash provided by operating activities:		
Change in assets and liabilities:		
Accounts receivable	(1,575)	(1,575)
Inventory	(1,433)	(1,433)
Accounts payable	<u>(235)</u>	<u>(235)</u>
Net cash provided by operating activities	<u>\$ (3,833)</u>	<u>\$ (3,833)</u>



**CITY OF EVANSTON, WYOMING**

**STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS**

Youth Drug and Alcohol Court

Year Ended June 30, 2013

Receipts	
Cash match	\$ 24,153
Participant fees	700
State grants	80,595
Total received	<u>105,448</u>
Disbursements	
Salaries	43,993
Employee benefits	31,398
Professional services contract	11,400
Office expense	11,095
Program materials	778
Education and training	1,193
Awards	205
Drug Court contract	10,419
Detention	630
Residential care/detention	1,300
Travel	1,235
Total disbursements	<u>113,646</u>
(Deficiency) of receipts over disbursements	(8,198)
Cash available - beginning of year	<u>7,733</u>
Cash - end of year	<u>\$ (465)</u>

**CAPITAL ASSETS  
USED IN THE OPERATION  
OF GOVERNMENTAL FUNDS**

**CITY OF EVANSTON, WYOMING**

**CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS**

Schedule By Source\*

June 30, 2013

Governmental funds capital assets	
Land	\$ 11,329,898
Building	39,904,502
Machinery and equipment	5,170,876
Infrastructure	17,588,070
Construction in progress	<u>153,259</u>
Total governmental funds capital assets	<u><u>\$ 74,146,605</u></u>
Investments in governmental funds capital assets by source	
General fund	<u>\$ 74,146,605</u>
Total governmental funds capital assets	<u><u>\$ 74,146,605</u></u>

\*This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. Generally, the capital assets of internal service funds are included as governmental activities in the statement of net position.

**CITY OF EVANSTON, WYOMING**

**CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENT FUNDS**

Schedule By Function and Activity \*

June 30, 2013

Function and Activity	Land	Building and Improvements	Machinery and Equipment
<b>General Government</b>			
General services	\$ 11,329,898	\$ 39,829,691	\$ 731,448
Council	-	-	18,394
Engineering	-	-	89,242
Judicial	-	-	4,433
Economic development	-	-	6,900
Executive	-	-	30,048
Treasurer	-	-	43,899
Clerk	-	-	3,062
Youth services	-	-	62,169
Purchasing	-	-	5,318
Community development	-	-	141,993
Total general government	<u>11,329,898</u>	<u>39,829,691</u>	<u>1,136,906</u>
<b>Public Safety</b>			
Police department	-	-	1,140,173
Total safety	<u>-</u>	<u>-</u>	<u>1,140,173</u>
<b>Highway, Streets and Recreation</b>			
Public works	-	-	77,296
Streets	-	-	2,138,581
Parks and recreation	-	74,811	677,920
Total highway, streets and recreation	<u>-</u>	<u>74,811</u>	<u>2,893,797</u>
Total governmental funds capital assets	<u>\$ 11,329,898</u>	<u>\$ 39,904,502</u>	<u>\$ 5,170,876</u>

\*This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. Generally, the capital assets of internal service funds are included as governmental activities in the statement of net position.

<u>Infrastructure</u>	<u>Construction in Progress</u>	<u>Total</u>
\$ -	\$ 153,259	\$ 52,044,296
-	-	18,394
-	-	89,242
-	-	4,433
-	-	6,900
-	-	30,048
-	-	43,899
-	-	3,062
-	-	62,169
-	-	5,318
-	-	141,993
-	153,259	52,449,754
-	-	1,140,173
-	-	1,140,173
-	-	77,296
17,588,070	-	19,726,651
-	-	752,731
17,588,070	-	20,556,678
\$ 17,588,070	\$ 153,259	\$ 74,146,605

**CITY OF EVANSTON, WYOMING**

**CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS**

Schedule of Changes by Function and Activity \*

Year Ended June 30, 2013

Function and Activity	Governmental			Governmental
	Funds Capital Assets June 30, 2012	Additions	Deductions	Funds Capital Assets June 30, 2013
<b>General Government</b>				
General services	\$ 49,652,660	\$ 2,238,377	\$ -	\$ 51,891,037
Council	55,734	-	37,340	18,394
Engineering	89,242	-	-	89,242
Judicial	4,433	-	-	4,433
Economic development	6,900	-	-	6,900
Executive	30,048	-	-	30,048
Treasurer	43,899	-	-	43,899
Clerk	3,062	-	-	3,062
Youth services	81,740	-	19,571	62,169
Purchasing	5,318	-	-	5,318
Community development	142,564	-	571	141,993
<b>Total general government</b>	<b>50,115,600</b>	<b>2,238,377</b>	<b>57,482</b>	<b>52,296,495</b>
<b>Public Safety</b>				
Police department	1,150,283	10,390	20,500	1,140,173
<b>Total safety</b>	<b>1,150,283</b>	<b>10,390</b>	<b>20,500</b>	<b>1,140,173</b>
<b>Highway, Streets and Recreation</b>				
Public works	70,996	7,300	1,000	77,296
Streets	2,124,436	14,145	-	2,138,581
Streets - infrastructure	17,588,070	-	-	17,588,070
Parks and recreation	699,861	52,870	-	752,731
<b>Total highway, Streets and recreation</b>	<b>20,483,363</b>	<b>74,315</b>	<b>1,000</b>	<b>20,556,678</b>
Construction in progress	10,700	153,259	10,700	153,259
<b>Total general fixed assets</b>	<b>\$ 71,759,946</b>	<b>\$ 2,476,341</b>	<b>\$ 89,682</b>	<b>\$ 74,146,605</b>

\* This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. Generally, the capital assets of internal service funds are included as governmental activities in the statement of net position.

**COMPLIANCE SECTION**



# PORTER, MUIRHEAD, CORNIA & HOWARD

(A Corporation of Certified Public Accountants)

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## 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

### INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Members of the City Council  
City of Evanston, Wyoming

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 remaining fund information of the City of Evanston, Wyoming, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the City of Evanston's basic financial statements and have issued our report thereon dated November 25, 2013.

#### ***Internal Control Over Financial Reporting***

In planning and performing our audit of the financial statements, we considered the City of Evanston, Wyoming's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Evanston, Wyoming's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Evanston, Wyoming'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 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 the 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 a material weakness. However, material weaknesses may exist that have not been identified.




Honorable Mayor and Members of the City Council  
City of Evanston, Wyoming

***Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the City of Evanston, Wyoming's financial statements are free of 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 City of Evanston, Wyoming's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

  
Porter, Muirhead, Cornia & Howard  
Certified Public Accountants

November 25, 2013