



City of
Evans, Colorado

Financial Statements
and Supplementary Information
For the Year Ended December 31, 2013

City of Evans

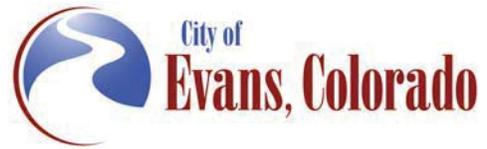
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City of Evans

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May 30, 2014

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, 2013.

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, 2013, 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, 2013 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 handwritten signature in black ink, appearing to read "A. Hogan", written over a horizontal line.

Aden Hogan, Jr.
City Manager

A handwritten signature in black ink, appearing to read "Jessica Gonifas", written over a horizontal line.

Jessica Gonifas, CPA
Deputy City Manager

**City of Evans, 1100 37TH Street, Evans Community Complex, Evans, Colorado 80620,
Phone – 970.475.1101, Fax – 970.330.3472, Website – 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 and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of December 31, 2013, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.



Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 13 and the budgetary comparison information on page 48 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with evidence sufficient to express an opinion or provide any assurance.

Other Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual nonmajor fund financial statements, budgetary comparison schedules on pages 49 to 65 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 30, 2014

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, 2013. 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 2013 by \$105.3 million (net position). Of this amount, \$13.4 million (unrestricted net position) may be used to meet the City's ongoing obligations to citizens and creditors. Of the remaining balance, \$88.3 million is investments in capital assets and \$3.6 million is restricted for other purposes.
- The City's total net position increased by \$2.9 million. The governmental activities drove this change with an increase of \$2.5 million due to an increase in revenue.
- Sales and use tax collections increased by \$1.5 million, a 22 percent increase over the prior year. Economic condition improvements contributed to this increase.
- At the end of 2013, the City's governmental funds reported combined ending fund balances of \$14.4 million, an increase of \$5.1 million in comparison to the ending balances of 2012. Of this total amount, \$6.4 million, or 44 percent, is available for spending at the City's discretion (unassigned fund balance).
- At the end of 2013, the unassigned fund balance for the general fund was \$6.4 million, which was 52 percent of total general fund 2013 expenditures. In addition, the City Charter requires the Emergency Contingency Fund to maintain a balance of 25 percent of the preceding fiscal year's (2012) audited General Fund expenditures, not to exceed \$1,000,000. The resulting 2013 fund balance related to the Emergency Contingency Fund (shown as combined with the General Fund) amounts to \$1 million in reserve for emergencies. Fund balances at 2013 year end for the General Fund, including the Emergency Contingency Fund, amount to \$9.8 million.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

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

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

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

The government-wide financial statements include solely the operations of the City itself. The activity for the Evans Redevelopment Agency is reported as a blended component unit of the City. Separate financial statements are not issued for the ERA.

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

Fund Financial Statements – Reporting the City of Evans’ Most Significant Funds

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives, or as required by legal enabling legislation. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance related legal requirements. All 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 ten individual governmental funds, including the blended component unit of the Evans Redevelopment Agency. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the general, street construction and debt service 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 17-22 of this report.

Proprietary funds - The City maintains one type of proprietary fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its water, 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 23-25 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 26-27 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 28-47 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 48-67 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 \$105.3 million at the close of 2013.

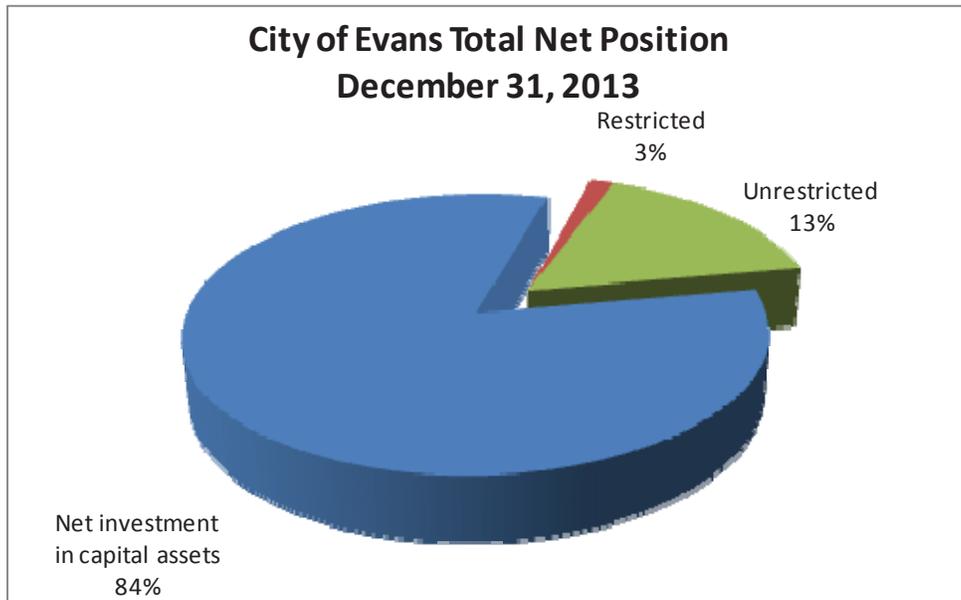
By far the largest portion (86 percent) of the City's net position reflects its investment in capital assets (e.g., land, buildings, machinery and equipment and infrastructure) less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide 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 (\$13.4 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 2013 as compared to 2012.

Table 1

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

	Governmental Activities		Business-type Activities		Total	
	2013	2012	2013	2012	2013	2012
Assets:						
Current and other assets	\$ 16,670	\$ 11,161	\$ 4,852	\$ 4,605	\$ 21,552	\$ 15,766
Capital assets	24,317	26,073	67,071	65,601	91,388	91,674
Total assets	41,017	37,234	71,923	70,206	112,940	107,440
Liabilities:						
Current liabilities	1,869	1,762	468	642	2,337	2,404
Long-term liabilities	2,830	1,649	2,082	587	4,912	2,236
Total liabilities	4,699	3,411	2,560	1,231	7,249	4,640
Deferred inflows of resources						
Unearned revenue – property taxes	392	435	-	-	392	435
Net Position:						
Net investment in capital assets	21,742	24,205	66,578	65,020	88,320	89,225
Restricted	3,341	2,821	269	351	3,610	3,172
Unrestricted	10,843	6,362	2,526	3,606	13,369	9,968
Total net position	\$ 35,926	\$ 33,388	\$ 69,373	\$ 68,977	\$ 105,299	\$ 102,365



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.

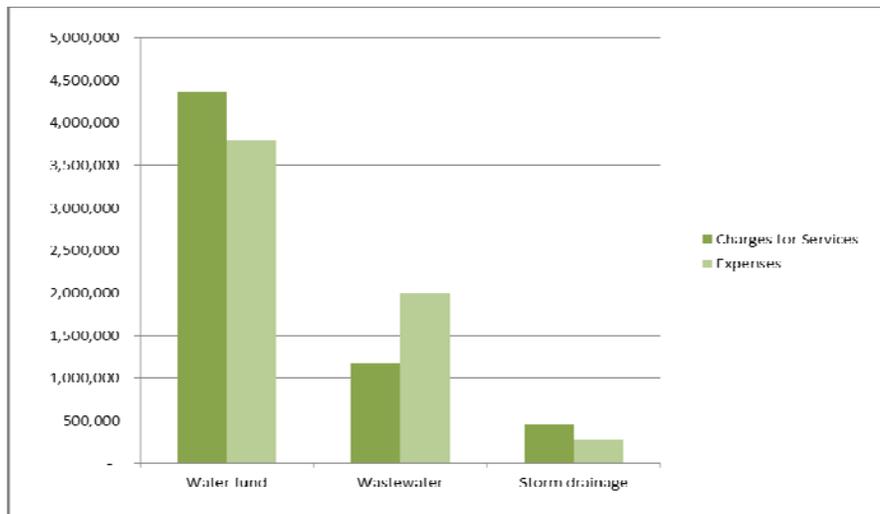
Table 2 shows the changes in net position for the fiscal 2013 compared to the fiscal year 2012.

Table 2						
City of Evans						
Condensed Statement of Activities (\$000's)						
	Governmental Activities		Business-Type Activities		Total	
	2013	2012	2013	2012	2013	2012
Revenues:						
<i>Program revenues:</i>						
Charges for services	\$ 4,200	\$ 2,569	\$ 5,994	\$ 5,969	\$ 10,194	\$ 8,538
Operating grants and contributions	186	128	331	-	517	128
Capital grants and contributions	149	112	1,091	410	1,240	522
<i>General revenues:</i>						
Sales and use taxes	8,212	6,733	-	-	8,212	6,733
Property taxes	419	1,550	-	-	419	1,550
Specific Ownership	20	125	-	-	20	125
Franchise taxes	597	585	-	-	597	585
Other taxes	88	122	-	-	88	122
Intergovernmental	3,296	2,059	-	-	3,296	2,059
Earnings on Investments	29	87	(8)	31	21	118
Other general revenue	201	118	-	-	201	118
Gain on extinguishment of debt	-	373	-	-	-	373
Gain (Loss) on disposition of capital assets	(178)	225	-	-	(178)	225
Total revenues	17,219	14,786	7,408	6,410	24,627	21,196
Expenses:						
General government	3,258	3,078	-	-	3,258	3,078
Public safety	4,114	4,824	-	-	4,114	4,824
Public works	2,797	2,761	-	-	2,797	2,761
Culture, parks and recreation	895	992	-	-	895	992
Community development	2,021	668	-	-	2,021	668
Flood Damage - Evans 2013 Flood	1,271	-	-	-	1,271	-
Water enterprise	-	-	3,785	3,971	3,785	3,971
Wastewater enterprise	-	-	1,687	1,491	1,687	1,491
Storm Drainage enterprises	-	-	280	284	280	284
Interest on Long Term Debt	91	85	-	-	91	85
Total expenses	14,447	12,408	5,752	5,746	20,199	18,154
Excess before transfers	2,772	2,378	1,656	664	4,428	3,042
Transfers in (out)	1,279	1,160	(1,260)	(1,158)	19	2
Special Item						
Transfer operations to EFPD	(1,513)	-	-	-	(1,513)	-
Increase (decrease) in net position	2,538	3,538	396	(494)	2,934	3,044
Net position – Beginning	33,388	29,850	68,977	69,471	102,365	99,321
Net position – Ending	\$ 35,926	\$ 33,388	\$ 69,373	\$ 68,977	\$ 105,299	\$ 102,365

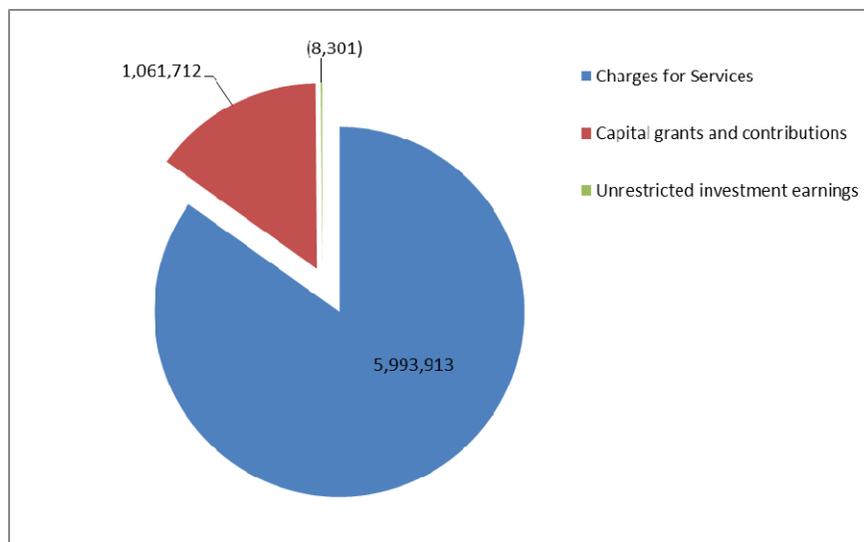
Governmental Activities - Governmental activities increased the City's net position by \$2.5 million, thereby accounting for all of the total growth in the net position of the City as the enterprise funds recognized a decrease in net position. Contributing to this growth was both the City's increase in revenues in expenditures.

Business-type Activities - Business-type activities increased the City's net position by \$396 thousand.

Business-type Activities - Charges for Services and Expenses



Business-type Activities - Revenues by Source



FINANCIAL ANALYSIS OF THE CITY'S FUNDS

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

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

As of December 31, 2013, the City's governmental funds reported ending fund balances of \$14.4 million, an increase of \$5.1 million from the prior year. Approximately 44 percent of this total amount (\$6.4 million) constitutes unassigned fund balance, which is available for spending at the City's discretion. The remainder of fund balance (\$8.1 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) 3) fund balance which was accumulated due to revenues which were assigned to a specific function (for example, impact fee revenues), and 4) not in spendable form due to prepaid items

The General Fund is the chief operating fund of the City. As of December 31, 2013, the unassigned fund balance of the general fund was \$6.4 million. As a measure of the General Fund's liquidity, it may be useful to compare total unassigned fund balance to total fund expenditures. Total unassigned fund balance represents 52 percent of total General Fund expenditures. The increase in the fund balance of the General Fund was \$2.7 million during 2013. The contributing factor to the increase was the increase in fund revenues of \$964 thousand during the year.

In 2013, taxes are the General Fund's largest source of revenue at 75 percent, or \$9.3 million.

The Emergency Contingency Fund ended the 2013 fiscal year with a total fund balance of \$1.0 million, all of which is reserved for emergencies and not available for spending, except at the City Council's discretion in accordance with City Charter direction. The fund balance decreased by \$1.3 million due to a transfer out of 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, 2013, amounted to \$50.3 million, \$10.0 million, and \$9.0 million, respectively. The total growth (decline) in net position for the three funds during 2013 was \$717 thousand, \$(414) thousand, and \$94 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 2013 original budget and the final revised expenditure budget was \$7.0 million. The major appropriations approved during the year were:

- \$920 thousand transfer to the Evans Redevelopment Agency,
- \$382 thousand for one-time supplies, services, equipment and capital purchases from excess 2012 ending fund balance, and
- \$496 thousand for response to the Evans 2013 flood.

During the year, actual revenues were \$12.5 million, which exceeded final budgetary estimates by \$1.8 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 \$12.4 million which was \$3.9 million under actual expenditures and other financing sources. The fund balance as of December 31, 2013 was \$9.8 million. Of this amount, 1) \$167 thousand is nonspendable and related to 2014 expenditures prepaid in 2013, 2) \$1 million is restricted for emergencies 3) \$2.0 million is restricted for capital projects 4) \$221 thousand is committed for functions related to designated revenue, and 5) \$6.4 million is unassigned and available for appropriations as the City Council sees fit.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets - The City's investment in capital assets for its governmental and business-type activities as of December 31, 2013, amounted to \$91.4 million (net of accumulated depreciation). This investment includes the investment in Greeley water; land; buildings and system; improvements; machinery and equipment; park facilities; sidewalks; roads; highways and bridges; and water, wastewater and storm drainage installations and systems. The City's investment in capital assets 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:

- Water System Development to City of Greeley (\$2,544,592)
- 23rd Ave Storm Sewer Outfall (\$537,367)

**City of Evans Capital Assets
(net of depreciation) (\$000's)**

	Governmental Activities		Business-Type Activities		Total	
	2013	2012	2013	2012	2013	2012
Land and water shares	\$ 4,697	4,708	\$ 25,829	\$ 25,829	\$ 30,526	\$ 30,537
Landscaping	1,215	1,225	-	-	1,215	1,225
Construction in progress	1,812	908	2,537	2,445	4,349	3,353
Intangible assets	57	41	11	13	68	54
Land improvements	1,460	2,100	-	-	1,460	2,100
Building & improvements	5,720	7,386	331	372	6,051	7,758
System improvements	-	-	29,964	31,004	29,964	31,004
Machinery & equipment	223	474	219	290	442	764
Transportation equipment	344	383	-	-	344	383
Infrastructure	8,789	8,849	378	390	9,167	9,239
Total	\$ 24,317	\$ 26,074	\$ 59,269	\$ 60,343	\$ 83,586	\$ 86,417

Additional information on the City's capital assets can be found in the notes to the financial statements on Pages 38-40 of this report.

Debt - As of December 31, 2013, the City had total capital lease obligations outstanding of \$2.6 million. In addition, the City has \$2.0 million in Colorado Water Resources and Power Development Authority ("CWRPDA") notes payable. During the year, the City paid off its remaining general obligation bonds.

City of Evans Outstanding Debt (\$000's)

	Governmental Activities		Business-Type Activities		Total	
	2013	2012	2013	2012	2013	2012
General obligation bonds	\$ -	\$ 1,868	\$ -	\$ -	\$ -	\$ 1,868
Water loans	-	-	1,500	-	1,500	-
Wastewater loans	-	-	493	581	493	581
Capital Leases	2,575	-	-	-	2,575	-
Compensated Absences	255	215	89	95	344	310
Total	\$ 2,830	\$ 2,083	\$ 2,082	\$ 676	\$ 4,912	\$ 2,759

The City's total debt was increased by \$2.1 million (78 percent) during 2013, due to entering into a new loan agreement in the Water Utility with CWRPDA and issuing a new capital lease for the acquisition, construction, and equipping of the Riverside Library and Cultural Center, a joint project of the City and the High Plains Library.

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 40-42 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

- The 2013 revenue picture (from both a sales tax and development fee perspective) was improved from 2012. This was due to recessionary recovery resulting in positive economic conditions and an increase in development.
- 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 2013 estimate of 20,153.
- The City's sales tax collections increased by 17 percent in 2013, 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 8 percent for 2014. This projected decrease is related to the uncertainty in the industrial and motor vehicle categories.
- Building use tax increased by 213 percent from 2012 to 2013 and is projected to decrease slightly for 2014 due to the large multi-family project in 2013.
- Property tax decreased by 73 percent in 2013 and is projected to decrease by 5 percent for 2014. 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 2014 fiscal year.

Requests for Information

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

Basic Financial Statements

City of Evans
Statement of Net Position

December 31, 2013

	Governmental Activities	Business-Type Activities	Total
Assets			
Cash, cash equivalents, and investments	\$ 11,318,382	\$ 2,269,647	\$ 13,588,029
Receivables	2,076,946	800,692	2,877,638
Prepaid items	285,293	12,039	297,332
Restricted assets:			
Cash, cash equivalents, and investments	3,019,732	268,935	3,288,667
Loan proceeds receivable	-	1,500,000	1,500,000
Investment in Greeley water	-	7,802,013	7,802,013
Capital assets, not being depreciated	7,724,405	28,366,507	36,090,912
Capital assets, being depreciated, net	16,592,357	30,902,686	47,495,043
Total assets	41,017,115	71,922,519	112,939,634
Liabilities			
Accounts payable	1,379,151	370,697	1,749,848
Accrued payroll	184,650	13,488	198,138
Deposits and escrows	43,420	74,959	118,379
Unearned revenue	35,310	-	35,310
Other liabilities	226,801	8,293	235,094
Noncurrent liabilities:			
Accrued compensated absences	254,947	89,150	344,097
Due within one year	230,000	179,781	409,781
Due in more than one year	2,345,000	1,813,148	4,158,148
Total liabilities	4,699,279	2,549,516	7,248,795
Deferred inflows of resources			
Unearned revenue - property taxes	392,030	-	392,030
Deferred inflows of resources	392,030	-	392,030
Net Position			
Net investment in capital assets	21,741,762	66,578,277	88,320,039
Restricted for:			
Emergencies	1,000,000	-	1,000,000
Capital projects	2,019,732	-	2,019,732
Debt service	-	268,935	268,935
Parks and recreation	321,517	-	321,517
Unrestricted	10,842,795	2,525,791	13,368,586
Total net position	\$ 35,925,806	\$ 69,373,003	\$105,298,809

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

City of Evans
Statement of Activities

Year Ended December 31, 2013

Functions/programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities:				
General government	\$ 3,257,576	\$ 2,023,937	\$ 22,836	\$ -
Public safety	4,114,381	646,168	2,136	-
Public works	2,796,880	335,604	-	149,182
Culture, parks and recreation	895,226	1,193,442	-	-
Community development	2,020,567	-	-	-
Flood damage - Evans 2013 flood	1,271,158	-	161,112	-
Interest on long term-debt	91,345	-	-	-
Total governmental activities	14,447,133	4,199,151	186,084	149,182
Business-type activities:				
Water	3,785,151	4,359,732	49,892	753,974
Wastewater	1,686,597	1,177,884	281,132	268,056
Storm drainage	279,797	456,297	-	69,324
Total business-type activities	5,751,545	5,993,913	331,024	1,091,354
Total primary government	\$20,198,678	\$10,193,064	\$ 517,108	\$ 1,240,536
General revenues				
Taxes:				
Property taxes				
Specific ownership taxes				
Sales and use taxes				
Franchise taxes				
Other taxes				
Intergovernmental				
Earnings on investments				
Other revenues				
Loss on disposal of capital assets				
Subtotal general revenues				
Transfers in (out)				
Total general revenues and transfers				
Special item				
Transfer of operations to Evans Fire Protection District				
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
\$ (1,210,803)	\$ -	\$ (1,210,803)
(3,466,077)	-	(3,466,077)
(2,312,094)	-	(2,312,094)
298,216	-	298,216
(2,020,567)	-	(2,020,567)
(1,110,046)	-	(1,110,046)
(91,345)	-	(91,345)
(9,912,716)	-	(9,912,716)
-	1,378,447	1,378,447
-	40,475	40,475
-	245,824	245,824
-	1,664,746	1,664,746
(9,912,716)	1,664,746	(8,247,970)
418,938	-	418,938
19,732	-	19,732
8,212,174	-	8,212,174
597,107	-	597,107
87,978	-	87,978
3,295,908	-	3,295,908
28,686	(8,301)	20,385
201,050	-	201,050
(177,537)	-	(177,537)
12,684,036	(8,301)	12,675,735
1,278,938	(1,260,338)	18,600
13,962,974	(1,268,639)	12,694,335
(1,512,674)	-	(1,512,674)
2,537,584	396,107	2,933,691
33,388,222	68,976,896	102,365,118
\$35,925,806	\$69,373,003	\$105,298,809

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

City of Evans
Balance Sheet
Governmental Funds
December 31, 2013

	General	Street Construction	G.O. Debt Service
Assets			
Equity in pooled cash, cash equivalents and investments	\$ 6,452,899	\$ 762,635	\$ -
Restricted cash, cash equivalents and investments	3,019,732	-	-
Receivables	1,703,014	253,017	-
Interfund receivable	69,324	-	-
Prepaid items	166,823	-	-
Total assets	\$ 11,411,792	\$ 1,015,652	\$ -
Liabilities, deferred outflows of resources and fund balances			
Liabilities			
Accounts payable	\$ 924,752	\$ 359,466	\$ 150
Interfund payable	-	-	69,324
Unearned revenue	35,310	-	-
Accrued payroll	184,650	-	-
Deposits and escrows	43,420	-	-
Other liabilities	-	115,844	-
Total liabilities	1,188,132	475,310	69,474
Deferred inflows of resources			
Unearned revenue - property taxes	392,030	-	-
Total deferred inflows of resources	392,030	-	-
Fund balances			
Nonspendable	166,823	-	-
Restricted	3,019,732	-	-
Committed	221,043	-	-
Assigned	-	540,342	-
Unassigned	6,424,032	-	(69,474)
Total fund balances	9,831,630	540,342	(69,474)
Total liabilities, deferred inflows of resources and fund balances	\$ 11,411,792	\$ 1,015,652	\$ -

Other Governmental Funds	Total Governmental Funds
\$ 4,102,848	\$ 11,318,382
-	3,019,732
120,915	2,076,946
-	69,324
118,470	285,293
\$ 4,342,233	\$ 16,769,677

\$ 94,783	\$ 1,379,151
-	69,324
-	35,310
-	184,650
-	43,420
106,000	221,844
200,783	1,933,699

-	392,030
-	392,030

118,470	285,293
321,517	3,341,249
40,795	261,838
3,660,668	4,201,010
-	6,354,558
4,141,450	14,443,948
\$ 4,342,233	\$ 16,769,677

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, 2013

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

Total fund balance - governmental funds \$ 14,443,948

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

Capital assets	\$ 33,994,341	
Less: accumulated depreciation	<u>(9,677,579)</u>	24,316,762

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, 2013, consist of:

Capital lease obligation	\$ (2,575,000)	
Compensated absences	(254,947)	
Accrued interest payable	(4,957)	(2,834,904)
Total net position - governmental activities		\$ 35,925,806

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, 2013

	General	Street Construction	G.O. Debt Service
Revenues			
Taxes	\$ 9,335,929	\$ -	\$ -
Licenses and permits	1,240,405	-	-
Intergovernmental	806,725	656,676	414,852
Grants and contributions			
Grants - Evans 2013 flood	113,702	-	-
Other	24,972	149,182	-
Charges for services	354,068	-	-
Fines and forfeitures	459,357	-	-
Earnings on investments	9,188	1,342	18,109
Assessments	-	-	-
Miscellaneous	181,050	-	-
Total revenues	12,525,396	807,200	432,961
Expenditures			
General government	2,741,195	-	150
Public safety	3,989,166	-	-
Public works	1,529,350	147,144	-
Culture, parks and recreation	879,280	-	-
Community development	1,667,631	-	-
Flood damage - Evans 2013 flood	424,259	20,796	-
Debt service			
Principal	-	-	1,840,000
Interest	14,210	-	70,185
Debt issuance costs	44,829	-	-
Capital outlay	1,068,263	885,701	-
Total expenditures	12,358,183	1,053,641	1,910,335
Excess (deficiency) of revenues over expenditures	167,213	(246,441)	(1,477,374)
Other financing sources (uses)			
Proceeds from capital lease	2,575,000	-	-
Proceeds from the sale of capital assets	29,853	-	-
Transfers in	1,311,016	457,735	900,000
Transfers out	(1,357,735)	-	-
Total other financing sources (uses)	2,558,134	457,735	900,000
Net changes in fund balances	2,725,347	211,294	(577,374)
Fund balance at beginning of year	7,106,283	329,048	507,900
Fund balance at end of year	\$ 9,831,630	\$ 540,342	\$ (69,474)

Other Governmental Funds	Total Governmental Funds
\$ -	\$ 9,335,929
-	1,240,405
1,417,655	3,295,908
47,410	161,112
-	174,154
772,980	1,127,048
-	459,357
47	28,686
1,372,341	1,372,341
20,000	201,050
3,630,433	17,395,990
-	2,741,345
-	3,989,166
535,705	2,212,199
-	879,280
269,542	1,937,173
64,289	509,344
-	1,840,000
-	84,395
-	44,829
12,170	1,966,134
881,706	16,203,865
2,748,727	1,192,125
-	2,575,000
-	29,853
50,000	2,718,751
(82,078)	(1,439,813)
(32,078)	3,883,791
2,716,649	5,075,916
1,424,801	9,368,032
\$ 4,141,450	\$ 14,443,948

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

City of Evans
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and
Changes in Fund Balances with the Government-wide Statement of Activities
Year Ended December 31, 2013

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

Net change in fund balance - total governmental funds \$ 5,075,916

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	\$ 1,948,949	
Loss on impairment of capital assets due to flood	(761,814)	
Depreciation expense	<u>(1,223,861)</u>	(36,726)

Transfer of assets to the Evans Fire Protection District comprising its fire service operations is reported as a special item on the statement of activities and is not reflected on the statement of revenues, expenditures and changes in fund balances:

Transferred capital assets	\$ (2,782,007)	
Transferred accumulated depreciation	<u>1,269,333</u>	(1,512,674)

Proceeds from capital lease obligations are treated as an other financing source in the statement of revenues, expenditures and changes in fund balances, but issuing debt increases long-term liabilities in the statement of net position. (2,575,000)

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 loss on sale of capital assets on the statement of activities. This is the net book value of the capital assets sold. (207,390)

The repayment of the principal of long-term debt consumes current financial resources of governmental funds. 1,840,000

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.

Accretion of bond premium	\$ 28,313	
Change in accrued compensated absences	(39,592)	
Change in accrued interest payable	<u>(35,263)</u>	(46,542)

Change in net position of governmental activities \$ 2,537,584

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

City of Evans
Statement of Net Position
Proprietary Funds
December 31, 2013

	Water	Wastewater	Storm Drainage	Total
Assets				
Current assets				
Equity in pooled cash, cash equivalents, and investments	\$ 690,387	\$ 620,603	\$ 958,657	\$ 2,269,647
Receivables	403,717	350,168	46,807	800,692
Prepaid items	12,039	-	-	12,039
Total current assets	1,106,143	970,771	1,005,464	3,082,378
Noncurrent assets				
Restricted cash, cash equivalents, and investments	-	268,935	-	268,935
Loan proceeds receivable	1,500,000	-	-	1,500,000
Investment in Greeley water	7,802,013	-	-	7,802,013
Capital assets, not being depreciated	27,591,448	320,300	454,759	28,366,507
Capital assets, being depreciated	14,163,467	9,120,766	7,618,453	30,902,686
Total noncurrent assets	51,056,928	9,710,001	8,073,212	68,840,141
Total assets	52,163,071	10,680,772	9,078,676	71,922,519
Liabilities				
Current liabilities				
Accounts payable	279,801	56,810	34,086	370,697
Accrued expenses	4,620	17,161	-	21,781
Deposits and escrows	33,603	36,205	5,151	74,959
Current portion of note payable	90,789	88,992	-	179,781
Total current liabilities	408,813	199,168	39,237	647,218
Noncurrent liabilities				
Accrued compensated absences	40,339	42,598	6,213	89,150
Note payable	1,409,211	403,937	-	1,813,148
Total noncurrent liabilities	1,449,550	446,535	6,213	1,902,298
Total liabilities	1,858,363	645,703	45,450	2,549,516
Net position				
Net investment in capital assets	49,556,928	8,948,137	8,073,212	66,578,277
Restricted	-	268,935	-	268,935
Unrestricted	747,780	817,997	960,014	2,525,791
Total net position	\$ 50,304,708	\$ 10,035,069	\$ 9,033,226	\$ 69,373,003

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, 2013

	Water	Wastewater	Storm Drainage	Total
Operating revenues				
Water/sewer/storm drainage sales	\$ 4,209,141	\$ 1,177,884	\$ 456,297	\$ 5,843,322
Non-potable water sales	128,065	-	-	128,065
Water meters	21,572	-	-	21,572
Other sales	954	-	-	954
Total operating revenues	4,359,732	1,177,884	456,297	5,993,913
Operating expenses				
Water supply and administrative	3,031,432	-	-	3,031,432
Wastewater and administrative	-	624,315	-	624,315
Storm drainage and administrative	-	-	9,650	9,650
Depreciation expense	709,164	464,440	262,067	1,435,671
Flood damage - Evans 2013 flood	27,358	174,962	8,080	210,400
Impairment loss	17,197	393,900	-	411,097
Total operating expenses	3,785,151	1,657,617	279,797	5,722,565
Operating income (loss)	574,581	(479,733)	176,500	271,348
Nonoperating revenues (expenses)				
Grants and contributions	49,892	-	-	49,892
Grants and contributions - Evans 2013 Flood	-	281,132	-	281,132
Earnings on investments	(3,805)	(3,085)	(1,411)	(8,301)
Interest expense	-	(28,980)	-	(28,980)
Total nonoperating revenues (expenses)	46,087	249,067	(1,411)	293,743
Income (loss) before transfers and contributions	620,668	(230,666)	175,089	565,091
Transfers out	(658,248)	(451,425)	(150,665)	(1,260,338)
Plant investment fees and cash in lieu of fees	753,974	268,056	69,324	1,091,354
Change in net position	716,394	(414,035)	93,748	396,107
Net position at beginning of year	49,588,314	10,449,104	8,939,478	68,976,896
Net position at end of year	\$ 50,304,708	\$ 10,035,069	\$ 9,033,226	\$ 69,373,003

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

City of Evans
Statement of Cash Flows
Proprietary Funds
Year Ended December 31, 2013

	Water	Wastewater	Storm Drainage	Total
Cash flows from operating activities				
Cash received from customers	\$ 4,332,216	\$ 1,175,186	\$ 455,978	\$ 5,963,380
Cash payments to suppliers	(2,839,476)	(600,187)	(47,360)	(3,487,023)
Cash payments to employees	(173,137)	(300,166)	-	(473,303)
Net cash flows from operating activities	1,319,603	274,833	408,618	2,003,054
Cash flows from non-capital financing activities				
Transfers to other funds	(658,248)	(451,425)	(150,665)	(1,260,338)
Grants and contributions	49,892	50,000	-	99,892
Net cash flows from non-capital financing activities	(608,356)	(401,425)	(150,665)	(1,160,446)
Cash flows from capital and related financing activities				
Plant investment fees and cash in lieu of fees	753,974	268,056	69,324	1,091,354
Principal paid on debt	-	(87,944)	-	(87,944)
Interest paid on debt	-	(44,094)	-	(44,094)
Change in restricted cash	-	81,620	-	81,620
Acquisition of capital assets	(2,959,683)	(260,341)	(97,137)	(3,317,161)
Net cash flows from capital and related financing activities	(2,205,709)	(42,703)	(27,813)	(2,276,225)
Cash flows from investing activities				
Proceeds from sale of investments	1,530,079	381,183	314,761	2,226,023
Purchases of investments	(135,603)	(174,720)	(188,296)	(498,619)
Earnings on investments	(7,833)	(1,702)	(1,777)	(11,312)
Net cash flows from investing activities	1,386,643	204,761	124,688	1,716,092
Net change in cash and cash equivalents	(107,819)	35,466	354,828	282,475
Cash and equivalents at beginning of year	478,005	172,569	159,204	809,778
Cash and cash equivalents at end of year	\$ 370,186	\$ 208,035	\$ 514,032	\$ 1,092,253
Cash and cash equivalents at end of year	\$ 370,186	\$ 208,035	\$ 514,032	\$ 1,092,253
Investments	320,201	412,568	444,625	1,177,394
Cash, cash equivalents, and investments at end of year	\$ 690,387	\$ 620,603	\$ 958,657	\$ 2,269,647
Reconciliation of operating income (loss) to net cash flows from operating activities:				
Operating income (loss)	\$ 574,581	\$ (479,733)	\$ 176,500	\$ 271,348
Adjustments to reconcile operating income (loss) to net cash flows from operating activities:				
Depreciation expense	709,164	464,440	262,067	1,435,671
Impairment loss	17,197	393,900	-	411,097
Changes in assets and liabilities				
Receivables	(27,516)	(2,698)	(319)	(30,533)
Prepaid items	(12,039)	-	-	(12,039)
Accounts payable and accrued expenses	58,216	(101,076)	(29,630)	(72,490)
Net cash flows from operating activities	\$ 1,319,603	\$ 274,833	\$ 408,618	\$ 2,003,054

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

City of Evans
Statement of Fiduciary Net Position
Cemetery Endowment Fund
December 31, 2013

Assets	
Restricted cash and investments	\$ 45,519
Total assets	\$ 45,519
Net position	
Restricted	\$ 45,519
Total net position	\$ 45,519

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

City of Evans
Statement of Changes in Fiduciary Net Position
Cemetery Endowment Fund
Year Ended December 31, 2013

Additions	
Earnings on investments	\$ 7,443
<hr/>	
Total additions	7,443
<hr/>	
Income before transfers	7,443
<hr/>	
Transfers	
Transfers out	18,600
<hr/>	
Total transfers	18,600
<hr/>	
Net change in net position	(11,157)
<hr/>	
Net position at beginning of year	56,676
<hr/>	
Net position at end of year	\$ 45,519

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

City of Evans
Notes to Financial Statements
December 31, 2013

1. Summary of Significant Accounting Policies

Reporting Entity

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

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

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

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

Blended Component Unit

The Evans 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 reported as a blended component unit of the City. Separate financial statements are not issued for the ERA.

Government-wide and Fund Financial Statements

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

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.

City of Evans
Notes to Financial Statements
December 31, 2013

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

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

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

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

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

The City reports the following major governmental funds:

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

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

G.O. Debt Service Fund - The General Obligation Bond Fund is a debt service fund established to account for repayment of the 1996 voter approved GO bond issuance. The funds were used for the expansion of the Evans Community Complex. This debt was paid off during 2013.

City of Evans
Notes to Financial Statements
December 31, 2013

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

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

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

Budgets

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

- By October 15, the City Manager submits to the City Council, a proposed operating budget for the fiscal year beginning the following January 1. The operating budget includes proposed expenditures and the means of financing them.
- A public hearing is conducted to obtain taxpayer comments.
- Prior to December 31, the budget is legally enacted through passage of a resolution.
- Any budget revisions that alter the total expenditures of any fund must be approved by the City Council through passage of an ordinance.
- The City legally adopts budgets for all of the funds. Budgets for the General, Special Revenue, 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.

City of Evans
Notes to Financial Statements
December 31, 2013

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

	Original Budget	Total Revisions	Revised Budget
Governmental funds:			
General	\$ 10,600,906	\$ 7,026,530	\$ 17,627,436
Special revenue funds:			
Parks Impact	85,000	26,000	111,000
Conservation Trust	200,000	10,000	210,000
Refuse Collection	628,718	68,000	696,718
Street Impact	-	172,000	172,000
Cemetery Perpetual Care	75,000	-	75,000
Evans Redevelopment Agency	1,271,500	-	1,271,500
Debt service fund:			
G.O. Debt Service	505,786	1,405,000	1,910,786
Capital projects fund:			
Street Construction	1,477,000	1,836,935	3,313,935
Business-type funds:			
Water	4,596,215	3,940,705	8,536,920
Wastewater	1,355,847	564,033	1,919,880
Storm Drainage	539,734	578,188	1,117,922
Fiduciary funds:			
Cemetery Endowment	6,000	12,600	18,600
Total funds	\$ 21,341,706	\$ 15,639,991	\$ 36,981,697

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 2013, the City had investments in commercial paper, corporate bonds, U.S. treasury obligations, U.S. instrumentality obligations, 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, 2013, is provided in Note 2.

City of Evans
Notes to Financial Statements
December 31, 2013

Restricted Cash

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

The amount restricted in the Wastewater Fund, totaling \$268,935, is in compliance with the operation and maintenance reserve requirement of the loans from the Colorado Water Resource and Power Development Authority.

Prepaid Items

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

Bond Premiums, Discounts and Issuance Costs

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

Capital Assets

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

City of Evans
Notes to Financial Statements
December 31, 2013

Estimated useful lives for asset types are as follows:

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

Compensated Absences

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

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

Long-Term Obligations

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

Property Taxes

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

City of Evans
Notes to Financial Statements
December 31, 2013

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

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

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

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

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

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

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

Unassigned - all other spendable amounts.

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

City of Evans
Notes to Financial Statements
December 31, 2013

As of December 31, 2013, fund balances are composed of the following:

	General Fund	Street Construction Fund	G.O. Debt Service Fund	Nonmajor Governmental Funds	Total Governmental Funds
Nonspendable:					
Prepaid items	\$ 166,823	\$ -	\$ -	\$ 118,470	\$ 285,293
Restricted:					
Emergency reserve	1,000,000	-	-	-	1,000,000
Capital projects	2,019,732	-	-	-	2,019,732
Parks and recreation	-	-	-	321,517	321,517
Committed:					
Surcharge fees	221,043	-	-	-	221,043
Street construction	-	-	-	40,795	40,795
Assigned:					
Special revenue funds	-	-	-	3,660,668	3,660,668
Street construction	-	540,342	-	-	540,342
Unassigned:					
	6,422,032	-	(69,474)	-	6,352,558
Total	\$ 9,829,630	\$ 540,342	\$ (69,474)	\$ 4,141,450	\$ 14,441,948

Accounting Estimates

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

2. Cash and Investments

A summary of deposits and investments as of December 31, 2013, follows:

Petty cash	\$ 1,967
Cash with county treasurer	2,580
Cash deposits	5,293,505
Investments	11,622,163
Total	\$ 16,920,215

City of Evans
Notes to Financial Statements
December 31, 2013

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

Restricted cash and investments:	
Governmental activities	\$ 3,019,732
Business-type activities	268,935
Fiduciary funds	45,519
Unrestricted cash and investments:	
Governmental activities	11,316,382
Business-type activities	2,269,647
<hr/>	
Total cash and investments	\$ 16,920,215

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 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, 2013, 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

City of Evans
Notes to Financial Statements
December 31, 2013

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, 2013, 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	\$ 3,232,256	640	27.81%
US Instrumentality	AAA	Aaa	2,746,154	1,329	23.63%
Commercial Paper	A-1	NR	499,929	38	4.30%
Corporate Bonds	AA-/AA+	AA3	1,457,998	564	12.54%
CSAFE	AAAm	Aaa	2,132	N/A	0.02%
ColoTrust	AAAm	Aaa	3,683,694	N/A	31.70%
Total investments			\$ 11,622,163		

As of December 31, 2013, 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 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.

City of Evans
Notes to Financial Statements
December 31, 2013

3. Receivables

Receivables at December 31, 2013, consist of the following:

Receivables	General	Special Revenue	Capital Projects	Enterprise
Taxes	\$ 392,029	\$ -	\$ -	\$ -
Accounts	76,444	120,915	146,417	420,979
Intergovernmental	1,090,762	-	106,600	314,498
Other	143,779	-	-	65,215
Total	\$ 1,703,014	\$ 120,915	\$ 253,017	\$ 800,692

4. Capital Assets

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

	Beginning Balance	Increases	(Decreases) Transfers	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 4,707,688	\$ -	\$ (10,000)	\$ 4,697,688
Landscaping	1,225,303	-	(10,434)	1,214,869
Construction in progress	907,775	1,046,367	(142,294)	1,811,848
Total capital assets, not being depreciated	6,840,766	1,046,367	(162,728)	7,724,405
Capital assets, being depreciated:				
Intangible assets	65,147	23,100	-	88,247
Land improvements	4,191,088	36,639	(1,218,606)	3,009,121
Infrastructure	11,458,376	623,371	(236,983)	11,844,764
Buildings and improvements	10,464,089	187,916	(2,405,695)	8,246,310
Machinery and equipment	2,261,327	11,964	(589,423)	1,683,868
Transportation equipment	1,901,380	161,886	(665,640)	1,397,626
Total capital assets, being depreciated	30,341,407	1,044,876	(5,116,347)	26,269,936
Less accumulated depreciation for:				
Intangible assets	(24,461)	(7,280)	-	(31,741)
Land improvements	(2,090,830)	(226,991)	769,139	(1,548,682)
Infrastructure	(2,609,071)	(547,080)	100,048	(3,056,103)
Buildings and improvements	(3,077,782)	(193,435)	744,867	(2,526,350)
Machinery and equipment	(1,787,797)	(145,522)	472,095	(1,461,224)
Transportation equipment	(1,518,680)	(103,553)	568,754	(1,053,479)
Total accumulated depreciation	(11,108,621)	(1,223,861)	2,654,903	(9,677,579)
Total capital assets, being depreciated, net	19,232,786	(178,985)	(2,461,444)	16,592,357
Governmental activities capital assets, net	\$ 26,073,552	\$ 867,382	\$ (2,624,172)	\$ 24,316,762

City of Evans
Notes to Financial Statements
December 31, 2013

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

General government	\$ 489,544
Public safety	104,028
Public works	581,334
Culture, parks and recreation	12,239
Community development	36,716
Total depreciation expense - governmental activities	\$ 1,223,861

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

	Beginning Balance	Increases	(Decreases)	Ending Balance
Capital assets, not being depreciated:				
Investment in Greeley water	\$ 5,257,421	\$ 2,544,592	\$ -	\$ 7,802,013
Water rights	25,755,155	-	-	25,755,155
Land	74,002	-	-	74,002
Construction in progress	2,445,305	666,535	(574,490)	2,537,350
Total capital assets, not being depreciated	33,531,883	3,211,127	(574,490)	36,168,520
Capital assets, being depreciated:				
System improvements	45,336,367	680,524	(790,626)	45,226,265
Machinery and equipment	1,384,149	-	(36,650)	1,347,499
Buildings and improvements	784,950	-	-	784,950
Intangible assets	21,207	-	-	21,207
Infrastructure	446,215	-	(2,266)	443,949
Total capital assets, being depreciated	47,972,888	680,524	(829,542)	47,823,870
Less accumulated depreciation for:				
System improvements	(14,332,345)	(1,320,086)	390,190	(15,262,241)
Machinery and equipment	(1,094,028)	(61,908)	27,500	(1,128,436)
Buildings and improvements	(413,032)	(41,282)	-	(454,314)
Intangible assets	(7,963)	(2,119)	-	(10,082)
Infrastructure	(56,590)	(10,276)	755	(66,111)
Total accumulated depreciation	(15,903,958)	(1,435,671)	418,445	(16,921,184)
Total capital assets, being depreciated, net	32,068,930	(755,147)	(411,097)	30,902,686
Business-type activities capital assets, net	\$ 60,343,392	\$ 2,455,980	\$ (985,587)	\$ 67,071,206

City of Evans
Notes to Financial Statements
December 31, 2013

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

Water enterprise	\$ 709,164
Wastewater enterprise	464,440
Drainage enterprise	262,067
Total depreciation expense - business - type activities	\$ 1,435,671

5. Asset Impairment

In September 2013, the City was impacted by a regional flooding event and certain capital assets were destroyed. The City evaluated its capital assets in accordance with GASB Statement No. 42, *Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries*, and realized a loss from impairment of \$761,814 in the governmental activities and \$411,097 in the business-type activities. The City did not receive any insurance proceeds for the flooding. The City has applied to the Federal Emergency Management Agency ("FEMA") to cover up to 75.0% and state funds to cover up to 12.5% of the costs to recover. As of December 31, 2013, the City had been awarded several FEMA grants, but had not received any funds. The total estimated and actual recovery costs are approximately \$3,500,000. All flood recovery projects will be completed in 2014 and 2015.

6. Long-Term Debt

Governmental Activities Debt

Following is a summary of governmental activity debt transactions for the year ended December 31, 2013:

	Beginning Balance	Additions	Reductions	Ending Balance	Due in One Year
Governmental activities:					
Bonds payable:					
General obligation bonds	\$ 1,840,000	\$ -	\$(1,840,000)	\$ -	\$ -
Deferred issuance premium	28,313	-	(28,313)	-	-
Total bonds payable, net	1,868,313	-	(1,868,313)	-	-
Compensated absences	215,355	495,294	(455,702)	254,947	-
Capital lease obligation	-	2,575,000	-	2,575,000	230,000
Total long-term debt	\$ 2,083,668	\$ 3,070,294	\$(2,324,015)	\$ 2,829,947	\$ 230,000

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 \$168,380 of bond premiums. In December 2013, the City paid off this general obligation refunding bond.

During 2013, the City entered into a capital lease obligation dated August 26, 2013, maturing on December 1, 2023, with semiannual interest and annual principal payments through December 1, 2023. The interest rate is 2.31%. Proceeds from the capital lease will be used to provide funds for the acquisition, construction, and equipping of the Riverside Library and Cultural Center, a joint project of the City and the High Plains Library District. In connection with this lease, the City incurred debt issuance costs of \$44,829.

City of Evans
Notes to Financial Statements
December 31, 2013

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

Year Ending December 31	Principal	Interest	Total
2014	\$ 230,000	\$ 59,482	\$ 289,482
2015	235,000	54,170	289,170
2016	245,000	48,742	293,742
2017	250,000	43,082	293,082
2018	255,000	37,306	292,306
2019 - 2023	1,360,000	95,750	1,455,750
Total	\$ 2,575,000	\$ 338,532	\$ 2,913,532

Business-Type Activities Debt

Following is a summary of business-type activity debt transactions for the year ended December 31, 2013:

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due in One Year
Wastewater - Colorado Water Resources and Power Development Authority ("CWRPDA") note payable (4/98)	\$411,198	\$ -	\$ (64,925)	\$ 346,273	\$ 64,926
Wastewater - CWRPDA note payable (11/98)	169,675	-	(23,019)	146,656	24,066
Water - CWRPDA note payable (2013)	-	1,500,000	-	1,500,000	90,789
Compensated absences	95,042	149,884	(155,776)	89,150	-
Total long term debt	\$675,915	\$ 1,649,884	\$(243,720)	\$ 2,082,079	\$ 179,781

During 1998, the City issued two notes payable with the CWRPDA. 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 \$492,929. Principal and interest paid for the current year and specified net budget revenues were \$115,454 and \$126,999, respectively.

During 2013, the City entered into a loan agreement with the CWRPDA for a principal amount of \$1,500,000. The loan does not accrue interest and is payable in semi-annual principal payments beginning on May 1, 2014 with a maturity date of November 1, 2023. Imputed interest for this loan was deemed to not be material and thus is not recorded. The loan is secured by the net revenues of the ownership and operation of the water treatment system, as defined with the agreement. As of December 31, 2013, the City has not drawn down any funds from this loan. The remaining amount available to be received is reflected as loan proceeds receivable in the accompanying statement of net position.

City of Evans
Notes to Financial Statements
December 31, 2013

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
2014	\$ 179,781	\$ 19,634	\$ 199,415
2015	246,667	16,960	263,627
2016	253,221	14,119	267,340
2017	253,453	9,744	263,197
2018	262,047	8,493	270,540
2019 - 2023	797,760	3,758	801,518
Total	\$ 1,992,929	\$ 72,708	\$ 2,065,637

7. Interfund Transfers

The following table summarizes interfund transfers for the year ended December 31, 2013:

	Transfers out							Total
	General Fund	Water Fund	Wastewater Fund	Storm Drainage	Nonmajor Governmental Funds	Fiduciary Funds		
Transfers In:								
General Fund	\$ -	\$ 658,248	\$ 451,425	\$ 150,665	\$ 32,078	\$ 18,600		\$ 1,311,016
Street Construction Fund	457,735	-	-	-	-	-		457,735
G.O. Debt Fund	900,000	-	-	-	-	-		900,000
Nonmajor		-	-	-	50,000	-		50,000
Total	\$ 1,357,735	\$ 658,248	\$ 451,425	\$ 150,665	\$ 82,078	\$ 18,600		\$ 2,718,751

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.

8. Transfer of Operations

The City entered into an intergovernmental agreement ("IGA") with the Evans Fire Protection District (the "District") to provide financial support to the District until the District receives sufficient revenue to support its operations. As of January 1, 2013, the City and the District determined that the District had received sufficient revenues to be financially capable of providing the emergency services directly to the citizens and property within its jurisdiction. On January 1, 2013, the City transferred the assets and liabilities comprising its fire service operations to the District. In addition, all employees providing fire emergency services became employees of the District.

City of Evans
Notes to Financial Statements
December 31, 2013

The City transferred the following assets and net position to the District:

	Carrying Value
Transferred assets (net)	
Land	\$ (10,000)
Buildings and improvements	(1,271,128)
Machinery and equipment	(112,810)
Transportation equipment	(118,736)
Total capital assets	\$ (1,512,674)
Net position of transferred fire protection operations	
Net investment in capital assets	\$ (1,512,674)

9. Risk Management

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

The City has a self-funded dental insurance arrangement. The insurance coverage is substantially the same as in prior fiscal years. The City is self-insured for its dental benefits through its General Fund for employees which range from \$0 to \$543 per employee per year depending on the level of coverage selected. The maximum claim liability for 2013 was \$146,000. Expenditures are charged to the General Fund as this is the fund in which the employees' payroll expenditure is charged at the maximum amount per level of coverage.

Claims processing and payments for the dental claims are made through a third-party administrator. The City uses the information provided by the third-party administrator to aid in the determination of self-insurance liabilities. Amounts due in the future year on claims as of December 31, 2013 are recognized as a current liability in the statement of net position.

	Claims Premium Liability at Beginning of Year	Current Year Claims and Changes in Estimates	Claim Payments	Claims and Premium Liability at End of Year
Fiscal Year 2013	\$ 6,573	\$ 37,313	\$ 34,129	\$ 9,757

10. 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.

City of Evans
Notes to Financial Statements
December 31, 2013

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, 2013 was \$6,083,726. The City's contributions to the plan for the years ending December 31, 2013, 2012, and 2011 were \$251,279, \$289,862, and \$291,824, 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, 2013, 2012, and 2011 were \$9,123, \$70,175, and \$71,318, respectively, equal to the 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 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,

City of Evans
Notes to Financial Statements
December 31, 2013

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, 2013, 2012, and 2011 were \$28,382, \$30,836, and \$33,447, 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. 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, 2013, 2012, and 2011, the City made the required contributions of \$120,748, \$113,879, and \$108,077, 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.

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, 2013

contributions to the plan for the years ending December 31, 2013, 2012, and 2011 were \$3,728, \$3,583, and \$3,348, respectively.

11. Rate Maintenance

The 1998 Colorado Water Resources and Power Development Authority loan agreements (Wastewater Fund) 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.

2013 Gross revenues	\$ 1,442,855
2013 Operation and maintenance expense	624,315
<hr/>	
Net revenues as defined in 1998	
CWRPDA loan agreement	818,540
110% of 1998 loan debt service	(126,999)
<hr/>	
Amount 2013 net revenue exceeded the 1998 loan requirements	\$ 691,541

12. 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 2013.

The City's Home Rule Charter provision requires an Emergency Contingency Reserve Fund, reported in the General Fund in 2013, 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 2013 5% of budgeted revenues were \$2,525,616, which is less than 25% of the prior year's General Fund expenditures. In the November 2012 election, the citizens of Evans approved a ballot initiative to provide for a ceiling of \$1 million in the Emergency Contingency Fund, allowing any amount exceeding this amount to be transferred to the General Fund. This ceiling was effective starting January 1, 2013.

Litigation

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

City of Evans
Notes to Financial Statements
December 31, 2013

13. 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. As discussed in Note 8, the City and the District determined sufficient revenues were available for the District to support its operations and thus the City transferred its capital assets to the District and all District personnel became employees of the District. The City contributed \$300,000 to the District in 2013 in order to provide for cash reserve requirements. In order to provide for the funding of District operations as required in the IGA, the City also paid the District \$462,498 in 2013. Finally, the District paid \$102,107 to the City for administrative services provided, including human resources, risk management, payroll, finance, and insurance.

14. Riverside Library and Cultural Center

The City has entered into an IGA with the High Plains Public Library District (“HPLD”) for the acquisition and property and construction of shared facilities for public, municipal and/or commercial purposes. This project is known as the Riverside Library and Cultural Center. In accordance with this IGA, the City will provide real property on which the project is to be constructed and the City and HPLD will share the construction costs based on the number of square feet of the project to be owned by each party. An ownership agreement was also entered into relating to the Center; under the agreement the City will own 40% of the Center and the HPLD will own the remaining 60%. The balance remaining to finish the Center as of December 31, 2013 was approximately \$6.2 million, of which the City is responsible for 40%, or approximately \$2.5 million.

15. Subsequent Events

The City has evaluated subsequent events through May 30, 2014 the date which the financial statements were available to be issued. There were no material subsequent events that required recognition or additional disclosure.

Required Supplementary Information

City of Evans
Schedule of Revenues, Expenditures and Changes in Fund
Balances (Budget and Actual) - General Fund
Year Ended December 31, 2013

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes	\$ 6,727,441	\$ 7,124,202	\$ 9,335,929	\$ 2,211,727
Licenses and permits	823,100	823,100	1,240,405	417,305
Intergovernmental	624,243	709,243	806,725	97,482
Grants and contributions				-
Grants - Evans 2013 flood	-	343,932	113,702	(230,230)
Other	-	676,900	24,972	(651,928)
Charges for services	433,395	431,885	354,068	(77,817)
Fines and forfeitures	410,500	430,500	459,357	28,857
Earnings on investments	-	42,987	9,188	(33,799)
Miscellaneous	138,987	126,041	181,050	55,009
Total revenues	9,157,666	10,708,790	12,525,396	1,816,606
Expenditures				
General government	2,548,982	2,973,658	2,741,195	232,463
Public safety	4,048,910	4,237,894	3,989,166	248,728
Public works	1,510,697	1,792,127	1,529,350	262,777
Culture, parks and recreation	1,282,251	1,337,765	879,280	458,485
Community development	553,623	1,886,621	1,667,631	218,990
Flood damage - Evans 2013 flood	-	496,136	424,259	71,877
Debt service	-	15,500	59,039	(43,539)
Capital outlay	321,443	3,530,000	1,068,263	2,461,737
Total expenditures	10,265,906	16,269,701	12,358,183	3,911,518
Excess (deficiency) of revenues over expenditures	(1,108,240)	(5,560,911)	167,213	5,728,124
Other financing sources (uses)				
Proceeds from capital lease	-	2,575,000	2,575,000	-
Proceeds from the sale of capital assets	-	-	29,853	29,853
Transfers out	(335,000)	(1,357,735)	(1,357,735)	-
Transfers in	1,294,737	1,353,017	1,311,016	(42,001)
Total other financing sources (uses)	959,737	2,570,282	2,558,134	(12,148)
Net change in fund balance	\$ (148,503)	\$ (2,990,629)	2,725,347	\$ 5,715,976
Fund balance at beginning of year			7,106,283	
Fund balance at end of year			\$ 9,831,630	

See accompanying Independent Auditor's Report.

Other Supplementary Information

Combining, Individual and Budgetary Statements

City of Evans
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2013

	Parks Impact	Conservation Trust	Fire Impact
Assets			
Equity in pooled cash, cash equivalents, and investments	\$ 1,315,993	\$ 321,517	\$ 236,357
Receivables	-	-	-
Prepaid items	-	-	-
Total assets	\$ 1,315,993	\$ 321,517	\$ 236,357
Liabilities			
Accounts payable	\$ -	\$ -	\$ -
Other liabilities	106,000	-	-
Total liabilities	106,000	-	-
Fund Balances			
Nonspendable	-	-	-
Restricted	-	321,517	-
Committed	-	-	-
Assigned	1,209,993	-	236,357
Total fund balances	1,209,993	321,517	236,357
Total liabilities and fund balances	\$ 1,315,993	\$ 321,517	\$ 236,357

Refuse Collection	Street Impact	Cemetery Perpetual Care	Evans Redevelopment Agency	Total
\$ 285,230	\$ 1,020,002	\$ 85,633	\$ 838,116	\$ 4,102,848
110,915	-	-	10,000	120,915
-	-	-	118,470	118,470
<u>\$ 396,145</u>	<u>\$ 1,020,002</u>	<u>\$ 85,633</u>	<u>\$ 966,586</u>	<u>\$ 4,342,233</u>
\$ 54,017	\$ 26,712	\$ -	\$ 14,054	\$ 94,783
-	-	-	-	106,000
<u>54,017</u>	<u>26,712</u>	<u>-</u>	<u>14,054</u>	<u>200,783</u>
-	-	-	118,470	118,470
-	-	-	-	321,517
-	40,795	-	-	40,795
<u>342,128</u>	<u>952,495</u>	<u>85,633</u>	<u>834,062</u>	<u>3,660,668</u>
<u>342,128</u>	<u>993,290</u>	<u>85,633</u>	<u>952,532</u>	<u>4,141,450</u>
<u>\$ 396,145</u>	<u>\$ 1,020,002</u>	<u>\$ 85,633</u>	<u>\$ 966,586</u>	<u>\$ 4,342,233</u>

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, 2013

	Parks Impact	Conservation Trust	Fire Impact
Revenues			
Intergovernmental	\$ -	\$ 204,847	\$ -
Grants - Evans 2013 Flood	-	-	-
Charges for services	121,957	-	-
Earnings on investments	830	(154)	136
Assessments	877,049	-	174,858
Miscellaneous	-	-	-
Total revenues	999,836	204,693	174,994
Expenditures			
Public works	-	-	-
Community development	-	-	-
Flood damage - Evans 2013 flood	-	-	-
Capital outlay	-	1,400	-
Total expenditures	-	1,400	-
Excess of revenues over expenditures	999,836	203,293	174,994
Other financing sources (uses)			
Transfers in	-	50,000	-
Transfers out	(50,000)	-	-
Total other financing sources (uses)	(50,000)	50,000	-
Net changes in fund balances	949,836	253,293	174,994
Fund balance at beginning of year	260,157	68,224	61,363
Fund balance at end of year	\$ 1,209,993	\$ 321,517	\$ 236,357

Refuse Collection	Street Impact	Cemetery Perpetual Care	Evans Redevelopment Agency	Total
\$ -	\$ -	\$ -	\$ 1,212,808	\$ 1,417,655
47,410	-	-	-	47,410
651,023	-	-	-	772,980
(210)	(485)	(106)	36	47
-	317,734	2,700	-	1,372,341
-	-	-	20,000	20,000
698,223	317,249	2,594	1,232,844	3,630,433
535,705	-	-	-	535,705
-	-	-	269,542	269,542
64,289	-	-	-	64,289
-	-	-	10,770	12,170
599,994	-	-	280,312	881,706
98,229	317,249	2,594	952,532	2,748,727
-	-	-	-	50,000
(32,078)	-	-	-	(82,078)
(32,078)	-	-	-	(32,078)
66,151	317,249	2,594	952,532	2,716,649
275,977	676,041	83,039	-	1,424,801
\$ 342,128	\$ 993,290	\$ 85,633	\$ 952,532	\$ 4,141,450

See accompanying Independent Auditor's Report.

Special Revenue Funds

City of Evans
Parks Impact Fund
Budgetary Comparison Schedule
Year Ended December 31, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Charges for services				
CPR fees	\$ -	\$ -	\$ 121,957	\$ 121,957
Assessments				
Impact fees	-	-	877,049	877,049
Earnings on investments	2,362	2,362	830	(1,532)
Total revenues	2,362	2,362	999,836	997,474
Expenditures				
Capital outlay	85,000	111,000	-	111,000
Total expenditures	85,000	111,000	-	111,000
Excess (deficiency) of revenues over expenditures	(82,638)	(108,638)	999,836	1,108,474
Other financing uses				
Transfers out	-	(50,000)	(50,000)	-
Total other financing sources	-	(50,000)	(50,000)	-
Net change in fund balance	\$ (82,638)	\$ (158,638)	949,836	\$ 1,108,474
Fund balance at beginning of year			260,157	
Fund balance at end of year			<u>\$ 1,209,993</u>	

See accompanying Independent Auditor's Report.

City of Evans
Conservation Trust Fund
Budgetary Comparison Schedule
Year Ended December 31, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental				
State shared revenue	\$ 172,000	\$ 172,000	\$ 204,847	\$ 32,847
Earnings on investments	886	886	(154)	(1,040)
Total revenues	172,886	172,886	204,693	31,807
Expenditures				
Capital outlay	200,000	210,000	1,400	208,600
Total expenditures	200,000	210,000	1,400	208,600
Excess (deficiency) of revenues over expenditures	(27,114)	(37,114)	203,293	240,407
Other financing sources				
Transfers in	-	50,000	50,000	-
Total other financing sources	-	50,000	50,000	-
Net change in fund balance	\$ (27,114)	\$ 12,886	253,293	\$ 240,407
Fund balance at beginning of year			68,224	
Fund balance at end of year			\$ 321,517	

See accompanying Independent Auditor's Report.

City of Evans
Fire Impact Fund
Budgetary Comparison Schedule
Year Ended December 31, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Assessments				
Impact fees	\$ -	\$ -	\$ 174,858	\$ 174,858
Earnings on investments	580	580	136	(444)
Total revenues	580	580	174,994	174,414
Net change in fund balance	\$ 580	\$ 580	174,994	\$ 174,414
Fund balance at beginning of year			61,363	
Fund balance at end of year			\$ 236,357	

See accompanying Independent Auditor's Report.

City of Evans
Refuse Collection Fund
Budgetary Comparison Schedule
Year Ended December 31, 2013

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Licenses and permits				
Trash haulers' license	\$ 1,200	\$ 1,200	\$ -	\$ (1,200)
Charges for services				
Refuse collection charges	637,698	637,698	651,023	13,325
Grants and contributions:	-			
Grants - Evans 2013 flood		59,500	47,410	(12,090)
Earnings on investments	2,658	2,658	(210)	(2,868)
Total revenues	641,556	701,056	698,223	(2,833)
Expenditures				
Public works				
Sanitation	596,640	596,640	535,705	60,935
Flood damage - Evans 2013 flood	-	68,000	64,289	3,711
Total expenditures	596,640	664,640	599,994	64,646
Excess of revenues over expenditures	44,916	36,416	98,229	61,813
Other financing uses				
Transfers out	(32,078)	(32,078)	(32,078)	-
Total other financing uses	(32,078)	(32,078)	(32,078)	-
Net change in fund balance	\$ 12,838	\$ 4,338	66,151	\$ 61,813
Fund balance at beginning of year			<u>275,977</u>	
Fund balance at end of year			<u>\$ 342,128</u>	

See accompanying Independent Auditor's Report.

City of Evans
Street Impact Fund
Budgetary Comparison Schedule
Year Ended December 31, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Assessments				
Impact fees	\$ -	\$ -	\$ 317,734	\$ 317,734
Earnings on investments	3,987	3,987	(485)	(4,472)
Total revenues	3,987	3,987	317,249	313,262
Expenditures				
Capital outlay	-	172,000	-	172,000
Total expenditures	-	172,000	-	172,000
Net change in fund balance	\$ 3,987	\$ (168,013)	317,249	\$ 485,262
Fund balance at beginning of year			676,041	
Fund balance at end of year			<u>\$ 993,290</u>	

See accompanying Independent Auditor's Report.

City of Evans
Cemetery Perpetual Care Fund
Budgetary Comparison Schedule
Year Ended December 31, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Assessments				
Perpetual care fees	\$ 3,000	\$ 3,000	\$ 2,700	\$ (300)
Earnings on investments	-	-	(106)	(106)
Total revenues	3,000	3,000	2,594	(406)
Expenditures				
Capital outlay	75,000	75,000	-	75,000
Total expenditures	75,000	75,000	-	75,000
Net change in fund balance	\$ (72,000)	\$ (72,000)	2,594	\$ 74,594
Fund balance at beginning of year			83,039	
Fund balance at end of year			<u>\$ 85,633</u>	

See accompanying Independent Auditor's Report.

City of Evans
Evans Redevelopment Agency
Budgetary Comparison Schedule
Year Ended December 31, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 1,271,500	\$ 1,271,500	1,212,808	(58,692)
Miscellaneous revenue	-	-	20,000	20,000
Earnings on investments	-	-	36	36
Total revenues	1,271,500	1,271,500	1,232,844	(38,656)
Expenses				
Community development	1,271,500	1,271,500	269,542	1,001,958
Capital outlay	-	-	10,770	(10,770)
Total expenses	1,271,500	1,271,500	280,312	991,188
Net change in fund balance	\$ -	\$ -	952,532	\$ 952,532
Fund balance at beginning of year			-	
Fund balance at end of year			<u>\$ 952,532</u>	

See accompanying Independent Auditor's Report.

Debt Service Fund

City of Evans
G.O. Debt Service Fund
Budgetary Comparison Schedule
Year Ended December 31, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental				
Greeley/Evans demarcation	\$ 487,000	\$ 487,000	\$ 414,852	\$ (72,148)
Earnings on investments	20,000	20,000	18,109	(1,891)
Total revenues	507,000	507,000	432,961	(74,039)
Expenditures				
General government				
Finance	600	600	150	450
Debt service	505,186	1,910,186	1,910,185	1
Total expenditures	505,786	1,910,786	1,910,335	451
Excess (deficiency) of revenues over expenditures	1,214	(1,403,786)	(1,477,374)	(73,588)
Other financing sources				
Transfers in	-	900,000	900,000	-
Total other financing sources	-	900,000	900,000	-
Net change in fund balance	\$ 1,214	\$ (503,786)	(577,374)	\$ (73,588)
Fund balance at beginning of year			507,900	
Fund balance at end of year			<u>\$ (69,474)</u>	

See accompanying Independent Auditor's Report.

Capital Projects Fund

City of Evans
Street Construction Fund
Budgetary Comparison Schedule
Year Ended December 31, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 1,277,636	\$ 652,976	\$ 656,676	\$ 3,700
Grants and contributions				
Grants - Evans 2013 flood	-	1,312,500	-	(1,312,500)
Other	-	845,769	149,182	(696,587)
Earnings on investments	-	3,648	1,342	(2,306)
Total revenues	1,277,636	2,814,893	807,200	(2,007,693)
Expenditures				
Public works	190,000	220,000	147,144	72,856
Flood damage - Evans 2013 flood	-	1,515,000	20,796	1,494,204
Capital outlay	1,287,000	1,578,935	885,701	693,234
Total expenditures	1,477,000	3,313,935	1,053,641	2,260,294
Excess (deficiency) of revenues over expenditures	(199,364)	(499,042)	(246,441)	252,601
Other financing sources				
Transfers in	335,000	457,735	457,735	-
Total other financing sources	335,000	457,735	457,735	-
Net change in fund balance	\$ 135,636	\$ (41,307)	211,294	\$ 252,601
Fund balance at beginning of year			329,048	
Fund balance at end of year			\$ 540,342	

See accompanying Independent Auditor's Report.

Enterprise Funds

City of Evans
Water Fund
Budgetary Comparison Schedule
Year Ended December 31, 2013

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Operating revenues				
Water sales	\$ 4,102,083	\$ 4,452,083	\$ 4,209,141	\$ (242,942)
Non-potable water sales	122,570	122,570	128,065	5,495
Other sales	-	-	954	954
Water meters	1,500	5,000	21,572	16,572
Total operating revenues	4,226,153	4,579,653	4,359,732	(219,921)
Operating expenses				
Water supply and administrative	3,098,291	3,301,346	3,031,432	269,914
Flood damage - Evans 2013 flood	-	215,000	27,358	187,642
Capital outlay	823,781	4,326,372	2,959,683	1,366,689
Total operating expenses	3,922,072	7,842,718	6,018,473	1,824,245
Operating income (loss)	304,081	(3,263,065)	(1,658,741)	1,604,324
Other revenues (expenses)				
Earnings on investments	18,480	18,480	(3,805)	(22,285)
Grants and contributions	-	10,500	49,892	39,392
Grants and contributions - Evans 2013 flood	-	175,000	-	(175,000)
Plant investment fees and cash in lieu of fees	45,000	967,725	753,974	(213,751)
Transfers to other funds	(674,143)	(694,202)	(658,248)	35,954
Total other revenues (expenses)	(610,663)	477,503	141,813	(335,690)
Change in net position - budgetary basis	\$ (306,582)	\$ (2,785,562)	(1,516,928)	\$ 1,268,634
Reconciliation to GAAP basis				
Depreciation			(709,164)	
Impairment loss			(17,197)	
Capital outlay			<u>2,959,683</u>	
Change in net position - GAAP basis			716,394	
Net position at beginning of year			<u>49,588,314</u>	
Net position at end of year			<u>\$ 50,304,708</u>	

See accompanying Independent Auditor's Report.

City of Evans
Wastewater Fund
Budgetary Comparison Schedule
Year Ended December 31, 2013

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Operating revenues				
Sewer sales	\$ 1,233,343	\$ 1,233,343	\$ 1,177,884	\$ (55,459)
Total operating revenues	1,233,343	1,233,343	1,177,884	(55,459)
Operating expenses				
Wastewater and administration	664,537	747,737	624,315	123,422
Flood damage - Evans 2013 flood	-	529,100	174,962	354,138
Principal paid	87,945	87,945	87,944	1
Capital outlay	145,700	83,500	260,341	(176,841)
Total operating expenses	898,182	1,448,282	1,147,562	300,720
Operating income (loss)	335,161	(214,939)	30,322	245,261
Other revenues (expenses)				
Earnings on investments	4,836	4,836	(3,085)	(7,921)
Grants and contributions - Evans 2013 flood	-	417,583	281,132	(136,451)
Plant investment fees and cash in lieu of fees	25,000	25,000	268,056	243,056
Transfers to other funds	(430,156)	(444,089)	(451,425)	(7,336)
Interest expense	(27,509)	(27,509)	(28,980)	(1,471)
Total other revenue (expense)	(427,829)	(24,179)	65,698	89,877
Change in net position - budgetary basis	\$ (92,668)	\$ (239,118)	96,020	\$ 335,138
Reconciliation to GAAP basis				
Depreciation expense			(464,440)	
Impairment loss			(393,900)	
Principal paid			87,944	
Capital outlay			260,341	
Change in net position - GAAP basis			(414,035)	
Net position at beginning of year			10,449,104	
Net position at end of year			\$ 10,035,069	

See accompanying Independent Auditor's Report.

City of Evans
Storm Drainage Fund
Budgetary Comparison Schedule
Year Ended December 31, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Operating revenues				
Storm drainage sales	\$ 455,800	\$ 455,800	\$ 456,297	\$ 497
Total operating revenues	455,800	455,800	456,297	497
Operating expenses				
Storm drainage and administration	41,374	12,874	9,650	3,224
Flood damage - Evans 2013 flood	-	-	8,080	(8,080)
Capital outlay	340,000	941,000	97,137	843,863
Total operating expenses	381,374	953,874	114,867	839,007
Operating income (loss)	74,426	(498,074)	341,430	839,504
Other revenues (expenses)				
Plant investment fees	10,000	10,000	69,324	59,324
Earnings on investments	1,261	1,261	(1,411)	(2,672)
Transfers to other funds	(158,360)	(164,048)	(150,665)	13,383
Total other revenue (expense)	(147,099)	(152,787)	(82,752)	70,035
Change in net position - budgetary basis	\$ (72,673)	\$ (650,861)	258,678	\$ 909,539
Reconciliation to GAAP basis				
Depreciation			(262,067)	
Capital outlay			97,137	
Change in net position - GAAP basis			93,748	
Net position at beginning of year			8,939,478	
Net position at end of year			\$ 9,033,226	

See accompanying Independent Auditor's Report.

Fiduciary Fund

City of Evans
Cemetery Endowment Fund
Budgetary Comparison Schedule
Year Ended December 31, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Earnings on investments	\$ 6,000	\$ 10,000	\$ 7,443	\$ (2,557)
Expenses				
Culture parks and rec	6,000	6,000	-	6,000
Transfers out	-	12,600	18,600	(6,000)
Total expenses	6,000	18,600	18,600	-
Net change in net position	\$ -	\$ (8,600)	(11,157)	\$ (2,557)
Net position at beginning of year			56,676	
Net position at end of year			\$ 45,519	

See accompanying Independent Auditor's Report.

Supplemental Section

State Compliance Section

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

LOCAL HIGHWAY FINANCE REPORT		City or County: Evans, CO
		YEAR ENDING : December 2013
This Information From The Records Of City of Evans, CO	Prepared By: Phone:	Finance Dept Chris Cooke 970-475-1107

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
A. Receipts from local sources:		A. Local highway disbursements:	
1. Local highway-user taxes		1. Capital outlay (from page 2)	746,408
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	936,840
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	10,024
2. General fund appropriations	1,369,585	b. Snow and ice removal	8,771
3. Other local imposts (from page 2)	337,467	c. Other	
4. Miscellaneous local receipts (from page 2)	519,261	d. Total (a. through c.)	18,795
5. Transfers from toll facilities		4. General administration & miscellaneous	468,565
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	250,098
a. Bonds - Original Issues		6. Total (1 through 5)	2,420,705
b. Bonds - Refunding Issues		B. Debt service on local obligations:	
c. Notes		1. Bonds:	
d. Total (a. + b. + c.)	0	a. Interest	
7. Total (1 through 6)	2,226,313	b. Redemption	
B. Private Contributions		c. Total (a. + b.)	0
C. Receipts from State government (from page 2)	573,753	2. Notes:	
D. Receipts from Federal Government (from page 2)	428,087	a. Interest	
E. Total receipts (A.7 + B + C + D)	3,228,153	b. Redemption	
		c. Total (a. + b.)	0
		3. Total (1.c + 2.c)	0
		C. Payments to State for highways	
		D. Payments to toll facilities	
		E. Total disbursements (A.6 + B.3 + C + D)	
			2,420,705

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

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

V. LOCAL ROAD AND STREET FUND BALANCE

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	1,005,089	3,228,153	2,420,705	1,812,537	(0)

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT

STATE:
Colorado
YEAR ENDING (mm/yy):
December 2013

II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL

ITEM	AMOUNT	ITEM	AMOUNT
A.3. Other local imposts:		A.4. Miscellaneous local receipts:	
a. Property Taxes and Assessments		a. Interest on investments	855
b. Other local imposts:		b. Traffic Fines & Penalties	310,484
1. Sales Taxes		c. Parking Garage Fees	
2. Infrastructure & Impact Fees	317,734	d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	125,000
4. Licenses		f. Charges for Services	
5. Specific Ownership &/or Other	19,732	g. Other Misc. Weld Cty Rd & Bridge	82,922
6. Total (1. through 5.)	337,467	h. Other	
c. Total (a. + b.)	337,467	i. Total (a. through h.)	519,261
	(Carry forward to page 1)		(Carry forward to page 1)

ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		D. Receipts from Federal Government	
1. Highway-user taxes	514,355	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	278,905
b. Project Match		c. HUD	
c. Motor Vehicle Registrations	59,399	d. Federal Transit Admin	
d. Other (Specify) - DOLA Grant		e. U.S. Corps of Engineers	
e. Other (Specify)		f. Other Federal	149,182
f. Total (a. through e.)	59,399	g. Total (a. through f.)	428,087
4. Total (1. + 2. + 3.f)	573,753	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)
A.1. Capital outlay:			
a. Right-Of-Way Costs			0
b. Engineering Costs		294,367	294,367
c. Construction:			
(1). New Facilities			0
(2). Capacity Improvements		4,934	4,934
(3). System Preservation		418,914	418,914
(4). System Enhancement & Operation		28,192	28,192
(5). Total Construction (1) + (2) + (3) + (4)	0	452,040	452,040
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	746,408	746,408
			(Carry forward to page 1)

Notes and Comments: