



City of  
**Evans, Colorado**

Financial Statements  
and Supplementary Information  
For the Year Ended December 31, 2012

# City of Evans

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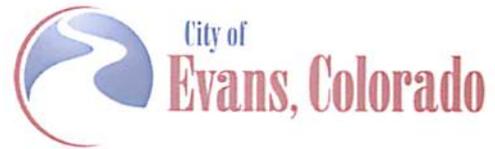
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# City of Evans

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May 7, 2012

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

State Law requires that all general-purpose local governments publish within 240 days of the close of each fiscal year a complete set of financial statements presented in conformity with accounting principles generally accepted in the United States (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the comprehensive annual financial report of the City of Evans for the fiscal year ended December 31, 2012.

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

The City of Evans financial statements have been audited by Anton Collins Mitchell, LLP, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of Evans for the fiscal year ended December 31, 2012, are free of material misstatement. The independent auditor concluded based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the City of Evans' financial statements for the fiscal year ended December 31, 2012 are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

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

Respectfully submitted,

A blue ink signature of Aden Hogan, Jr., consisting of a large, stylized initial 'A' followed by a cursive name.

Aden Hogan, Jr.  
City Manager

A blue ink signature of Jessica Gonifas, consisting of a cursive name.

Jessica Gonifas, CPA  
Deputy City Manager

City of Evans, 1100 37<sup>TH</sup> Street, Evans Community Complex, Evans, Colorado 80620,  
Phone – 970.475.1101, Fax – 970.330.3472, Website – [www.cityofevans.org](http://www.cityofevans.org)



## Independent Auditor's Report

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Evans, Colorado (the "City"), as of December 31, 2012, and for the year then ended, 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*

The City's management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

### *Opinion*

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 as of December 31, 2012, 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 ("GAAP").



### *Emphasis of Matter*

As discussed in Note 1 to the basic financial statements, the City incorporated deferred outflows of resources and deferred inflows of resources into the definitions of the required components of the residual measure of net position due to the adoption of Governmental Accounting Standards Board Statement No. 63, "Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position." The adoption of this standard also provides a new statement of net position format to report all assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position. Our opinion is not modified with respect to this matter.

### *Other Matters*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 13, the budgetary comparison information on page 46, and Volunteer Firefighters' Pension Plan-Analysis of Funding Progress on page 47 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with evidence sufficient to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual nonmajor fund financial statements, budgetary comparison schedules on pages 48 to 64, and Local Highway Finance Report are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

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

*Anton Collins Mitchell LLP*

Greeley, Colorado  
May 7, 2013

May 7, 2013



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

To serve the citizens of the City of Evans (the "City"), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended December 31, 2012. Please read the information presented here in conjunction with the City's financial statements beginning on page 14.

### ***FINANCIAL HIGHLIGHTS***

- The assets of the City exceeded its liabilities at the close of 2012 by \$102.4 million (net position). Of this amount, \$10.0 million (unrestricted net position) may be used to meet the City's ongoing obligations to citizens and creditors. Of the remaining balance, \$89.2 million is investments in capital assets and \$3.2 million is restricted for other purposes.
- The City's total net position increased by \$3.0 million. The governmental activities drove this change with an increase of \$3.5 million due to an increase in revenue.
- Sales and use tax collections increased by \$857 thousand, a 15 percent increase over the prior year. Economic condition improvements contributed to this increase.
- At the end of 2012, the City's governmental funds reported combined ending fund balances of \$9.4 million, an increase of \$1.5 million in comparison to the ending balances of 2011. Of this total amount, \$4.5 million, or 48 percent, is available for spending at the City's discretion (unassigned fund balance).
- At the end of 2012, the unassigned fund balance for the general fund was \$4.5 million, which was 37 percent of total general fund 2012 expenditures. In addition, the City Charter requires the Emergency Contingency Fund to maintain a balance of 25 percent of the preceding fiscal year's (2011) audited General Fund expenditures. The resulting 2012 fund balance related to the Emergency Contingency Fund (shown as combined with the General Fund) amounts to \$2.2 million in reserve for emergencies. Fund balances at 2012 year end for the General Fund, including the Emergency Contingency Fund, amount to \$7.1 million.

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

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

## **Government-wide Financial Statements – Reporting the City of Evan’s as a Whole**

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

The **statement of net position** presents information on all of the City of Evans’ assets 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 is improving or deteriorating.

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

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

The government-wide financial statements include solely the operations of the City itself. There are no additional discrete or blended component units.

The government-wide financial statements can be found on Pages 14-16 of this report.

## **Fund Financial Statements – Reporting the City of Evan’s Most Significant Funds**

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

**Governmental funds** - Governmental funds are used to account for the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on upcoming inflows and outflows of resources, as well as on balances of resources available at the end of the fiscal year. Such information may be useful in evaluating a government’s upcoming financing requirements.

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

The City maintains nine 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 and street construction funds, which are major funds. Data from the remaining seven governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements included in other supplementary information.

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

The basic governmental fund financial statements are found on Pages 17-20 of this report.

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

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

The basic proprietary fund financial statements can be found on Pages 21-23 of this report.

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

The basic fiduciary fund financial statements can be found on Pages 24-25 of this report.

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

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements are found on Pages 26-45 of this report.

### ***Other information***

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City. Required and other supplementary information can be found on Pages 46-66 of this report.

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

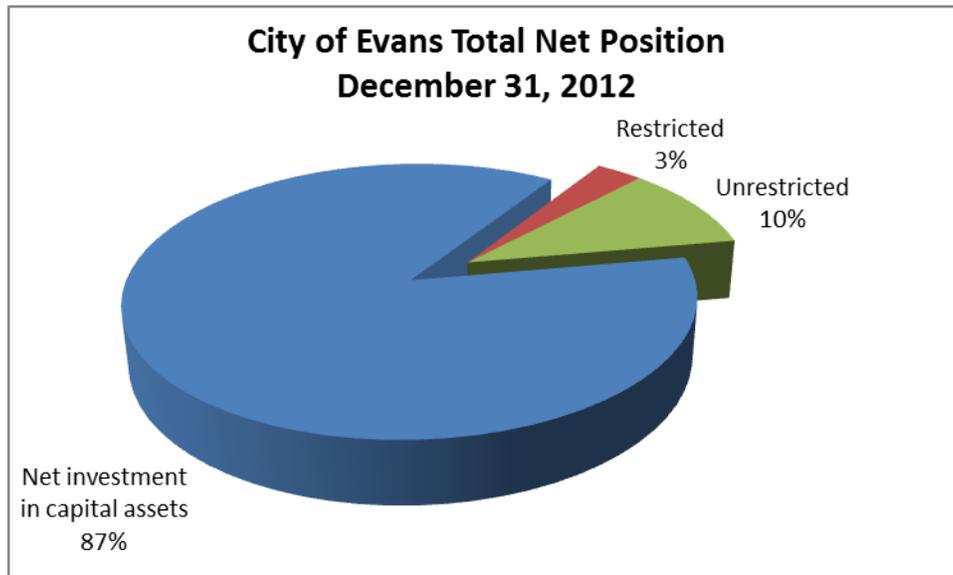
As noted earlier, net position may serve as a useful indicator of a government's financial position. In the case of the City, assets exceeded liabilities by \$102.4 million at the close of 2012.

By far the largest portion (87 percent) of the City's net position reflects its investment in capital assets (e.g., land, buildings, machinery and equipment and infrastructure) less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net position (3 percent) represents resources that are subjected to external and internal restrictions on how they may be used. The remaining balance of unrestricted net position (\$10.0 million) may be used to meet the City's ongoing obligations to citizens and creditors. Table 1 provides a summary of the City's net position for 2012 as compared to 2011.

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

	Governmental Activities		Business-type Activities		Total	
	2012	2011	2012	2011	2012	2011
<b>Assets:</b>						
Current and other assets	\$11,161	\$10,539	\$4,605	\$4,601	\$15,766	\$15,139
Capital assets	26,073	25,453	65,601	65,973	91,674	91,426
Total assets	37,234	35,992	70,207	70,574	107,441	106,566
<b>Liabilities:</b>						
Current liabilities	2,197	2,715	643	350	2,840	3,065
Long-term liabilities	1,649	3,427	587	753	2,236	4,180
Total liabilities	3,846	6,142	1,230	1,103	5,076	7,245
<b>Net Position:</b>						
Net investment in capital assets	24,205	22,298	65,020	65,311	89,225	87,609
Restricted	2,821	2,753	351	252	3,172	3,005
Unrestricted	6362	4,799	3,606	3,908	9,968	8,707
Total net position	\$33,388	\$29,850	\$68,977	\$69,471	\$102,365	\$99,321



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

Table 2 shows the changes in net position for the fiscal 2012 compared to the fiscal year 2011.

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

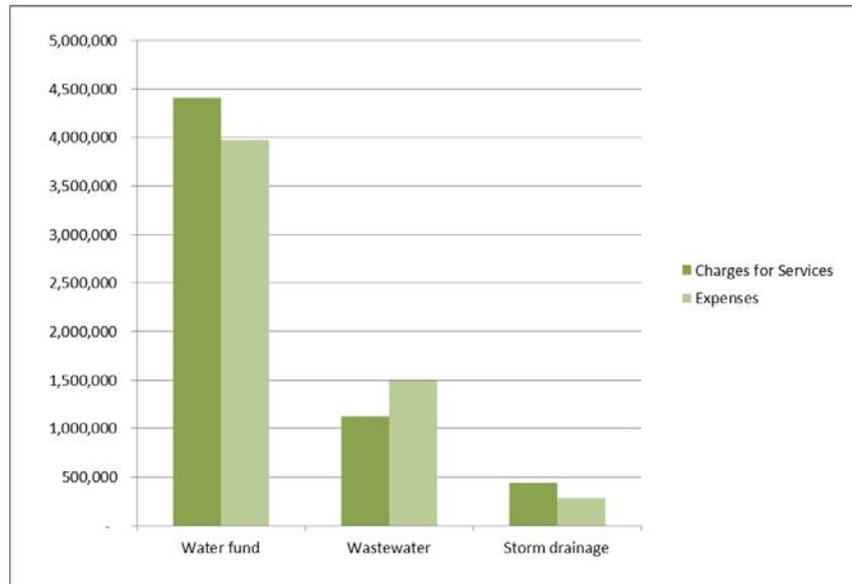
	Governmental Activities		Business-Type Activities		Total	
	2012	2011	2012	2011	2012	2011
<b>Revenues:</b>						
<i>Program revenues:</i>						
Charges for services	\$ 2,569	\$ 1,080	\$ 5,969	\$ 5,201	\$ 8,538	\$ 6,281
Operating grants and contributions	128	207	-	-	128	207
Capital grants and contributions	112	48	410	233	522	281
<i>General revenues:</i>						
Sales and use taxes	6,733	5,876	-	-	6,733	5,876
Property taxes	1,550	1,501	-	-	1,550	1,501
Specific Ownership	125	110	-	-	125	110
Franchise taxes	585	470	-	-	585	470
Other taxes	122	104	-	-	122	104
Intergovernmental	2,059	1,906	-	-	2,059	1,906
Unrestricted Investment Earnings	87	70	31	28	118	98
Other general revenue	118	1,605	-	-	118	1,605
Gain on extinguishment of debt	373	-	-	-	373	-
Gain (Loss) on disposition of capital assets	225	(32)	-	-	225	(32)
<b>Total revenues</b>	<b>14,786</b>	<b>12,945</b>	<b>6,410</b>	<b>5,462</b>	<b>21,196</b>	<b>18,407</b>
<b>Expenses:</b>						
General government	3,078	2,791	-	-	3,078	2,791
Public safety	4,824	4,629	-	-	4,824	4,629
Public works	2,761	2,605	-	-	2,761	2,605
Culture, parks and recreation	992	853	-	-	992	853
Community development	668	520	-	-	668	520
Water enterprise	-	-	3,971	3,709	3,971	3,709
Wastewater enterprise	-	-	1,491	1,106	1,491	1,106
Storm Drainage enterprises	-	-	284	281	284	281
Interest on Long Term Debt	85	156	-	-	85	156
<b>Total expenses</b>	<b>12,408</b>	<b>11,554</b>	<b>5,746</b>	<b>5,096</b>	<b>18,154</b>	<b>16,650</b>
Excess before transfers	2,378	1,391	664	366	3,042	1,757
Transfers in (out)	1,160	1,091	(1,158)	(1,171)	2	(80)
Increase (decrease) in net position	3,538	2,482	(494)	(805)	3,044	1,677
Net position – Beginning	29,850	27,368	69,471	70,276	99,321	97,644
Net position – Ending	\$ 33,388	\$ 29,850	\$ 68,977	\$ 69,471	\$ 102,365	\$ 99,321

**Governmental Activities** - Governmental activities increased the City's net position by \$3.5 million, thereby accounting for all of the total growth in the net position of the City as the enterprise funds recognized a decrease in net position. Contributing to this growth was both the City's increase in revenues and decrease in expenditures.

**Business-type Activities** - Business-type activities decreased the City's net position by \$495 thousand.

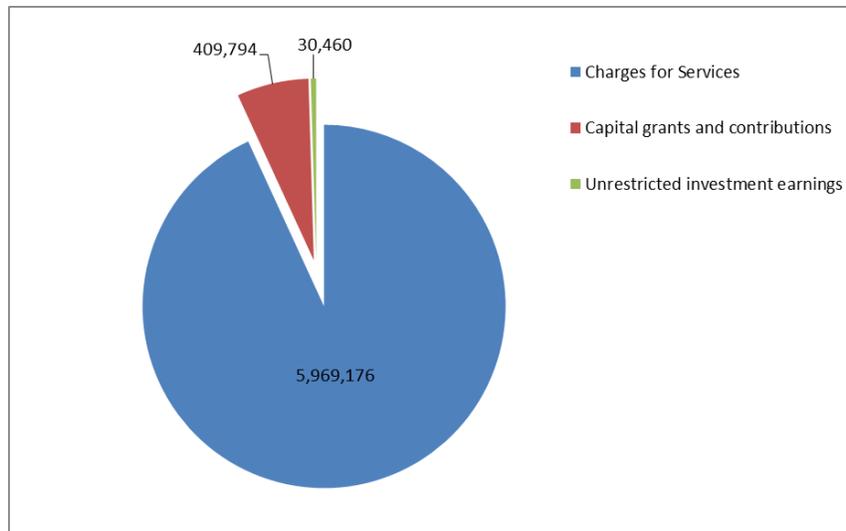
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**Business-type Activities - Charges for Services and Expenses**




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



## FINANCIAL ANALYSIS OF THE CITY'S FUNDS

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

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

As of December 31, 2012, the City's governmental funds reported ending fund balances of \$9.4 million, an increase of \$1.5 million from the prior year. Approximately 48 percent of this total amount (\$4.5 million) constitutes unassigned fund balance, which is available for spending at the City's discretion. The remainder of fund balance (\$4.9 million), is reserved to indicate that it is not available for new spending because it has been restricted or committed to: 1) provide a reserve fund for the benefit of the holders of certain City debt instruments 2) provide an emergency reserve as required by the City Charter and the State Constitution (amendment to Article X, Section 20) and 3) fund balance which was accumulated due to revenues which were assigned to a specific function (for example, impact fee revenues).

The General Fund is the chief operating fund of the City. As of December 31, 2012, the unassigned fund balance of the general fund was \$4.5 million. As a measure of the General Fund's liquidity, it may be useful to compare total unassigned fund balance to total fund expenditures. Total fund balance represents 37 percent of total General Fund expenditures. The increase in the fund balance of the General Fund was \$1.2 million during 2012. The contributing factor to the increase was the increase in fund revenues of \$1.1 million during the year.

In 2012, taxes are the General Fund's largest source of revenue at 77 percent, or \$9.1 million.

The Emergency Contingency Fund ended the 2012 fiscal year with a total fund balance of \$2.2 million, all of which is reserved for emergencies and not available for spending, except at the City Council's discretion in accordance with City Charter direction. The fund balance increased by \$75 thousand due to a transfer in from the General Fund. For financial reporting purposes, this fund is reported within the General Fund.

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

Net position of the Water, Wastewater and Storm Drainage funds as of December 31, 2012, amounted to \$49.6 million, \$10.4 million, and \$8.9 million, respectively. The total growth (decline) in net position for the three funds during 2012 was \$74 thousand, \$(679) thousand, and \$111 thousand, respectively. Other factors concerning the finances of these funds have already been addressed in the discussion of the City's business-type activities.

## GENERAL FUND BUDGETARY HIGHLIGHTS

The difference between the 2012 original budget and the final revised expenditure budget was \$2.9 million. The major appropriations approved during the year were:

- \$490 thousand for the early payoff of a lease on the Tri Pointe property,
- \$231 thousand for one-time supplies, services, and equipment purchases from excess 2012 ending fund balance, and
- \$1.3 million for capital purchases.

During the year, actual revenues were \$11.8 million, which exceeded final budgetary estimates by \$2.3 million. The additional revenues are primarily due to sales tax, state severance tax, federal mineral lease tax, and sale of fixed assets.

Actual expenditures and other financing uses totaled \$12.2 million which was \$1.2 million under actual revenues and other financing sources. The fund balance as of December 31, 2012 was \$7.1 million. Of this amount, 1) \$184 thousand is unspendable and related to 2013 expenditures prepaid in 2012, 2) \$2.2 million is restricted for emergencies 3) \$162 thousand is committed for functions related to designated revenue, and 4) \$4.5 million is unassigned and available for appropriations as the City Council sees fit.

## CAPITAL ASSET AND DEBT ADMINISTRATION

**Capital Assets** - The City's investment in capital assets for its governmental and business-type activities as of December 31, 2012, amounted to \$89.2 million (net of accumulated depreciation). This investment includes land; buildings and system; improvements; machinery and equipment; park facilities; sidewalks; roads; highways and bridges; and water, wastewater and storm drainage installations and systems. The City's investment in capital assets was essentially unchanged (a slight increase for governmental activities and a slight decrease for business-type activities).

Major capital asset additions during the year included the following:

- Land (\$1,069,839)
- 11<sup>th</sup> Avenue Water Line (\$397,265)

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

	Governmental Activities		Business-Type Activities		Total	
	2012	2011	2012	2011	2012	2011
Land and water shares	\$ 5,933	\$ 4,863	\$ 25,829	\$ 25,829	\$ 31,762	\$ 30,692
Construction in progress	908	1,151	2,445	2,175	3,353	3,326
Intangible assets	41	47	13	15	54	62
Land improvements	2,100	2,348	-	-	2,100	2,348
Building & improvements	7,386	7,973	372	407	7,758	8,380
System improvements	-	-	31,004	31,712	31,004	31,712
Machinery & equipment	474	533	290	307	764	840
Transportation equipment	383	380	-	-	383	380
Infrastructure	8,849	8,158	390	271	9,239	8,429
<b>Total</b>	<b>\$ 26,074</b>	<b>\$ 25,453</b>	<b>\$ 60,343</b>	<b>\$ 60,716</b>	<b>\$ 86,417</b>	<b>\$ 86,169</b>

Additional information on the City's capital assets can be found in the notes to the financial statements on Pages 36-37 of this report.

**Debt** - As of December 31, 2012, the City had total bonded debt outstanding of \$1.9 million. This entire amount comprises debt backed by the full faith and credit of the City of Evans. In addition, the City has \$581 thousand in Colorado Water Resources and Power Development Authority notes payable.

**City of Evans Outstanding Debt**

	Governmental Activities		Business-Type Activities		Total	
	2012	2011	2012	2011	2012	2011
General obligation bonds	\$ 1,868	\$ 2,293	\$ -	\$ -	\$ 1,868	\$ 2,293
Wastewater loans	-	-	581	663	581	663
Capital Leases	-	862	-	-	-	862
Compensated Absences	215	272	95	91	310	363
<b>Total</b>	<b>\$ 2,083</b>	<b>\$ 3,427</b>	<b>\$ 676</b>	<b>\$ 754</b>	<b>\$ 2,759</b>	<b>\$ 4,181</b>

The City's total debt was decreased by \$1.4 million (34 percent) during 2012, due to scheduled principal payments on the remaining debt and an early payoff of a capital lease.

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

approved by an affirmative vote of the Council by ordinance. Advanced refunding of all debt must be approved by ordinance by the Council.

Additional information on the City's long-term debt can be found in the notes to the financial statements on Pages 38-39 of this report.

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

- The 2012 revenue picture (from a sales tax perspective) was improved from 2011. This was due to recessionary recovery resulting in positive economic conditions.
- The final phase in the transition of the City's fire services to the newly formed District involved a successfully passed ballot question in May of 2012, asking the voters for permission to transfer 10 property tax mills from the City to the District. This also resulted in all assets of the former City Fire Department being transferred to the Evans Fire Protection District in January 2013.
- Population has remained relatively unchanged over the past several years with a 2012 estimate of 20,153.
- The City's sales tax collections increased by 15 percent in 2012, in large part due to an increase in revenue from the industrial sector and motor vehicle use taxes of the City. The industrial category of taxes is considered volatile and the majority of revenues received is treated as "one-time" revenues and are not added to the long-term revenue projections. Sales tax revenues are projected to decrease 13 percent for 2012. This projected decrease is related to the uncertainty in the industrial and motor vehicle categories.
- Building use tax decreased by 25 percent from 2011 to 2012 and is projected to increase by 54% for 2013 due to a multi-family development planned in the City.
- Property tax increased by 3 percent in 2012 and is projected to decrease by 74 percent for 2013. The decrease is due to the transfer of 10 mills to the Evans Fire Protection District.

All of these factors were considered in preparing the City's budget for the 2013 fiscal year.

## **Requests for Information**

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Evans Finance Department, 1100 37<sup>th</sup> Street, Evans, Colorado 80620, (970) 475-1101.

## Basic Financial Statements

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

December 31, 2012

	Governmental Activities	Business-Type Activities	Total
<b>Assets</b>			
Cash, cash equivalents, and investments	\$ 6,494,135	\$ 3,714,576	\$ 10,208,711
Receivables	1,701,143	536,015	2,237,158
Prepaid items	184,482	-	184,482
Deferred charges	36,155	4,748	40,903
Restricted assets:			
Cash, cash equivalents, and investments	2,744,919	350,555	3,095,474
Investment in Greeley water	-	5,257,421	5,257,421
Capital assets - net			
Land and water shares	5,932,991	25,829,157	31,762,148
Construction in progress	907,775	2,445,305	3,353,080
Land improvements	2,100,258	-	2,100,258
Buildings and improvements	7,386,307	371,918	7,758,225
System improvements	-	31,004,022	31,004,022
Intangible assets	40,686	13,244	53,930
Machinery and equipment	473,530	290,121	763,651
Transportation equipment	382,700	-	382,700
Infrastructure	8,849,305	389,625	9,238,930
<b>Total assets</b>	<b>37,234,386</b>	<b>70,206,707</b>	<b>107,441,093</b>
<b>Liabilities</b>			
Accounts payable	745,953	442,232	1,188,185
Accrued payroll	159,370	12,424	171,794
Deposits and escrows	42,470	74,959	117,429
Unearned revenue	435,080	-	435,080
Claims payable	151,930	12,712	164,642
Other liabilities	227,693	11,569	239,262
Noncurrent liabilities:			
Accrued compensated absences	215,355	95,042	310,397
Due within one year	435,000	87,944	522,944
Due in more than one year	1,433,313	492,929	1,926,242
<b>Total liabilities</b>	<b>3,846,164</b>	<b>1,229,811</b>	<b>5,075,975</b>
<b>Net Position</b>			
Net investment in capital assets	24,205,239	65,019,940	89,225,179
Restricted for:			
Emergencies	2,247,030	-	2,247,030
Debt service	505,610	350,555	856,165
Parks and recreation	68,224	-	68,224
Unrestricted	6,362,119	3,606,401	9,968,520
<b>Total net position</b>	<b>\$ 33,388,222</b>	<b>\$ 68,976,896</b>	<b>\$102,365,118</b>

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

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

Year Ended December 31, 2012

Functions/programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Governmental activities:</b>				
General government	\$ 3,078,192	\$ 1,381,709	\$ -	\$ -
Public safety	4,824,019	573,076	3,491	-
Public works	2,760,859	74,939	74,431	112,452
Culture, parks and recreation	991,257	539,045	50,000	-
Community development	667,663	-	-	-
Interest on long term-debt	85,025	-	-	-
<b>Total governmental activities</b>	<b>12,407,015</b>	<b>2,568,769</b>	<b>127,922</b>	<b>112,452</b>
<b>Business-type activities:</b>				
Water	3,970,940	4,405,896	-	226,119
Wastewater	1,490,917	1,125,062	-	89,996
Storm drainage	284,119	438,218	-	93,679
<b>Total business-type activities</b>	<b>5,745,976</b>	<b>5,969,176</b>	<b>-</b>	<b>409,794</b>
<b>Total primary government</b>	<b>\$18,152,991</b>	<b>\$ 8,537,945</b>	<b>\$ 127,922</b>	<b>\$ 522,246</b>

**General revenues**

Taxes:

- Property taxes
- Specific ownership taxes
- Sales and use taxes
- Franchise taxes
- Other taxes

Intergovernmental

- Earnings on investments
- Other revenues

Gain on extinguishment of debt

Gain on sale of capital assets

Subtotal general revenues

Transfers in (out)

Total general revenues and transfers

Changes in net position

Net position at beginning of year

Net position at ending of year

Net (Expense) Revenue and Changes in Net Position		
Governmental Activities	Business-Type Activities	Total
\$ (1,696,483)	\$ -	\$ (1,696,483)
(4,247,452)	-	(4,247,452)
(2,499,037)	-	(2,499,037)
(402,212)	-	(402,212)
(667,663)	-	(667,663)
(85,025)	-	(85,025)
(9,597,872)	-	(9,597,872)
-	661,075	661,075
-	(275,859)	(275,859)
-	247,778	247,778
-	632,994	632,994
(9,597,872)	632,994	(8,964,878)
1,550,172	-	1,550,172
124,753	-	124,753
6,732,516	-	6,732,516
584,827	-	584,827
122,112	-	122,112
2,059,076	-	2,059,076
87,373	30,460	117,833
118,455	-	118,455
372,799	-	372,799
224,636	-	224,636
11,976,719	30,460	12,007,179
1,159,715	(1,157,715)	2,000
13,136,434	(1,127,255)	12,009,179
3,538,562	(494,261)	3,044,301
29,849,660	69,471,157	99,320,817
\$33,388,222	\$68,976,896	\$102,365,118

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

**City of Evans**  
**Balance Sheet**  
**Governmental Funds**  
**December 31, 2012**

	General	Street Construction	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>				
Equity in pooled cash, cash equivalents and investments	\$ 4,377,504	\$ 470,976	\$ 1,645,655	\$ 6,494,135
Restricted cash, cash equivalents and investments	2,322,107	-	422,812	2,744,919
Receivables	1,401,701	154,025	145,417	1,701,143
Prepaid items	184,482	-	-	184,482
<b>Totals assets</b>	<b>\$ 8,285,794</b>	<b>\$ 625,001</b>	<b>\$ 2,213,884</b>	<b>\$ 11,124,679</b>
<b>Liabilities And Fund Balances</b>				
<b>Liabilities</b>				
Accounts payable	\$ 390,661	\$ 180,109	\$ 175,183	\$ 745,953
Deferred revenue	435,080	-	-	435,080
Accrued payroll	159,370	-	-	159,370
Deposits and escrows	42,470	-	-	42,470
Claims payable	151,930	-	-	151,930
Other liabilities	-	115,844	106,000	221,844
<b>Total liabilities</b>	<b>1,179,511</b>	<b>295,953</b>	<b>281,183</b>	<b>1,756,647</b>
<b>Fund balances</b>				
Nonspendable	184,482	-	-	184,482
Restricted	2,247,030	-	573,834	2,820,864
Committed	161,500	-	40,795	202,295
Assigned	-	329,048	1,318,072	1,647,120
Unassigned	4,513,271	-	-	4,513,271
<b>Total fund balances</b>	<b>7,106,283</b>	<b>329,048</b>	<b>1,932,701</b>	<b>9,368,032</b>
<b>Total liabilities and fund balances</b>	<b>\$ 8,285,794</b>	<b>\$ 625,001</b>	<b>\$ 2,213,884</b>	<b>\$ 11,124,679</b>

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

**City of Evans**  
**Reconciliation of the Governmental Funds**  
**Balance Sheet with the Government-wide Statement of Net Position**  
**December 31, 2012**

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

Total fund balance - governmental funds \$ 9,368,032

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

Capital assets	\$ 37,182,173	
Less: accumulated depreciation	<u>(11,108,621)</u>	26,073,552

Debt issuance costs are written off on the fund financial statements and amortized over the life of the debt on the government-wide financial statements. 36,155

Long-term liabilities are not due and payable from current financial resources and, therefore, are not reported as liabilities on the fund financial statements. Long-term liabilities and related accounts at December 31, 2012, consist of:

Bonds payable	\$ (1,840,000)	
Deferred bond premium	(28,313)	
Compensated absences	(215,355)	
Accrued interest payable	<u>(5,849)</u>	(2,089,517)

Total net position - governmental activities \$ 33,388,222

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

**City of Evans**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Governmental Funds**

Year Ended December 31, 2012

	General	Street Construction	Other Governmental Funds	Total Governmental Funds
<b>Revenues</b>				
Taxes	\$ 9,114,380	\$ -	\$ -	\$ 9,114,380
Licenses and permits	757,510	-	800	758,310
Intergovernmental	740,221	652,415	666,440	2,059,076
Grants and contributions	3,491	74,431	50,000	127,922
Charges for services	474,655	-	617,389	1,092,044
Fines and forfeitures	512,046	-	-	512,046
Earnings on investments	53,614	3,994	29,765	87,373
Assessments	-	-	206,369	206,369
Miscellaneous	118,455	-	-	118,455
<b>Total revenues</b>	<b>11,774,372</b>	<b>730,840</b>	<b>1,570,763</b>	<b>14,075,975</b>
<b>Expenditures</b>				
General government	2,575,785	-	300	2,576,085
Public safety	4,673,266	-	44,055	4,717,321
Public works	1,464,547	156,641	543,418	2,164,606
Culture, parks and recreation	978,704	-	-	978,704
Community development	630,005	-	-	630,005
Debt service				
Principal	489,544	-	410,000	899,544
Interest	49,584	-	87,610	137,194
Capital outlay	1,382,785	606,600	245,053	2,234,438
<b>Total expenditures</b>	<b>12,244,220</b>	<b>763,241</b>	<b>1,330,436</b>	<b>14,337,897</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(469,848)</b>	<b>(32,401)</b>	<b>240,327</b>	<b>(261,922)</b>
<b>Other financing sources (uses)</b>				
Proceeds from the sale of capital assets	486,308	125,000	28,100	639,408
Transfers in	1,190,741	-	-	1,190,741
Transfers out	-	-	(31,026)	(31,026)
<b>Total other financing sources (uses)</b>	<b>1,677,049</b>	<b>125,000</b>	<b>(2,926)</b>	<b>1,799,123</b>
<b>Net changes in fund balances</b>	<b>1,207,201</b>	<b>92,599</b>	<b>237,401</b>	<b>1,537,201</b>
<b>Fund balance at beginning of year</b>	<b>5,899,082</b>	<b>236,449</b>	<b>1,695,300</b>	<b>7,830,831</b>
<b>Fund balance at end of year</b>	<b>\$ 7,106,283</b>	<b>\$ 329,048</b>	<b>\$ 1,932,701</b>	<b>\$ 9,368,032</b>

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

**City of Evans**  
**Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and**  
**Changes in Fund Balances with the Government-wide Statement of Activities**  
**December 31, 2012**

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

Net change in fund balance - total governmental funds \$ 1,537,201

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

Capital outlay	\$ 2,234,438	
Donated assets	112,452	
Depreciation expense	<u>(1,311,663)</u>	1,035,227

Proceeds from sale of capital assets are shown as an other financing source, but are reduced by the book value of the asset to calculate the gain on sale of capital assets on the statement of activities. (414,772)

The repayment of the principal of long-term debt consumes current financial resources of governmental funds. 899,544

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

Amortization of bond issuance costs	\$ (9,038)	
Accretion of bond premium	14,303	
Change in accrued compensated absences	56,394	
Change in accrued interest payable	<u>46,904</u>	108,563

Early extinguishment of debt resulting in a gain is not reflected in the fund financial statements, but is treated as general revenue in the statement of activities. 372,799

Change in net position of governmental activities \$ 3,538,562

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

**City of Evans**  
**Statement of Net Position**  
**Proprietary Funds**  
**December 31, 2012**

	Water	Wastewater	Storm Drainage	Total
<b>Assets</b>				
<b>Current assets</b>				
Equity in pooled cash, cash equivalents, and investments	\$ 2,192,682	\$ 791,600	\$ 730,294	\$ 3,714,576
Receivables	372,173	117,721	46,121	536,015
<b>Total current assets</b>	<b>2,564,855</b>	<b>909,321</b>	<b>776,415</b>	<b>4,250,591</b>
<b>Noncurrent assets</b>				
Restricted cash, cash equivalents, and investments	-	350,555	-	350,555
Investment in Greeley water	5,257,421	-	-	5,257,421
Capital assets, not being depreciated	27,264,076	91,897	918,489	28,274,462
Capital assets, being depreciated	14,802,109	9,947,168	7,319,653	32,068,930
Debt issuance costs, net	-	4,748	-	4,748
<b>Total noncurrent assets</b>	<b>47,323,606</b>	<b>10,394,368</b>	<b>8,238,142</b>	<b>65,956,116</b>
<b>Total assets</b>	<b>49,888,461</b>	<b>11,303,689</b>	<b>9,014,557</b>	<b>70,206,707</b>
<b>Liabilities</b>				
<b>Current liabilities</b>				
Accounts payable	209,857	169,589	62,786	442,232
Accrued expenses	3,810	20,183	-	23,993
Claims payable	4,567	8,145	-	12,712
Deposits and escrows	33,603	36,205	5,151	74,959
Accrued compensated absences	48,310	39,590	7,142	95,042
Current portion of note payable	-	87,944	-	87,944
<b>Total current liabilities</b>	<b>300,147</b>	<b>361,656</b>	<b>75,079</b>	<b>736,882</b>
<b>Noncurrent liabilities</b>				
Note payable	-	492,929	-	492,929
<b>Total noncurrent liabilities</b>	<b>-</b>	<b>492,929</b>	<b>-</b>	<b>492,929</b>
<b>Total liabilities</b>	<b>300,147</b>	<b>854,585</b>	<b>75,079</b>	<b>1,229,811</b>
<b>Net position</b>				
Net investment in capital assets	47,323,606	9,458,192	8,238,142	65,019,940
Restricted	-	350,555	-	350,555
Unrestricted	2,264,708	640,357	701,336	3,606,401
<b>Total net position</b>	<b>\$ 49,588,314</b>	<b>\$ 10,449,104</b>	<b>\$ 8,939,478</b>	<b>\$ 68,976,896</b>

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

**City of Evans**  
**Statement of Revenues, Expenses and Changes in Net Position**  
**Proprietary Funds**  
**Year Ended December 31, 2012**

	Water	Wastewater	Storm Drainage	Total
<b>Operating revenues</b>				
Water/sewer/storm drainage sales	\$ 4,207,294	\$ 1,125,062	\$ 438,218	\$ 5,770,574
Non-potable water sales	180,592	-	-	180,592
Water meters	12,780	-	-	12,780
Other sales	5,230	-	-	5,230
<b>Total operating revenues</b>	<b>4,405,896</b>	<b>1,125,062</b>	<b>438,218</b>	<b>5,969,176</b>
<b>Operating expenses</b>				
Water supply and administrative	3,256,943	-	-	3,256,943
Wastewater and administrative	-	989,079	-	989,079
Storm drainage and administrative	-	-	22,340	22,340
Depreciation expense	713,997	471,978	261,779	1,447,754
<b>Total operating expenses</b>	<b>3,970,940</b>	<b>1,461,057</b>	<b>284,119</b>	<b>5,716,116</b>
<b>Operating income (loss)</b>	<b>434,956</b>	<b>(335,995)</b>	<b>154,099</b>	<b>253,060</b>
<b>Nonoperating revenues (expenses)</b>				
Earnings on investments	15,533	9,774	5,153	30,460
Interest expense	-	(29,860)	-	(29,860)
<b>Total nonoperating revenues (expenses)</b>	<b>15,533</b>	<b>(20,086)</b>	<b>5,153</b>	<b>600</b>
<b>Income (loss) before transfers and contributions</b>	<b>450,489</b>	<b>(356,081)</b>	<b>159,252</b>	<b>253,660</b>
Transfers out	(602,357)	(413,141)	(142,217)	(1,157,715)
Plant investment fees and cash in lieu of fees	226,119	89,996	93,679	409,794
<b>Change in net position</b>	<b>74,251</b>	<b>(679,226)</b>	<b>110,714</b>	<b>(494,261)</b>
<b>Net position at beginning of year</b>	<b>49,514,063</b>	<b>11,128,330</b>	<b>8,828,764</b>	<b>69,471,157</b>
<b>Net position at end of year</b>	<b>\$ 49,588,314</b>	<b>\$ 10,449,104</b>	<b>\$ 8,939,478</b>	<b>\$ 68,976,896</b>

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

**City of Evans**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**Year Ended December 31, 2012**

	Water	Wastewater	Storm Drainage	Total
<b>Cash flows from operating activities</b>				
Cash received from customers	\$ 4,348,937	\$ 1,113,764	\$ 434,340	\$ 5,897,041
Cash payments to suppliers	(3,073,463)	(551,643)	(11,373)	(3,636,479)
Cash payments to employees	(130,967)	(291,648)	-	(422,615)
<b>Net cash flows from operating activities</b>	<b>1,144,507</b>	<b>270,473</b>	<b>422,967</b>	<b>1,837,947</b>
<b>Cash flows from non-capital financing activities</b>				
Transfers to other funds	(602,357)	(413,141)	(142,217)	(1,157,715)
<b>Net cash flows from non-capital financing activities</b>	<b>(602,357)</b>	<b>(413,141)</b>	<b>(142,217)</b>	<b>(1,157,715)</b>
<b>Cash flows from capital and related financing activities</b>				
Plant investment fees and cash in lieu of fees	226,119	89,996	30,170	346,285
Principal paid on debt	-	(81,533)	-	(81,533)
Interest paid on debt	-	(30,154)	-	(30,154)
Change in restricted cash	-	(98,447)	-	(98,447)
Acquisition of capital assets	(795,847)	(21,253)	(194,363)	(1,011,463)
<b>Net cash flows from capital and related financing activities</b>	<b>(569,728)</b>	<b>(141,391)</b>	<b>(164,193)</b>	<b>(875,312)</b>
<b>Cash flows from investing activities</b>				
Proceeds from sale of investments	576,734	750,383	60,041	1,387,158
Purchases of investments	(1,074,906)	(642,395)	(296,065)	(2,013,366)
Earnings on investments	13,648	9,032	5,962	28,642
<b>Net cash flows from investing activities</b>	<b>(484,524)</b>	<b>117,020</b>	<b>(230,062)</b>	<b>(597,566)</b>
<b>Net change in cash and cash equivalents</b>	<b>(512,102)</b>	<b>(167,039)</b>	<b>(113,505)</b>	<b>(792,646)</b>
Cash and equivalents at beginning of year	990,107	339,608	272,709	1,602,424
Cash and cash equivalents at end of year	\$ 478,005	\$ 172,569	\$ 159,204	\$ 809,778
Cash and cash equivalents at end of year	\$ 478,005	\$ 172,569	\$ 159,204	\$ 809,778
Investments	1,714,677	619,031	571,090	2,904,798
<b>Cash, cash equivalents, and investments at end of year</b>	<b>\$ 2,192,682</b>	<b>\$ 791,600</b>	<b>\$ 730,294</b>	<b>\$ 3,714,576</b>
<b>Reconciliation of operating income (loss) to net cash flows from operating activities</b>				
Operating income (loss)	\$ 434,956	\$ (335,995)	\$ 154,099	\$ 253,060
Adjustments to reconcile operating income (loss) to net cash flows from operating activities:				
Depreciation expense	713,997	471,978	261,779	1,447,754
(Increase) decrease in :				
Receivables	(56,959)	(11,298)	(3,878)	(72,135)
Increase (decrease) in:				
Accounts payable and accrued expenses	52,513	145,788	10,967	209,268
<b>Net cash flows from operating activities</b>	<b>\$ 1,144,507</b>	<b>\$ 270,473</b>	<b>\$ 422,967</b>	<b>\$ 1,837,947</b>
<b>Noncash from capital and related financing activities</b>				
Developer donations of assets	\$ -	\$ -	\$ 63,509	\$ -

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

# City of Evans

## Statement of Fiduciary Net Position

December 31, 2012

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	Volunteer Firefighters' Pension Fund	Cemetery Endowment Fund	Total
<b>Assets</b>			
Equity in pooled cash, cash equivalents, and investments	\$ 523,820	\$ 8,511	\$ 532,331
Restricted cash and investments	-	48,165	48,165
<b>Total assets</b>	<b>\$ 523,820</b>	<b>\$ 56,676</b>	<b>\$ 580,496</b>
<b>Net position</b>			
Held in trust for pension benefits	\$ 523,820	\$ -	\$ 523,820
Restricted	-	48,165	48,165
Unrestricted	-	8,511	8,511
<b>Total net position</b>	<b>\$ 523,820</b>	<b>\$ 56,676</b>	<b>\$ 580,496</b>

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

**City of Evans**  
**Statement of Changes in Fiduciary Net Position**

Year Ended December 31, 2012

	Volunteer Firefighters' Pension Fund	Cemetery Endowment Fund	Total
<b>Additions</b>			
State shared revenue	\$ 22,123	\$ -	\$ 22,123
Earnings on investments	50,106	9,991	60,097
Contributions	88,000	-	88,000
<b>Total additions</b>	<b>160,229</b>	<b>9,991</b>	<b>170,220</b>
<b>Deductions</b>			
Pension distributions	109,230	-	109,230
<b>Total deductions</b>	<b>109,230</b>	<b>-</b>	<b>109,230</b>
<b>Income before transfers</b>	<b>50,999</b>	<b>9,991</b>	<b>60,990</b>
<b>Transfers</b>			
Transfers out	-	(2,000)	(2,000)
<b>Total transfers</b>	<b>-</b>	<b>(2,000)</b>	<b>(2,000)</b>
<b>Net change in net position</b>	<b>50,999</b>	<b>7,991</b>	<b>58,990</b>
<b>Net position at beginning of year</b>	<b>472,821</b>	<b>48,685</b>	<b>521,506</b>
<b>Net position at end of year</b>	<b>\$ 523,820</b>	<b>\$ 56,676</b>	<b>\$ 580,496</b>

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

**City of Evans**  
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**December 31, 2012**

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

### ***Reporting Entity***

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

GAAP requires that the reporting entity include: (1) the primary government, (2) organizations for which the primary government is financially accountable and (3) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Based on the application of these criteria, the following component unit is included in the City's reporting entity.

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

The Evans Redevelopment Agency ("ERA") was created by the City of Evans in 2009 to assist in the redevelopment of blighted and run-down neighborhoods and districts that were attracting little or no private investment and stimulate the transformation into attractive, thriving areas. The City Council serves as the Redevelopment Agency and is governed by Colorado State Statutes. The activity for the ERA is included within the General Fund for reporting purposes.

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

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

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

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

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recognized when earned and expenses are recognized when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are

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levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

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

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

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

The City reports the following major governmental funds:

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

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

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

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

*Enterprise Funds* - Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises, where the primary intent is that costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or

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recovered primarily through user charges. The City's major enterprise funds include the Water, Wastewater, and Storm Drainage Funds.

**Fiduciary Funds** - Trust and agency funds are used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds. The City's trust funds include the Volunteer Firefighters' Pension and Cemetery Endowment Funds.

***Budgets***

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

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

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

	Original Budget	Total Revisions	Revised Budget
<b>Governmental funds:</b>			
General	\$ 10,511,327	\$ 2,906,222	\$ 13,417,549
Special revenue funds:			
Parks Impact	46,000	-	46,000
Conservation Trust	150,000	56,337	206,337
Refuse Collection	585,326	-	585,326
Street Impact	-	332,000	332,000
Fire Impact	-	46,405	46,405
Cemetery Perpetual Care	-	1,667	1,667
Debt service fund:			
G.O. Debt Service	498,210	-	498,210
Capital projects fund:			
Street Construction	820,000	390,191	1,210,191

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	Original Budget	Total Revisions	Revised Budget
<b>Business-type funds:</b>			
Water	4,891,665	1,034,667	5,926,332
Wastewater	1,721,423	556,500	2,277,923
Storm Drainage	458,893	487,685	946,578
<b>Fiduciary funds:</b>			
Volunteer Firefighters' Pension	154,200	-	154,200
Cemetery Endowment	2,000	-	2,000
<b>Total funds</b>	<b>\$ 19,839,044</b>	<b>\$ 5,811,674</b>	<b>\$ 25,650,718</b>

***Cash and Investments***

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

During 2012, the City had investments in commercial paper, corporate bonds, U.S. treasury obligations, U.S. instrumentality obligations, investments held by the Fire and Police Pension Association for the benefit of the City's Volunteer Firefighters' Pension Fund, and local government investment pools.

Investments are reported at fair value which is based on quoted market prices.

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

An analysis of the City's cash and investment accounts at December 31, 2012, is provided in Note 2.

***Restricted Cash***

The Emergency Contingency restricted cash, totaling \$2,322,107, as reported within the General Fund, is due to a reserve for unanticipated expenditures. The City, by Home Rule Charter, maintains a fund balance equal to 25% of the prior year's general fund expenditures. The designation is to provide a fiscal cushion to absorb fluctuations in City operations due to economic downturns or emergencies. This designation encompasses the "emergency" reserve as defined in the TABOR amendment of the Colorado State Constitution.

The City has restricted the cash held in debt service accounts in the G.O. Debt Service Fund for future principal and interest payments on the 2003 General Obligation Bonds, totaling \$422,812.

The amount restricted in the Wastewater Fund, totaling \$350,555, is in compliance with the operation and maintenance reserve requirement of the loans from the Colorado Water Resource and Power Development Authority.

The restricted cash and investments in the Volunteer Firefighters' Pension Fund, totaling \$523,820, is for future pension benefits to be paid to volunteer firefighters. The corpus balance in the Cemetery Endowment

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fund is restricted, totaling \$48,165. Interest earned may be used for maintenance of the cemetery.

***Prepaid Items***

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

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

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

***Capital Assets***

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

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

Assets are depreciated using the straight-line method. Depreciation expense is reflected as an operating expense in the government-wide statement of activities.

Estimated useful lives for asset types are as follows:

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

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***Compensated Absences***

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

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

***Long-Term Obligations***

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

***Property Taxes***

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

***Fund Balance and Net Position***

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

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

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

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

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

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

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

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

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

*Unassigned* - all other spendable amounts.

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

As of June 30, 2012, fund balances are composed of the following:

	General Fund	Street Construction Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>Nonspendable:</b>				
Prepaid items	\$ 184,482	\$ -	\$ -	\$ 184,482
<b>Restricted:</b>				
Emergency reserve	2,247,030	-	-	2,247,030
Debt service	-	-	505,610	505,610
Parks and recreation	-	-	68,224	68,224
<b>Committed:</b>				
Surcharge fees	161,500	-	-	161,500
Street construction	-	-	40,795	40,795
<b>Assigned:</b>				
Special revenue funds	-	-	1,315,782	1,315,782
Street construction	-	329,048	-	329,048
Debt service	-	-	2,290	2,290
<b>Unassigned:</b>	<b>4,513,271</b>	<b>-</b>	<b>-</b>	<b>4,513,271</b>
<b>Total</b>	<b>\$ 7,106,283</b>	<b>\$ 329,048</b>	<b>\$ 1,932,701</b>	<b>\$ 9,368,032</b>

***Accounting Estimates***

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

***New Pronouncements***

During 2012, the City implemented Governmental Accounting Standards Board ("GASB") Statement No. 62, "Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements". This statement incorporates into GASB literature certain accounting and financial

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reporting guidance issued on or before November 30, 1989 that is included in Financial Accounting Standards Board ("FASB") Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins of the AICPA Committee on Accounting Procedure, which do not conflict with or contradict GASB Pronouncements. This statement had no impact to the City's financial statements.

During 2012, the City implemented GASB Statement No. 63, "Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position". This statement incorporates deferred outflows of resources and deferred inflows of resources, as defined by GASB Concepts Statement No. 4, "Elements of Financial Statements" into the definitions of the required components of the residual measure of net position, formerly net assets. This statement also provides a new statement of net position format to report all assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position.

**2. Cash and Investments**

A summary of deposits and investments as of December 31, 2012 follows:

Petty cash	\$ 1,967
Cash with county treasurer	9,813
Cash deposits	1,602,534
Investments	12,270,367
<b>Total</b>	<b>\$ 13,884,681</b>

The above amounts are classified in the statements of net position and fiduciary net position as follows:

<b>Restricted cash and investments:</b>	
Governmental activities	\$ 2,744,919
Business-type activities	350,555
Fiduciary funds	48,165
<b>Unrestricted cash and investments:</b>	
Governmental activities	6,494,135
Business-type activities	3,714,576
Fiduciary funds	532,331
<b>Total cash and investments</b>	<b>\$ 13,884,681</b>

***Cash Deposits***

***Custodial Credit Risk***

This is the risk that, in the event of failure of a depository financial institution, a government will not be able to recover its deposits. The City's deposit policy is in accordance with CRS 11-10.5-101, the Colorado Public Deposit Protection Act ("PDPA"), which governs the investment of public funds. PDPA requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulations. Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by the PDPA. The financial institution is allowed to create a single collateral pool for all public funds held. The pool is maintained by another institution, or held in trust for all of the uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of

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the uninsured deposits. The institution's internal records identify collateral by depositor and as such, these deposits are considered uninsured but collateralized. The State Regulatory Commissions for banks and financial services are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools. As of December 31, 2012, all of the City's deposits are either insured by the Federal Deposit Insurance Corporation ("FDIC") or collateralized by the PDPA program, and are therefore not deemed to be exposed to custodial credit risk.

**Investments**

**Credit Risk**

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

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

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

At December 31, 2012, the City had the following investments:

Investments	S&P Rating	Moody Rating	Fair Value	Weighted Average Maturity Date (in days)	Concentration of Credit Risk
US Treasury	AAA	Aaa	\$ 3,788,153	882	30.86%
US Instrumentality	AAA	Aaa	3,467,424	1,111	28.26%
General Obligation Bonds	AAA	Aaa	505,610	1,430	4.12%
Fire and Police Pension Association	N/A	N/A	523,820	N/A	4.27%
Commercial Paper	A-1	NR	998,752	127	8.14%
Corporate Bonds	AA-/AA+	AA3	944,404	396	7.70%
CSAFE	AAAm	Aaa	2,127	N/A	0.02%
ColoTrust	AAAm	Aaa	2,040,077	N/A	16.63%
<b>Total investments</b>			<b>\$ 12,270,367</b>		

As of December 31, 2012, the City has invested funds in ColoTrust and CSAFE, investment pools that operate under the Colorado Revised Statutes (24-75-701) which are overseen by the Colorado Securities Commissioner. These investment pools invest in securities that are specified by Colorado Revised Statutes (24-75-601). Authorized securities include U.S. Treasuries, U.S. Agencies, commercial paper (rated A1 or better) and bank deposits (collateralized through PDPA). The pools operate similar to a money market fund

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with a share value equal to \$1.00 and a maximum weighted average maturity of 60 days.

***Interest Rate Risk***

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

***Custodial Credit Risk - Investments***

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

**3. Receivables**

Receivables at December 31, 2012, consist of the following:

Receivables	General	Special Revenue	Debt Service	Capital Projects	Enterprise
Taxes	\$ 416,758	\$ -	\$ -	\$ -	\$ -
Accounts	181,005	60,179	-	99,755	417,439
Intergovernmental	801,699	-	85,238	54,270	27,787
Other	2,239	-	-	-	90,789
<b>Total</b>	<b>\$ 1,401,701</b>	<b>\$ 60,179</b>	<b>\$ 85,238</b>	<b>\$ 154,025</b>	<b>\$ 536,015</b>

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**4. Capital Assets**

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

	Beginning Balance	Increases	(Decreases) Transfers	Ending Balance
<b>Capital assets, not being depreciated:</b>				
Land	\$ 3,637,849	\$ 1,069,839	\$ -	\$ 4,707,688
Landscaping	1,225,303	-	-	1,225,303
Construction in progress	1,150,960	331,717	(574,902)	907,775
<b>Total capital assets, not being depreciated</b>	<b>6,014,112</b>	<b>1,401,556</b>	<b>(574,902)</b>	<b>6,840,766</b>
<b>Capital assets, being depreciated:</b>				
Intangible assets	65,147	-	-	65,147
Land improvements	4,191,088	-	-	4,191,088
Infrastructure	10,252,016	1,206,360	-	11,458,376
Buildings and improvements	10,883,580	63,421	(482,912)	10,464,089
Machinery and equipment	2,146,170	115,157	-	2,261,327
Transportation equipment	1,898,143	135,298	(132,061)	1,901,380
<b>Total capital assets, being depreciated</b>	<b>29,436,144</b>	<b>1,520,236</b>	<b>(614,973)</b>	<b>30,341,407</b>
<b>Less accumulated depreciation for:</b>				
Intangible assets	(17,951)	(6,510)	-	(24,461)
Land improvements	(1,842,982)	(247,848)	-	(2,090,830)
Infrastructure	(2,093,826)	(515,245)	-	(2,609,071)
Buildings and improvements	(2,911,034)	(247,819)	81,071	(3,077,782)
Machinery and equipment	(1,613,198)	(174,599)	-	(1,787,797)
Transportation equipment	(1,518,168)	(119,642)	119,130	(1,518,680)
<b>Total accumulated depreciation</b>	<b>(9,997,159)</b>	<b>(1,311,663)</b>	<b>200,201</b>	<b>(11,108,621)</b>
<b>Total capital assets, being depreciated, net</b>	<b>19,818,415</b>	<b>208,573</b>	<b>(414,772)</b>	<b>19,232,786</b>
<b>Governmental activities capital assets, net</b>	<b>\$ 25,453,097</b>	<b>\$ 1,610,129</b>	<b>\$ (989,674)</b>	<b>\$ 26,073,552</b>

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

General government	\$ 524,665
Public safety	111,491
Public works	623,040
Culture, parks and recreation	13,117
Community development	39,350
<b>Total depreciation expense - governmental activities</b>	<b>\$ 1,311,663</b>

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A summary of changes in business-type activity capital assets is as follows:

	Beginning Balance	Increases	(Decreases)	Ending Balance
<b>Capital assets, not being depreciated:</b>				
Water rights	\$ 25,755,155	\$ -	\$ -	\$ 25,755,155
Land	74,002	-	-	74,002
Construction in progress	2,174,755	298,605	(28,055)	2,445,305
<b>Total capital assets, not being depreciated</b>	<b>28,003,912</b>	<b>298,605</b>	<b>(28,055)</b>	<b>28,274,462</b>
<b>Capital assets, being depreciated:</b>				
System improvements	44,716,885	619,482	-	45,336,367
Machinery and equipment	1,334,189	49,960	-	1,384,149
Buildings and improvements	778,641	6,309	-	784,950
Intangible assets	21,207	-	-	21,207
Infrastructure	317,544	128,671	-	446,215
<b>Total capital assets, being depreciated</b>	<b>47,168,466</b>	<b>804,422</b>	<b>-</b>	<b>47,972,888</b>
<b>Less accumulated depreciation for:</b>				
System improvements	(13,005,257)	(1,327,088)	-	(14,332,345)
Machinery and equipment	(1,027,039)	(66,989)	-	(1,094,028)
Buildings and improvements	(371,750)	(41,282)	-	(413,032)
Intangible assets	(5,844)	(2,119)	-	(7,963)
Infrastructure	(46,314)	(10,276)	-	(56,590)
<b>Total accumulated depreciation</b>	<b>(14,456,204)</b>	<b>(1,447,754)</b>	<b>-</b>	<b>(15,903,958)</b>
<b>Total capital assets, being depreciated, net</b>	<b>32,712,262</b>	<b>(643,332)</b>	<b>-</b>	<b>32,068,930</b>
<b>Business-type activities capital assets, net</b>	<b>\$ 60,716,174</b>	<b>\$ (344,727)</b>	<b>\$ (28,055)</b>	<b>\$ 60,343,392</b>

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

Water enterprise	\$ 713,997
Wastewater enterprise	471,978
Drainage enterprise	261,779
<b>Total depreciation expense - business - type activities</b>	<b>\$ 1,447,754</b>

**City of Evans**  
**Notes to Financial Statements**  
**December 31, 2012**

**5. Long- Term Debt**

Following is a summary of governmental activity debt transactions for the year ended December 31, 2012:

	Beginning Balance	Additions	Reductions	Ending Balance	Due in One Year
<b>Governmental activities:</b>					
<b>Bonds payable:</b>					
General obligation bonds	\$ 2,250,000	\$ -	\$ (410,000)	\$ 1,840,000	\$ 435,000
Deferred issuance premium	42,616	-	(14,303)	28,313	-
<b>Total bonds payable, net</b>	<b>2,292,616</b>	<b>-</b>	<b>(424,303)</b>	<b>1,868,313</b>	<b>435,000</b>
Compensated absences	271,749	125,247	(181,641)	215,355	-
Capital lease obligation	862,343	-	(862,343)	-	-
<b>Total long term debt</b>	<b>\$ 3,426,708</b>	<b>\$ 125,247</b>	<b>\$(2,330,630)</b>	<b>\$ 2,083,668</b>	<b>\$ 435,000</b>

***Governmental Activities Debt***

During 2003, the City issued General Obligation Refunding Bonds, Series 2003, dated May 1, 2003, maturing on December 1, 2016, with semiannual interest, and annual principal payments, through December 1, 2016. Interest rates range from 2.0% to 3.7%. Proceeds from the bonds were used to construct and furnish an addition to the city complex and to refinance the City's 1996 General Obligation Bonds. In connection with the refinance, the City recorded \$135,725 of bond issuance costs and \$168,380 of bond premiums, of which \$36,155 and \$28,313 remain to be amortized, respectively. Repayment of this debt is made by the G.O. Debt Service Fund.

On February 6, 2007, the City entered into an agreement with Arsenault Holding LLC to acquire vacant land known as Tri-Pointe. The agreement required interest only at 5.75% for 20 years at which time the Note shall be discharged and cancelled by the note holder and all outstanding principal thereunder shall be waived and forfeited by the holder thereof as a charitable donation by the note holder. This obligation was paid in full during 2012, resulting in a gain on extinguishment of debt of \$372,799.

***Business-Type Activities Debt***

Following is a summary of business-type activity debt transactions for the year ended December 31, 2012:

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due in One Year
Wastewater Colorado Water Resources and Power Development Authority ("CWRPDA") note payable (4/98)	\$470,714	\$ -	\$ (59,516)	\$411,198	\$ 64,926
Wastewater CWRPDA note payable (11/98)	191,692	-	(22,017)	169,675	23,018
Compensated absences	90,808	88,348	(84,114)	95,042	-
<b>Total long term debt</b>	<b>\$753,214</b>	<b>\$ 88,348</b>	<b>\$(165,647)</b>	<b>\$675,915</b>	<b>\$ 87,944</b>

**City of Evans**  
**Notes to Financial Statements**  
**December 31, 2012**

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The City has pledged future wastewater revenues, net of specified operating expenses, to repay approximately \$1.5 million in wastewater system revenue bonds issued in 1998. Proceeds from the bonds provided financing for the construction and maintenance of the headworks facility at the wastewater treatment facility. The bonds bear interest between 4.00% and 4.50%. The bonds are payable solely from wastewater net revenues and are payable through 2019. Annual principal and interest payments on the bonds are expected to require less than 25 percent of specified net budgeted revenues. The total principal remaining to be paid on the bonds is \$580,873. Principal and interest paid for the current year and specified net budget revenues were \$111,393 and \$112,875, respectively.

***Future Debt Service Requirements***

The following table represents the future debt service requirements on the governmental activity debt.

Year Ending December 31	Principal	Interest	Total
2013	\$ 435,000	\$ 70,186	\$ 505,186
2014	455,000	50,610	505,610
2015	465,000	34,686	499,686
2016	485,000	17,946	502,946
<b>Total</b>	<b>\$ 1,840,000</b>	<b>\$ 173,428</b>	<b>\$ 2,013,428</b>

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

Year Ending December 31	Principal	Interest	Total
2013	\$ 87,944	\$ 27,510	\$ 115,454
2014	88,992	19,634	108,626
2015	90,088	16,960	107,048
2016	96,642	14,119	110,761
2017	96,874	9,744	106,618
2018-2021	120,333	5,401	125,734
<b>Total</b>	<b>\$ 580,873</b>	<b>\$ 93,368</b>	<b>\$ 674,241</b>

**City of Evans**  
**Notes to Financial Statements**  
**December 31, 2012**

**6. Interfund Transfers**

The following table summarizes interfund transfers for the year ended December 31, 2012:

	Transfers out					Total
	Water Fund	Wastewater	Storm	Nonmajor	Fiduciary Funds	
<b>Transfers In:</b>						
General Fund	\$ 602,357	\$ 413,141	\$ 142,217	\$ 31,026	\$ 2,000	\$ 1,190,741
<b>Total</b>	<b>\$ 602,357</b>	<b>\$ 413,141</b>	<b>\$ 142,217</b>	<b>\$ 31,026</b>	<b>\$ 2,000</b>	<b>\$ 1,190,741</b>

Transfers are used to reimburse the General Fund for indirect costs associated with administrative and operational support related to providing water, wastewater, storm drainage, and refuse services to citizens.

**7. Risk Management**

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

The City has a partial self-funded medical insurance arrangement. The insurance coverage is substantially the same as in prior fiscal years. The City is self-insured for its medical benefits through its General Fund for employees which ranges from \$5,452 to \$14,692 per employee per year depending on the level of coverage selected. Maximum claim liability for 2012 was \$592,175. The City has specific stop loss insurance of \$35,000 per year along with aggregate stop loss insurance for claims. Claims in excess of the limitations are covered by third-party insurance. Expenditures are charged to the fund to which the employees' payroll expenditure is charged at the maximum amount per level of coverage.

Claims processing and payments for the medical claims are made through a third-party administrator. The City uses the information provided by the third-party administrator to aid in the determination of self-insurance liabilities. The plan terminated effective January 1, 2013. Amounts due in the future year on claims as of December 31, 2012 are recognized as a current liability in the statement of net position and include run out costs associated with the termination of the plan. Changes in the incurred but not reported amount during the fiscal years ended December 31, 2012 and 2011, were as follows:

	Claims Premium Liability at Beginning of Year	Current Year Claims and Changes in Estimates	Claim Payments	Claims and Premium Liability at End of Year
Fiscal Year 2011	\$ 6,378	\$ 761,033	\$ 701,845	\$ 65,566
Fiscal Year 2012	\$ 65,566	\$ 644,580	\$ 545,504	\$ 164,642

**City of Evans**  
**Notes to Financial Statements**  
**December 31, 2012**

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**8. Retirement Commitments**

*General Employees Defined Contributions Plan*

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

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

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

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

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

The City's total payroll for the year ended December 31, 2012 was \$5,705,718. The City's contributions to the plan for the years ending December 31, 2012, 2011, and 2010 were \$289,862, \$291,824, and \$332,665, respectively.

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

The City contributes to the Statewide Defined Benefit Plan ("SWDB"), a cost sharing multiple-employer defined benefit pension plan administered by the Colorado Fire and Police Pension Association ("FPPA"). The SWDB plan provides retirement benefits for members and beneficiaries. Death and disability coverage is provided for plan members hired prior to January 1, 1997 through the Statewide Death and Disability Plan, which is also administered by the Colorado Fire and Police Pension Association.

In May of 2005, police officers were allowed to opt into this defined benefit (see discussion contained in Statewide Hybrid Plan.)

Colorado Statutes assign the authority to establish benefit provisions to the state legislature. FPPA issues a publicly available annual financial report that includes financial statements and required supplementary information for the SWDB and the Statewide Death and Disability Plan. That report may be obtained by calling FPPA at 303-770-3772 in Denver Metro area and 1-800-332-FPPA (3772) from outside the metro area.

The contribution requirements of plan members and the City are established by State statute. The contribution rate is 8% of covered salary for all plan members and 8% for the City, with the exception of police department plan members prior to May, 2005 when plan changes took effect. These police member contributions are at 12% with the City's contribution at 8%. The City contributions to the SWDB for the years ending December 31, 2012, 2011, and 2010 were \$70,175, \$71,318, and \$74,201, respectively, equal to the

**City of Evans**  
**Notes to Financial Statements**  
**December 31, 2012**

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required contribution.

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

The City contributes to the Statewide Defined Contribution Plan ("SWDC"), a cost sharing multiple-employer defined contribution pension plan administered by the FPPA. The SWDC plan provides retirement benefits for members and beneficiaries. Death and disability coverage is provided for plan members through the SWDC plan, which is also administered by the FPPA. The paid fire chief, paid police chief, and paid police officers of the City are members of the SWDB and the Statewide Death and Disability Plan. In a defined contribution plan, benefits depend solely on amounts contributed to the plan, plus investment earnings.

The contribution requirements of plan members and the City are established by State statute. The contribution rate is 8% of covered salary for all plan members and 8% for the City. The City contributions to the SWDC plan for the years ending December 31, 2012, 2011, and 2010 were \$30,836, \$33,447, and \$34,912, respectively, equal to the required contribution.

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

Effective May 1, 2005, the City joined the Statewide Hybrid Plan ("SWH") offered by the FPPA on behalf of its full time sworn police officers and full-time paid firefighters and paramedics. The SWH plan was established under the authority granted by C.R.S. 31-31-1102. The plan is a combination of a defined benefit plan and a defined contribution plan. It is a qualified retirement plan under Section 401(a) of the Internal Revenue Code of 1986 and is a cost-sharing multiple employer plan. Under a hybrid plan, the benefit at retirement comes from both sources.

The SWH offers a combination of a defined benefit component and money purchase component with a base contribution rate of 8% from the City and 8% from the member. Members of the plan on the effective date of entry could elect to participate in both components of the plan or the money purchase component only. The City also elected to offer pre-existing police members the option to participate in the SWDB plan at a member contribution rate of 12%. The members also have the ability to make voluntary contributions towards the money purchase portion of the plan and to purchase additional years of service. The Plan has a five year pro-rated vesting schedule. For the years ended December 31, 2012, 2011, and 2010, the City made the required contributions of \$113,879, \$108,077, and \$115,055, respectively.

The Money Purchase portion of the SWH plan is defined contribution plan, whereby an account is established in the member's name that is self directed and final benefits are determined by the total amount of employee and employer contributions and related earnings and losses on those investments. The defined benefit portion of the SWH will provide a defined benefit upon retirement. Each member was provided a "Retirement Plan Comparison" of the benefits under the SWDB plan, the SWH Plan combined benefit, and the SWH plan money purchase component only benefit, in order to elect the type of coverage that was most beneficial under their circumstances.

The FPPA board on an annual basis determines the allocation of mandatory contributions between the money purchase component and the defined benefit component of the SWH plan. As of the effective date of the plan, the mandatory contribution of 16% was allocated, 14% to the defined benefit portion of the plan and 2% was allocated to the money purchase portion. Also in the SWDB plan, the FPPA board has the ability to adjust the retirement age up to age 60, in order to maintain the actuarial soundness of the plan. Under the SWDB plan, normal retirement is defined as age 55 and 25 years of service, with a retirement benefit of 1.5% per year of service. The benefit is calculated on the average of the members highest three years' base salary. There are also provisions for deferred retirement, early retirement and vested retirement at any age after completion of five years of service.

**City of Evans**  
**Notes to Financial Statements**  
**December 31, 2012**

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***Volunteer Firefighters' Pension Plan***

The City has established the Volunteer Firefighters' Pension Plan (the "Plan") an agent multiple-employer defined benefit pension plan for volunteer firefighters as authorized by State of Colorado statute. The Plan is administered by the FPPA. Any firefighter who has both attained the age of 50 and completed 20 years of active service shall be eligible for a monthly pension. A firefighter, who is disabled in the line of duty and whose disability is of such character and magnitude as to deprive the firefighter of earning capacity and extends beyond one year, shall be compensated in an amount determined by the pension Board. The annual financial report of FPPA may be obtained by calling FPPA at 303-770-3772 in Denver Metro area and 1-800-332-FPPA (3772) from outside the metro area.

The Plan received contributions from the City in an amount not to exceed one-half mill of property tax revenue. As established by the legislature, the State of Colorado contributes 25% of the City's contribution. The contributions are not actuarially determined. An actuary is used to determine the adequacy of contributions. The actuarial study as of January 1, 2011, indicated that the current level of contributions to the fund is adequate to support on an actuarially sound basis the prospective benefits for the present Plan.

For the year ended December 31, 2012, the City and State actual contributions were \$88,000 and \$22,123, respectively. The required contribution was determined as part of the January 1, 2011 actuarial valuation using the entry age actuarial cost method. Actuarial assumptions included the following:

1. Interest Rate - 8% per annum, compounded annually
2. Retirement - Age 50 and 20 years of service
3. Disability - Graduated rates for all disabilities
4. Mortality - 1994 Group Annuity Mortality Table
5. Separation - Graduated rates for all withdrawals
6. Marital Status - 90% married
7. Age Difference - Males assumed to be 3 years older
8. Asset Valuation - Actuarial value

At December 31, 2012, the net pension obligation, a disclosure of the difference between the cumulative annual pension costs and contributions made to the pension plan, is as follows:

Fiscal Year Funding	Annual Required Contributions	Percentage or ARC Contribution	Net Pension Obligation
12/31/2010	\$ 121,994	100%	\$ -
12/31/2011	\$ 121,994	100%	\$ -
12/31/2012	\$ 121,994	100%	\$ -

***Deferred Compensation Plan***

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan is administered by the International City Managers Association Retirement Corporation. The plan is available to the City Manager and Directors. The plan allows its participants to defer a portion of their current salary to all future years. Participation in the plan is optional. The deferred compensation is not available to the participants until termination, retirement, death, or an unforeseeable emergency occurs. The plan assets are held in trust for the benefit of the employee and therefore not reflected on the financial statements of the City. The City contributes 3% of the City Manager's gross income and also matches the City Manager's contributions up to a maximum of 4% into the plan. The City's

**City of Evans**  
**Notes to Financial Statements**  
**December 31, 2012**

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contributions to the plan for the years ending December 31, 2012, 2011, and 2010 were \$3,583, \$3,348, and \$3,323, respectively.

### 9. Rate Maintenance

The 1998 Colorado Water Resources and Power Development Authority loan agreements require that Net Revenues, as defined, shall represent a sum equal to 110% of the amount necessary to pay, when due, the principal and interest on the loan. The following table shows this calculation and that the City is in compliance with this requirement.

2012 Gross revenues	\$ 1,224,832
2012 Operation and maintenance expense	989,079
<hr/>	
Net revenues as defined in 1998	
CWRPDA loan agreement	235,753
110% of 1998 loan debt service	(122,878)
<hr/>	
Amount 2012 net revenue exceeded the	
1998 loan requirements	\$ 112,875

### 10. Commitments and Contingencies

#### *TABOR Reserves*

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

On April 5, 1994, the voting citizens of the City of Evans authorized the City (retroactive to January 1, 1993) to collect, retain, and expend all revenues, notwithstanding any state restrictions of fiscal year spending. This effectively removed all revenue and spending limits imposed by the Amendment. The City did not increase or incur any new tax or bonded debt in 2012.

The City's Home Rule Charter provision requires an Emergency Contingency Reserve Fund, reported in the General Fund in 2012, that shall maintain a balance equal to 5% of the budgeted General Fund revenues, until such fund is equal in amount to 25% of the prior year's General Fund expenditures. In 2012 5% of budgeted revenues were \$2,080,347 less than 25% of the prior year's General Fund expenditures.

#### *Litigation*

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

**City of Evans**  
**Notes to Financial Statements**  
**December 31, 2012**

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

The City has entered into an intergovernmental agreement (“IGA”) with the Evans Fire Protection District (the “District”) to provide financial support to the District until the District received sufficient revenue to support its operations. During the transition period, all District personnel will remain employees or volunteers of the City and the City will continue to own all capital assets purchased by the City. The City contributed \$1,437,916 to the District in 2012. In addition, the District paid \$102,107 to the City for administrative services provided, including human resources, risk management, payroll, finance, and insurance.

### **12. Subsequent Events**

The City has evaluated subsequent events through May 7, 2013, the date which the financial statements were available to be issued. There were no material subsequent events that required recognition or additional disclosure, except as described below.

In the November 2012 election, the citizens of Evans approved a ballot initiative to provide for a ceiling of \$1 million in the Emergency Contingency Fund, allowing any amount exceeding this amount to be transferred to the General Fund. This ceiling is effective starting January 1, 2013.

In addition, effective January 1, 2013 the City transferred assets owned for fire protection services to the Evans Fire Protection District.

## Required Supplementary Information

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**City of Evans**  
**Schedule of Revenues, Expenditures and Changes in Fund**  
**Balances (Budget and Actual) - General Fund**  
**Year Ended December 31, 2012**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Taxes and fees	\$ 6,794,269	\$ 6,905,712	\$ 9,114,380	\$ 2,208,668
Licenses and permits	734,860	731,860	757,510	25,650
Intergovernmental	620,240	679,140	740,221	61,081
Grants and contributions	10,000	10,000	3,491	(6,509)
Charges for services	512,510	534,033	474,655	(59,378)
Fines and forfeitures	434,000	434,000	512,046	78,046
Earnings on investments	52,068	52,068	53,614	1,546
Miscellaneous	116,000	172,165	118,455	(53,710)
<b>Total revenues</b>	<b>9,273,947</b>	<b>9,518,978</b>	<b>11,774,372</b>	<b>2,255,394</b>
<b>Expenditures</b>				
General government	2,395,137	2,708,149	2,575,785	132,364
Public safety	4,689,786	4,953,494	4,673,266	280,228
Public works	1,499,323	1,631,921	1,464,547	167,374
Culture, parks and recreation	1,092,280	1,231,338	978,704	252,634
Community development	467,903	775,903	630,005	145,898
Debt service	50,000	539,544	539,128	416
Capital outlay	316,898	1,577,200	1,382,785	194,415
<b>Total expenditures</b>	<b>10,511,327</b>	<b>13,417,549</b>	<b>12,244,220</b>	<b>1,173,329</b>
<b>Deficiency of revenues over expenditures</b>	<b>(1,237,380)</b>	<b>(3,898,571)</b>	<b>(469,848)</b>	<b>3,428,723</b>
<b>Other financing sources</b>				
Proceeds from the sale of capital assets	-	477,000	486,308	9,308
Transfers in	1,261,083	1,261,083	1,190,741	(70,342)
<b>Total other financing sources</b>	<b>1,261,083</b>	<b>1,738,083</b>	<b>1,677,049</b>	<b>(61,034)</b>
<b>Net change in fund balance</b>	<b>\$ 23,703</b>	<b>\$ (2,160,488)</b>	<b>1,207,201</b>	<b>\$ 3,367,689</b>
<b>Fund balance at beginning of year</b>			<b>5,899,082</b>	
<b>Fund balance at end of year</b>			<b>\$ 7,106,283</b>	

*See accompanying Independent Auditor's Report.*

**City of Evans**  
**Volunteer Firefighters' Pension Plan - Analysis of Funding Progress**

Year Ended December 31, 2012

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded UAAL (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll (b-a)/c)
1/1/2007	\$ 414,838	\$ 1,209,551	\$ 794,713	34.30%	N/A	N/A
1/1/2009	\$ 398,188	\$ 1,303,694	\$ 905,506	30.54%	N/A	N/A
1/1/2011	\$ 468,341	\$ 1,217,113	\$ 748,772	38.48%	N/A	N/A

*See accompanying Independent Auditor's Report.*

Other Supplementary Information  
Combining, Individual and Budgetary Statements

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**City of Evans**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**Year Ended December 31, 2012**

	Parks Impact	Conservation Trust	Fire Impact
<b>Assets</b>			
Equity in pooled cash, cash equivalents, and investments	\$ 386,927	\$ 179,862	\$ 62,719
Restricted cash, cash equivalents, and investments	-	-	-
Receivables	-	-	-
<b>Total assets</b>	<b>\$ 386,927</b>	<b>\$ 179,862</b>	<b>\$ 62,719</b>
<b>Liabilities</b>			
Accounts payable	\$ 20,770	\$ 111,638	\$ 1,356
Other liabilities	106,000	-	-
<b>Total liabilities</b>	<b>126,770</b>	<b>111,638</b>	<b>1,356</b>
<b>Fund Balances</b>			
Restricted	-	68,224	-
Committed	-	-	-
Assigned	260,157	-	61,363
<b>Total fund balances</b>	<b>260,157</b>	<b>68,224</b>	<b>61,363</b>
<b>Total liabilities and fund balances</b>	<b>\$ 386,927</b>	<b>\$ 179,862</b>	<b>\$ 62,719</b>

Refuse Collection	Street Impact	Cemetery Perpetual Care	G.O. Debt Service	Total
\$ 257,067	\$ 676,041	\$ 83,039	\$ -	\$ 1,645,655
-	-	-	422,812	422,812
60,179	-	-	85,238	145,417
\$ 317,246	\$ 676,041	\$ 83,039	\$ 508,050	\$ 2,213,884
\$ 41,269	\$ -	\$ -	\$ 150	\$ 175,183
-	-	-	-	106,000
41,269	-	-	150	281,183
-	-	-	505,610	573,834
-	40,795	-	-	40,795
275,977	635,246	83,039	2,290	1,318,072
275,977	676,041	83,039	507,900	1,932,701
\$ 317,246	\$ 676,041	\$ 83,039	\$ 508,050	\$ 2,213,884

*See accompanying Independent Auditor's Report.*

**City of Evans**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**Year Ended December 31, 2012**

	Parks Impact	Conservation Trust	Fire Impact
<b>Revenues</b>			
Licenses and permits	\$ -	\$ -	\$ -
Intergovernmental	-	186,502	-
Grants and contributions	50,000	-	-
Charges for services	-	-	-
Earnings on investments	2,073	1,350	480
Assessments	89,653	-	52,162
<b>Total revenues</b>	<b>141,726</b>	<b>187,852</b>	<b>52,642</b>
<b>Expenditures</b>			
General government	-	-	-
Public safety	-	-	44,055
Public works	-	-	-
Capital outlay	20,770	197,273	-
Debt service	-	-	-
<b>Total expenditures</b>	<b>20,770</b>	<b>197,273</b>	<b>44,055</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>120,956</b>	<b>(9,421)</b>	<b>8,587</b>
<b>Other financing sources (uses)</b>			
Proceeds from the sale of capital assets	23,000	5,100	-
Transfers out	-	-	-
<b>Total other financing sources (uses)</b>	<b>23,000</b>	<b>5,100</b>	<b>-</b>
<b>Net changes in fund balances</b>	<b>143,956</b>	<b>(4,321)</b>	<b>8,587</b>
<b>Fund balance at beginning of year</b>	<b>116,201</b>	<b>72,545</b>	<b>52,776</b>
<b>Fund balance at end of year</b>	<b>\$ 260,157</b>	<b>\$ 68,224</b>	<b>\$ 61,363</b>

Refuse Collection	Street Impact	Cemetery Perpetual Care	G.O. Debt Service	Total
\$ 800	\$ -	\$ -	\$ -	\$ 800
-	-	-	479,938	666,440
-	-	-	-	50,000
617,389	-	-	-	617,389
1,642	4,589	569	19,062	29,765
-	62,654	1,900	-	206,369
619,831	67,243	2,469	499,000	1,570,763
-	-	-	300	300
-	-	-	-	44,055
543,418	-	-	-	543,418
-	27,010	-	-	245,053
-	-	-	497,610	497,610
543,418	27,010	-	497,910	1,330,436
76,413	40,233	2,469	1,090	240,327
-	-	-	-	28,100
(31,026)	-	-	-	(31,026)
(31,026)	-	-	-	(2,926)
45,387	40,233	2,469	1,090	237,401
230,590	635,808	80,570	506,810	1,695,300
\$ 275,977	\$ 676,041	\$ 83,039	\$ 507,900	\$ 1,932,701

*See accompanying Independent Auditor's Report.*

## Special Revenue Funds

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**City of Evans  
Parks Impact Fund  
Budgetary Comparison Schedule  
Year Ended December 31, 2012**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Assessments				
Impact fees	\$ -	\$ -	\$ 89,653	\$ 89,653
Grants and contributions	-	-	50,000	50,000
Earnings on investments	1,293	1,293	2,073	780
<b>Total revenues</b>	<b>1,293</b>	<b>1,293</b>	<b>141,726</b>	<b>140,433</b>
<b>Expenditures</b>				
Capital outlay	46,000	46,000	20,770	25,230
<b>Total expenditures</b>	<b>46,000</b>	<b>46,000</b>	<b>20,770</b>	<b>25,230</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(44,707)</b>	<b>(44,707)</b>	<b>120,956</b>	<b>165,663</b>
<b>Other financing sources</b>				
Proceeds from the sale of capital assets	-	23,000	23,000	-
<b>Total other financing sources</b>	<b>-</b>	<b>23,000</b>	<b>23,000</b>	<b>-</b>
<b>Net change in fund balance</b>	<b>\$ (44,707)</b>	<b>\$ (21,707)</b>	<b>143,956</b>	<b>\$ 165,663</b>
<b>Fund balance at beginning of year</b>			<b>116,201</b>	
<b>Fund balance at end of year</b>			<b>\$ 260,157</b>	

*See accompanying Independent Auditor's Report.*

**City of Evans**  
**Conservation Trust Fund**  
**Budgetary Comparison Schedule**  
**Year Ended December 31, 2012**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Intergovernmental				
State shared revenue	\$ 172,000	\$ 222,000	\$ 186,502	\$ (35,498)
Earnings on investments	419	419	1,350	931
<b>Total revenues</b>	<b>172,419</b>	<b>222,419</b>	<b>187,852</b>	<b>(34,567)</b>
<b>Expenditures</b>				
Capital outlay	150,000	206,337	197,273	9,064
<b>Total expenditures</b>	<b>150,000</b>	<b>206,337</b>	<b>197,273</b>	<b>9,064</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>22,419</b>	<b>16,082</b>	<b>(9,421)</b>	<b>(25,503)</b>
<b>Other financing sources</b>				
Proceeds from the sale of capital assets	-	-	5,100	5,100
<b>Total other financing sources</b>	<b>-</b>	<b>-</b>	<b>5,100</b>	<b>5,100</b>
<b>Net change in fund balance</b>	<b>\$ 22,419</b>	<b>\$ 16,082</b>	<b>(4,321)</b>	<b>\$ (20,403)</b>
<b>Fund balance at beginning of year</b>			<b>72,545</b>	
<b>Fund balance at end of year</b>			<b>\$ 68,224</b>	

*See accompanying Independent Auditor's Report.*

**City of Evans**  
**Fire Impact Fund**  
**Budgetary Comparison Schedule**  
**Year Ended December 31, 2012**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Assessments				
Impact fees	\$ -	\$ 16,000	\$ 52,162	\$ 36,162
Earnings on investments	814	814	480	(334)
<b>Total revenues</b>	<b>814</b>	<b>16,814</b>	<b>52,642</b>	<b>35,828</b>
<b>Expenditures</b>				
Public safety				
Fire impact	-	46,405	44,055	2,350
<b>Total expenditures</b>	<b>-</b>	<b>46,405</b>	<b>44,055</b>	<b>2,350</b>
<b>Net change in fund balance</b>	<b>\$ 814</b>	<b>\$ (29,591)</b>	<b>8,587</b>	<b>\$ 38,178</b>
Fund balance at beginning of year			<u>52,776</u>	
Fund balance at end of year			<u>\$ 61,363</u>	

*See accompanying Independent Auditor's Report.*

**City of Evans**  
**Refuse Collection Fund**  
**Budgetary Comparison Schedule**  
**Year Ended December 31, 2012**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Licenses and permits				
Trash haulers' license	\$ 800	\$ 800	\$ 800	\$ -
Charges for services				
Refuse collection charges	614,880	614,880	617,389	2,509
Earnings on investments	4,848	4,848	1,642	(3,206)
<b>Total revenues</b>	<b>620,528</b>	<b>620,528</b>	<b>619,831</b>	<b>(697)</b>
<b>Expenditures</b>				
Public works				
Sanitation	554,300	554,300	543,418	10,882
<b>Total expenditures</b>	<b>554,300</b>	<b>554,300</b>	<b>543,418</b>	<b>10,882</b>
<b>Excess of revenues over expenditures</b>	<b>66,228</b>	<b>66,228</b>	<b>76,413</b>	<b>10,185</b>
<b>Other financing uses</b>				
Transfers out	(31,026)	(31,026)	(31,026)	-
<b>Total other financing uses</b>	<b>(31,026)</b>	<b>(31,026)</b>	<b>(31,026)</b>	<b>-</b>
<b>Net change in fund balance</b>	<b>\$ 35,202</b>	<b>\$ 35,202</b>	<b>45,387</b>	<b>\$ 10,185</b>
Fund balance at beginning of year			230,590	
Fund balance at end of year			<b>\$ 275,977</b>	

*See accompanying Independent Auditor's Report.*

**City of Evans**  
**Street Impact Fund**  
**Budgetary Comparison Schedule**  
**Year Ended December 31, 2012**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Assessments				
Impact fees	\$ -	\$ -	\$ 62,654	\$ 62,654
Earnings on investments	2,775	2,775	4,589	1,814
<b>Total revenues</b>	<b>2,775</b>	<b>2,775</b>	<b>67,243</b>	<b>64,468</b>
<b>Expenditures</b>				
Capital outlay	-	332,000	27,010	304,990
<b>Total expenditures</b>	<b>-</b>	<b>332,000</b>	<b>27,010</b>	<b>304,990</b>
<b>Net change in fund balance</b>	<b>\$ 2,775</b>	<b>\$ (329,225)</b>	<b>40,233</b>	<b>\$ 369,458</b>
Fund balance at beginning of year			635,808	
Fund balance at end of year			<u>\$ 676,041</u>	

*See accompanying Independent Auditor's Report.*

**City of Evans**  
**Cemetery Perpetual Care Fund**  
**Budgetary Comparison Schedule**  
**Year Ended December 31, 2012**

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Assessments				
Perpetual care fees	\$ 3,000	\$ 3,000	\$ 1,900	\$ (1,100)
Earnings on investments	-	-	569	569
<b>Total revenues</b>	<b>3,000</b>	<b>3,000</b>	<b>2,469</b>	<b>(531)</b>
<b>Expenditures</b>				
Capital outlay	-	1,667	-	1,667
<b>Total expenditures</b>	<b>-</b>	<b>1,667</b>	<b>-</b>	<b>1,667</b>
<b>Net change in fund balance</b>	<b>\$ 3,000</b>	<b>\$ 1,333</b>	<b>2,469</b>	<b>\$ 1,136</b>
Fund balance at beginning of year			<u>80,570</u>	
Fund balance at end of year			<u>\$ 83,039</u>	

*See accompanying Independent Auditor's Report.*

## Debt Service Fund

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**City of Evans**  
**G.O. Debt Service Fund**  
**Budgetary Comparison Schedule**  
**Year Ended December 31, 2012**

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Intergovernmental				
Greeley/Evans demarcation	\$ 479,000	\$ 479,000	\$ 479,938	\$ 938
Earnings on investments	20,000	20,000	19,062	(938)
<b>Total revenues</b>	<b>499,000</b>	<b>499,000</b>	<b>499,000</b>	<b>-</b>
<b>Expenditures</b>				
General government				
Finance	600	600	300	300
Debt service	497,610	497,610	497,610	-
<b>Total expenditures</b>	<b>498,210</b>	<b>498,210</b>	<b>497,910</b>	<b>300</b>
<b>Net change in fund balance</b>	<b>\$ 790</b>	<b>\$ 790</b>	<b>1,090</b>	<b>\$ 300</b>
Fund balance at beginning of year			<u>506,810</u>	
Fund balance at end of year			<u>\$ 507,900</u>	

*See accompanying Independent Auditor's Report.*

## Capital Projects Fund

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**City of Evans**  
**Street Construction Fund**  
**Budgetary Comparison Schedule**  
**Year Ended December 31, 2012**

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$ 684,582	\$ 684,582	\$ 652,415	\$ (32,167)
Grants and contributions	140,000	299,200	74,431	(224,769)
Earnings on investments	2,416	2,416	3,994	1,578
<b>Total revenues</b>	<b>826,998</b>	<b>986,198</b>	<b>730,840</b>	<b>(255,358)</b>
<b>Expenditures</b>				
Public works	182,950	182,950	156,641	26,309
Capital outlay	637,050	1,027,241	606,600	420,641
<b>Total expenditures</b>	<b>820,000</b>	<b>1,210,191</b>	<b>763,241</b>	<b>446,950</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>6,998</b>	<b>(223,993)</b>	<b>(32,401)</b>	<b>191,592</b>
<b>Other financing sources</b>				
Proceeds from the sale of capital assets	-	125,000	125,000	-
<b>Total other financing sources</b>	<b>-</b>	<b>125,000</b>	<b>125,000</b>	<b>-</b>
<b>Net change in fund balance</b>	<b>\$ 6,998</b>	<b>\$ (98,993)</b>	<b>92,599</b>	<b>\$ 191,592</b>
<b>Fund balance at beginning of year</b>			<b>236,449</b>	
<b>Fund balance at end of year</b>			<b>\$ 329,048</b>	

*See accompanying Independent Auditor's Report.*

## Enterprise Funds

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**City of Evans**  
**Water Fund**  
**Budgetary Comparison Schedule**  
**Year Ended December 31, 2012**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Operating revenues</b>				
Water sales	\$ 3,762,089	\$ 4,142,089	\$ 4,207,294	\$ 65,205
Non-potable water sales	122,570	122,570	180,592	58,022
Other sales	25,000	25,000	5,230	(19,770)
Water meters	1,384	1,384	12,780	11,396
<b>Total operating revenues</b>	<b>3,911,043</b>	<b>4,291,043</b>	<b>4,405,896</b>	<b>114,853</b>
<b>Operating expenses</b>				
Water supply and administrative	3,412,625	3,563,603	3,256,943	306,660
Capital outlay	827,987	1,711,676	795,847	915,829
<b>Total operating expenses</b>	<b>4,240,612</b>	<b>5,275,279</b>	<b>4,052,790</b>	<b>1,222,489</b>
<b>Operating income (loss)</b>	<b>(329,569)</b>	<b>(984,236)</b>	<b>353,106</b>	<b>1,337,342</b>
<b>Other revenue (expense)</b>				
Earnings on investments	40,480	40,480	15,533	(24,947)
Plant investment fees and cash in lieu of fees	85,000	85,000	226,119	141,119
Transfers to other funds	(651,053)	(651,053)	(602,357)	48,696
<b>Total other revenue (expense)</b>	<b>(525,573)</b>	<b>(525,573)</b>	<b>(360,705)</b>	<b>164,868</b>
<b>Change in net position - budgetary basis</b>	<b>\$ (855,142)</b>	<b>\$ (1,509,809)</b>	<b>(7,599)</b>	<b>\$ 1,502,210</b>
<b>Reconciliation to GAAP basis</b>				
Depreciation			(713,997)	
Capital outlay			795,847	
<b>Change in net position - GAAP basis</b>			<b>74,251</b>	
<b>Net position at beginning of year</b>			<b>49,514,063</b>	
<b>Net position at end of year</b>			<b>\$ 49,588,314</b>	

*See accompanying Independent Auditor's Report.*

**City of Evans**  
**Wastewater Fund**  
**Budgetary Comparison Schedule**  
**Year Ended December 31, 2012**

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Operating revenues</b>				
Sewer sales	\$ 1,088,908	\$ 1,086,040	\$ 1,125,062	\$ 39,022
<b>Total operating revenues</b>	<b>1,088,908</b>	<b>1,086,040</b>	<b>1,125,062</b>	<b>39,022</b>
<b>Operating expenses</b>				
Wastewater and administration	859,621	1,078,121	989,079	89,042
Principal paid	81,533	81,533	81,533	-
Capital outlay	322,000	660,000	21,253	638,747
<b>Total operating expenses</b>	<b>1,263,154</b>	<b>1,819,654</b>	<b>1,091,865</b>	<b>727,789</b>
<b>Operating income (loss)</b>	<b>(174,246)</b>	<b>(733,614)</b>	<b>33,197</b>	<b>766,811</b>
<b>Other revenue (expense)</b>				
Earnings on investments	6,994	6,994	9,774	2,780
Plant investment fees and cash in lieu of fees	25,000	25,000	89,996	64,996
Transfers to other funds	(428,095)	(428,095)	(413,141)	14,954
Interest expense	(30,174)	(30,174)	(29,860)	314
<b>Total other revenue (expense)</b>	<b>(426,275)</b>	<b>(426,275)</b>	<b>(343,231)</b>	<b>83,044</b>
<b>Change in net position - budgetary basis</b>	<b>\$ (600,521)</b>	<b>\$ (1,159,889)</b>	<b>(310,034)</b>	<b>\$ 849,855</b>
<b>Reconciliation to GAAP basis</b>				
Depreciation expense			(471,978)	
Principal paid			81,533	
Capital outlay			21,253	
<b>Change in net position - GAAP basis</b>			<b>(679,226)</b>	
<b>Net position at beginning of year</b>			<b>11,128,330</b>	
<b>Net position at end of year</b>			<b>\$ 10,449,104</b>	

*See accompanying Independent Auditor's Report.*

**City of Evans**  
**Storm Drainage Fund**  
**Budgetary Comparison Schedule**  
**Year Ended December 31, 2012**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Operating revenues</b>				
Storm drainage sales	\$ 442,551	\$ 442,551	\$ 438,218	\$ (4,333)
<b>Total operating revenues</b>	442,551	442,551	438,218	(4,333)
<b>Operating expenses</b>				
Storm drainage and administration	25,984	25,984	22,340	3,644
Capital outlay	285,000	772,685	194,363	578,322
<b>Total operating expenses</b>	310,984	798,669	216,703	581,966
<b>Operating income (loss)</b>	131,567	(356,118)	221,515	577,633
<b>Other revenue (expense)</b>				
Plant investment fees	10,000	10,000	93,679	83,679
Earnings on investments	891	891	5,153	4,262
Transfers to other funds	(147,909)	(147,909)	(142,217)	5,692
<b>Total other revenue (expense)</b>	(137,018)	(137,018)	(43,385)	93,633
<b>Change in net position - budgetary basis</b>	\$ (5,451)	\$ (493,136)	178,130	\$ 671,266
<b>Reconciliation to GAAP basis</b>				
Depreciation			(261,779)	
Capital outlay			194,363	
<b>Change in net assets - GAAP basis</b>			110,714	
<b>Net assets at beginning of year</b>			8,828,764	
<b>Net assets at end of year</b>			\$ 8,939,478	

*See accompanying Independent Auditor's Report.*

## Fiduciary Funds

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**City of Evans**  
**Volunteer Firefighters' Pension Fund**  
**Budgetary Comparison Schedule**  
**Year Ended December 31, 2012**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Intergovernmental				
State shared revenue	\$ 33,994	\$ 33,994	\$ 22,123	\$ (11,871)
Earnings on investments	40,000	40,000	50,106	10,106
Contributions	88,000	88,000	88,000	-
<b>Total revenues</b>	<b>161,994</b>	<b>161,994</b>	<b>160,229</b>	<b>(1,765)</b>
<b>Expenses</b>				
Public safety				
Pension distributions	154,200	154,200	109,230	44,970
<b>Total expenses</b>	<b>154,200</b>	<b>154,200</b>	<b>109,230</b>	<b>44,970</b>
<b>Net change in net position</b>	<b>\$ 7,794</b>	<b>\$ 7,794</b>	<b>50,999</b>	<b>\$ 43,205</b>
<b>Net position at beginning of year</b>			<b>472,821</b>	
<b>Net position at end of year</b>			<b>\$ 523,820</b>	

*See accompanying Independent Auditor's Report.*

**City of Evans**  
**Cemetery Endowment Fund**  
**Budgetary Comparison Schedule**  
**Year Ended December 31, 2012**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Earnings on investments	\$ 2,000	\$ 2,000	\$ 9,991	\$ 7,991
<b>Expenses</b>				
Transfers out	2,000	2,000	2,000	-
<b>Net change in net position</b>	<b>\$ -</b>	<b>\$ -</b>	<b>7,991</b>	<b>\$ 7,991</b>
Net position at beginning of year			48,685	
Net position at end of year			<u>\$ 56,676</u>	

*See accompanying Independent Auditor's Report.*

## Supplemental Section

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## State Compliance Section

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

<b>LOCAL HIGHWAY FINANCE REPORT</b>		City or County: Evans, CO
		YEAR ENDING : December 2012
This Information From The Records Of City of Evans, CO		Prepared By: Finance Dept J Gonifas Phone: 970-475-1106

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

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

II. RECEIPTS FOR ROAD AND STREET PURPOSES		III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES	
ITEM	AMOUNT	ITEM	AMOUNT
<b>A. Receipts from local sources:</b>		<b>A. Local highway disbursements:</b>	
1. Local highway-user taxes		1. Capital outlay (from page 2)	822,705
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	797,440
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	10,870
2. General fund appropriations	1,093,748	b. Snow and ice removal	9,511
3. Other local imposts (from page 2)	187,407	c. Other	
4. Miscellaneous local receipts (from page 2)	533,832	d. Total (a. through c.)	20,382
5. Transfers from toll facilities		4. General administration & miscellaneous	442,955
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	250,518
a. Bonds - Original Issues		6. Total (1 through 5)	2,334,000
b. Bonds - Refunding Issues		<b>B. Debt service on local obligations:</b>	
c. Notes		1. Bonds:	
d. Total (a. + b. + c.)	0	a. Interest	
7. Total (1 through 6)	1,814,987	b. Redemption	
<b>B. Private Contributions</b>		c. Total (a. + b.)	0
<b>C. Receipts from State government</b> (from page 2)	577,415	2. Notes:	
<b>D. Receipts from Federal Government</b> (from page 2)	74,431	a. Interest	
<b>E. Total receipts (A.7 + B + C + D)</b>	2,466,833	b. Redemption	
		c. Total (a. + b.)	0
		3. Total (1.c + 2.c)	0
		<b>C. Payments to State for highways</b>	
		<b>D. Payments to toll facilities</b>	
		<b>E. Total disbursements (A.6 + B.3 + C + D)</b>	
			2,334,000

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

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

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

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	872,257	2,466,833	2,334,000	1,005,089	(0)

**Notes and Comments:**

**LOCAL HIGHWAY FINANCE REPORT**

STATE:  
Colorado  
YEAR ENDING (mm/yy):  
December 2012

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

ITEM	AMOUNT	ITEM	AMOUNT
<b>A.3. Other local imposts:</b>		<b>A.4. Miscellaneous local receipts:</b>	
a. Property Taxes and Assessments		a. Interest on investments	8,581
b. Other local imposts:		b. Traffic Fines & Penalties	325,249
1. Sales Taxes		c. Parking Garage Fees	
2. Infrastructure & Impact Fees	62,654	d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	125,000
4. Licenses		f. Charges for Services	
5. Specific Ownership &/or Other	124,753	g. Other Misc. Weld Cty Rd & Bridge	75,001
6. Total (1. through 5.)	187,407	h. Other	
c. Total (a. + b.)	187,407	i. Total (a. through h.)	533,832
	(Carry forward to page 1)		(Carry forward to page 1)

ITEM	AMOUNT	ITEM	AMOUNT
<b>C. Receipts from State Government</b>		<b>D. Receipts from Federal Government</b>	
1. Highway-user taxes	520,893	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	
a. State bond proceeds		b. FEMA	
b. Project Match		c. HUD	
c. Motor Vehicle Registrations	56,522	d. Federal Transit Admin	
d. Other (Specify) - DOLA Grant		e. U.S. Corps of Engineers	
e. Other (Specify)		f. Other Federal	74,431
f. Total (a. through e.)	56,522	g. Total (a. through f.)	74,431
4. Total (1. + 2. + 3.f)	577,415	3. Total (1. + 2.g)	
			(Carry forward to page 1)

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

	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
<b>A.1. Capital outlay:</b>			
a. Right-Of-Way Costs			0
b. Engineering Costs		294,367	294,367
c. Construction:			
(1). New Facilities			0
(2). Capacity Improvements		151,256	151,256
(3). System Preservation		346,509	346,509
(4). System Enhancement & Operation		30,573	30,573
(5). Total Construction (1) + (2) + (3) + (4)	0	528,338	528,338
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	822,705	822,705
			(Carry forward to page 1)

Notes and Comments: