

**CITY OF EVANSTON, WYOMING**

**FINANCIAL REPORT**

**June 30, 2011**

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December 08, 2011

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

State law requires that all general-purpose local governments publish within six months of the close of each fiscal year a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the comprehensive annual financial report of the City of Evanston for the fiscal year ended June 30, 2011.

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

The City of Evanston's financial statements have been audited by Porter, Muirhead, Cornia, and Howard, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of Evanston, for the fiscal year ended June 30, 2011, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the City of Evanston's financial statements for the fiscal year ended June 30, 2011, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the City of Evanston was part of a broader, federally mandated, "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in the City of Evanston's financial statements.

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

### **Profile of the Government**

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

The government has operated under the mayor-council form of government since incorporated. Policy making and legislative authority are vested in the governing council, which consists of a mayor and a six-member council. The governing council is responsible, among other things, for passing ordinances, adopting the budget, and appointing committees and heads of the government's departments. The council is elected on a non-partisan basis. Council members are elected to four-year staggered terms with three council members elected every two years. The mayor is elected to a four-year term. The six council members are elected from within their respective wards. There are three wards within the city limits and the mayor is elected at large.

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

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

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

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

### **Factors Affecting Financial Condition**

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

#### **Local economy**

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

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

Evanston is becoming a retirement location. There have been many employees transferred from our area with the oil companies making changes driven by the economy. This year we saw a decline in the housing market reflecting citizens being relocated.

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

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

Declining revenues continue to dictate the City's approach towards capital construction and restricts a conservative approach for operating budgets. This is a difficult challenge, especially with the escalating costs of health insurance and the slower returns on investments. The increase costs of fuel, housing materials, and other utilities, have required the City to evaluate many policies and operating efficiencies. The declining sales tax has had a large impact on our budgets. We continue to maintain services but capital construction is only accomplished with the funding coming from grants. However, we maintain a positive attitude toward the long-term effect on our community and continue to do long-term planning.

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

### **Cash management policies and practices**

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

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

### **Risk management**

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

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

### **Pension and other post-employment benefits**

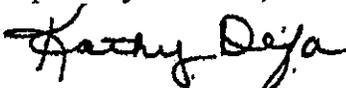
The City of Evanston participates in several single-employer defined benefit pension plans for its employees. The City became involved with the Wyoming Retirement System to help secure employee's retirement. Our health premiums have increased by 50% due to continued health care expenses. During the fiscal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

### **Awards and Acknowledgment**

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

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

Respectfully submitted,



Kathy Defa, City Treasurer

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**FINANCIAL SECTION**

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

(A Corporation of Certified Public Accountants)

123 West First Street Suite 800 P.O. Box 2759 Casper, Wyoming 82602 (307) 265-4311 Fax (307) 265-5180

## INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Evanston, Wyoming, as of and for the year ended June 30, 2011, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Evanston's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to previously present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Evanston, Wyoming, as of June 30, 2011, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

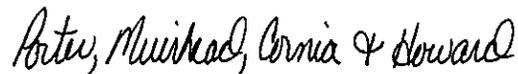
In accordance with *Government Auditing Standards*, we have also issued a report dated December 08, 2011 on our consideration of the City of Evanston's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3 through 9 and 47 through 50 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to management's discussion and analysis in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during the audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The budgetary information has been subjected to the auditing procedures applied during the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the budgetary comparison is fairly stated in all material respects in relation to the basic financial statements as a whole.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Evanston's basic financial statements. The other supplementary information on pages 53 through 69 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Additionally, the accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements of the City of Evanston. The other supplementary information and schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The other supplementary information and the schedule of expenditures of federal awards have been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplementary information and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

The accompanying basic financial statements, required supplementary information, combining and individual fund information and other supplementary information, and our independent auditor's reports are for the purpose of meeting local, state and federal requirements and are for the use of those entities and the management and the City Council and should not be used or relied upon by any other party for any purpose. Additional users of these basic financial statements, required supplementary information, combining and individual fund information and other supplementary information, and our independent auditor's reports are hereby advised that the liability of Porter, Muirhead, Cornia & Howard to third party users who use or rely on this information may be limited pursuant to 1995 Wyoming Session Laws, Chapter 155 creating Wyoming Statute §33-3-201.



Porter, Muirhead, Cornia & Howard  
Certified Public Accountants

December 08, 2011

# CITY OF EVANSTON, WYOMING

## MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2011

(Unaudited)

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As management of the City of Evanston, Wyoming, we offer readers of the City of Evanston, Wyoming's financial statements this narrative overview and analysis of the financial activities of the City of Evanston, Wyoming for the fiscal year ended June 30, 2011.

### ***Financial Highlights***

- The assets of the City of Evanston, Wyoming exceeded its liabilities at the close of the most recent fiscal year by \$105,522,846 (*net assets*). Of this amount, \$33,149,782 (*unrestricted net assets*) may be used to meet the government's ongoing obligations to citizens and creditors.
- The government's total net assets increased by \$1,889,240.
- As of the close of the current fiscal year, the City of Evanston, Wyoming's governmental funds reported combined ending fund balances of \$9,798,062.
- At the end of the current fiscal year, unreserved fund balance for the general fund was \$8,515,960.

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

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

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

The *statement of net assets* presents information on all of the City of Evanston, Wyoming's assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the City of Evanston, Wyoming is improving or deteriorating.

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

Both of the government-wide financial statements distinguish functions of the City of Evanston, Wyoming that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City of Evanston, Wyoming include general government, public safety, highways, streets, and culture and recreation. The business-type activities of the City of Evanston, Wyoming include water, sewer and other non-major enterprise operations.

The government-wide financial statements can be found on pages 11-14 of this report.

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

CITY OF EVANSTON, WYOMING

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2011

(Unaudited)

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

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

The City of Evanston, Wyoming maintains three individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, of which is considered to be a major fund, data from the other two governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report.

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

The basic governmental fund financial statements can be found on pages 15-18 of this report.

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

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Water and Sewer operation, all of which are considered to be major funds of the City of Evanston, Wyoming.

The basic proprietary fund financial statements can be found on 19-28 of this report.

**Notes to the financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on page 29-45 of this report.

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

**CITY OF EVANSTON, WYOMING**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

June 30, 2011

(Unaudited)

The combining statements for non-major governmental funds and internal service funds can be found on pages 51-54 of this report.

***Government-wide Financial Analysis***

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the City of Evanston, Wyoming's net assets reflect its investment in capital assets (e.g., land, buildings, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding. The City of Evanston, Wyoming uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the City of Evanston, Wyoming's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

**City of Evanston, Wyoming Net Assets**

	Governmental Activities		Business-type Activities		Total	
	2010	2011	2010	2011	2010	2011
Current assets	\$ 13,267,456	\$ 10,651,075	\$ 23,463,122	\$ 26,689,812	\$ 36,730,578	\$ 37,340,887
Capital assets Net Accum. Dep	34,384,948	36,326,505	35,081,694	33,850,575	69,466,642	70,177,080
Non Current Assets	-	-	1,525,404	-	1,525,404	-
Total assets	47,652,404	46,977,580	60,070,220	60,540,387	107,722,624	107,517,967
Current Liabilities	1,210,910	592,778	347,507	302,214	1,558,417	894,992
Total Non-Current liabilities	2,314,516	783,176	216,085	316,253	2,530,601	1,099,429
Total Liabilities	3,525,426	1,375,954	563,592	618,467	69,466,642	71,407,499
Net assets:						
Invested in capital assets, net of related debt	34,384,948	36,326,505	36,607,098	33,668,201	70,992,046	69,994,706
Restricted	205,847	205,847	412,358	465,433	618,205	671,280
Unrestricted	9,536,183	9,069,274	22,487,172	25,788,286	32,023,355	34,857,560
Total net assets	\$ 44,126,978	\$ 45,601,626	\$ 59,506,628	\$ 59,921,920	\$ 103,633,606	\$ 105,523,546

An additional portion of the City of Evanston, Wyoming's net assets represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net assets* \$33,149,782 may be used to meet the government's ongoing obligations to citizens and creditors.

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

**CITY OF EVANSTON, WYOMING**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

June 30, 2011

(Unaudited)

**Governmental and Business-type Activities.** Governmental and business-type activities for the City of Evanston, Wyoming are provided in the following table.

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

	Governmental Activities		Business-type Activities		Total	
	2010	2011	2010	2011	2010	2011
Revenues:						
Program revenues:						
Charges for services	\$ 454,451	\$ 488,557	\$ 4,187,745	\$ 4,383,665	\$ 4,642,196	\$ 4,872,222
Operating grants and contributions	2,191,385	2,352,031	-	-	2,191,385	2,352,031
Capital grants and contributions	-	-	-	-	-	-
General revenues:						
Property taxes	896,005	865,092	-	-	896,005	865,092
Other taxes	5,054,011	5,743,439	39,611	6,283	5,093,622	5,749,722
Grants and contributions not restricted to specific programs	2,752,976	2,432,952	-	-	2,752,976	2,432,952
Unrestricted Investment Earnings	489,411	166,473	445,268	167,892	5,093,622	334,365
Miscellaneous Revenue	127,105	132,680	46,669	(978)	173,774	131,702
Loss of Sale Capital Assets	-	-	-	-	-	-
Transfers	(645,500)	(811,375)	655,000	811,375	9,500	-
Total revenues	11,319,844	11,369,849	5,374,293	5,368,237	16,694,137	16,738,086
Expenses:						
General government	4,429,682	4,253,402	-	-	4,429,682	4,253,402
Public safety	2,707,448	2,866,679	-	-	2,707,448	2,866,679
Public Works	1,928,876	1,234,499	-	-	1,928,876	1,234,499
Recreation	1,423,161	1,531,946	-	-	1,423,161	1,531,946
Interest on long-term debt	13,500	8,675	-	-	13,500	8,675
Water	-	-	2,142,830	2,315,592	2,142,830	2,315,592
Sewer	-	-	905,525	767,526	905,525	767,526
Golf	-	-	1,012,594	1,066,751	1,012,594	1,066,751
Sanitation	-	-	566,479	800,576	566,479	800,576
Other Non						
Major Enterprise Funds	-	-	-	2,500	-	2,500
Total expenses	10,502,667	9,895,201	4,627,428	4,952,945	15,130,095	14,848,146
Increase in net assets before transfers						
Transfers	-	-	-	-	-	-
Change in net assets	817,177	817,177	533,486	262,207	3,185,677	1,079,384
Prior Period Adj.	-	-	-	-	672,196	-
Net assets – 6/30/10	43,309,801	43,309,801	58,710,935	59,244,421	98,696,349	102,554,222
Net assets – 6/30/11	\$ 44,126,978	\$ 44,126,978	\$ 59,244,421	\$ 59,506,628	\$ 102,554,222	\$ 103,633,606

# CITY OF EVANSTON, WYOMING

## MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2011

(Unaudited)

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The City of Evanston, Wyoming is very active in searching and obtaining grants to maintain the level of service and living conditions for our residents. Most recently, the Homeland Security Grants have replaced available COP grants.

Other awarded grants, to the City of Evanston, Wyoming furnished resources to support functions such as the Machine Shop Restoration, Downtown Sidewalk Improvements, Forestry Improvements and the Youth Drug and Alcohol Program. The City of Evanston, Wyoming continues to aggressively undertake an endeavor for the youth of our community through the installment of a Youth Drug and Alcohol Court that is funded by a State of Wyoming grant.

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

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

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

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

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

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

Revenues were monitored closely during the fiscal year due to fluctuations in sales tax, mineral royalties, and interest incomes.

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

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

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

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

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

The general fund is the chief operating fund of the City of Evanston, Wyoming. At the end of the current fiscal year, unreserved fund balance of the general fund was \$8,515,960 while total fund balance reached \$9,798,062. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. The general fund balance of the City of Evanston, Wyoming decreased by \$44,489, during the current fiscal year.

- Sales tax rate increased tax revenues by \$696,920.
- Property tax decreased by \$30,913.
- Transfer of funds to Golf and Cemetery Fund of \$680,000.
- Operating Grants & Contributions decreased by \$160,646.
- Investments were reduced by \$15,137.
- Charges for Services increased by \$415,511.

**CITY OF EVANSTON, WYOMING**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

June 30, 2011

(Unaudited)

The long-term liability (\$799,159) including accrued compensated absences, is not due and payable in the current period and therefore are not reported in the funds.

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

Unrestricted net assets of the Water, Sewer, Sanitation and other Enterprise Funds at the end of the year amounted to \$24,080,508. The total growth in net assets for these funds was \$1,593,336. Other factors concerning the finances of these funds have already been addressed in the discussion of the City of Evanston, Wyoming's business-type activities.

**General Fund Budgetary Highlights**

Differences between the original and the final amended budget was a \$418,633 increase in appropriations and can be briefly summarized as follows:

- \$418,633 capital outlay for grants and proposed capital projects

**Capital Asset and Debt Administration**

**Capital assets.** The City of Evanston, Wyoming's investment in capital assets for its governmental and business type activities as of June 30, 2011, amounts to \$70,176,380 (net of accumulated depreciation). This investment in capital assets included land, buildings and system, improvements, machinery and equipment, park facilities, roads, highways, and bridges. The total increase in the City of Evanston, Wyoming's investment in capital assets for the current fiscal year was 0.38 percent.

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

- Underpass reconstruction
- Roundhouse turntable
- City Hall retrofit – heating/air system
- Machine Shop – energy efficiency
- Strand Theater

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

	Governmental		Business-type		Total	
	Activities		Activities			
	2010	2011	2010	2011	2010	2011
Land	\$ 16,474,004	\$ 20,067,992	\$ 733,694	\$ 733,694	\$ 17,207,698	\$ 20,801,686
Construction in Progress	1,480,666	555,967	1,513,908	-	2,994,574	555,967
Buildings and system	27,247,724	27,795,288	63,811,283	65,335,143	91,059,007	93,130,431
Machinery and Equipment	5,387,606	4,992,097	1,960,732	2,297,481	7,348,338	7,289,578
Infrastructure	17,588,070	17,588,070	-	-	17,588,070	17,588,070
Total Accum. Depreciation	(33,793,122)	(34,672,909)	(32,937,923)	(34,515,743)	(66,731,045)	(69,188,652)
<b>Total</b>	<b>\$ 34,384,948</b>	<b>\$ 36,326,505</b>	<b>\$ 35,081,694</b>	<b>\$ 33,850,575</b>	<b>\$ 69,466,642</b>	<b>\$ 70,177,080</b>

**CITY OF EVANSTON, WYOMING**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

June 30, 2011

(Unaudited)

Additional information on the City of Evanston, Wyoming's capital assets can be found in Note 4 on pages 40-42 of this report.

**Long-term debt** - At the end of the current fiscal year, the City of Evanston, Wyoming had total debt outstanding of \$1,155,336.

**City of Evanston's Outstanding Debt**

**General Obligation and Revenue Bonds**

	Governmental Activities		Business-type Activities		Total	
	2010	2011	2010	2011	2010	2011
Governmental Activities Long Term	\$ 805,216	\$ 799,159	\$ -	\$ -	\$ 805,216	\$ 799,159
Accrued Compensated Absences	-	-	153,198	173,802	153,198	173,802
Lease Purchase Obligation	-	-	94,325	182,375	94,325	182,375
<b>Total</b>	<b>\$ 805,216</b>	<b>\$ 799,159</b>	<b>\$ 247,523</b>	<b>\$ 356,177</b>	<b>\$ 1,052,739</b>	<b>\$ 1,155,336</b>

The City of Evanston, Wyoming's total debt is \$1,155,336 for the current fiscal year. Additional information on the City of Evanston, Wyoming's long-term debt can be found in Note 4 on pages 42 and 43 of this report.

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

- The unemployment rate for the City of Evanston, Wyoming is currently 5.1 percent, which is a decrease from a rate of 6.5 percent a year ago. This compares to the state's average unemployment rate of 5.8 percent and the national average rate of 9.0 percent.

Wyoming's employment added 1,400 jobs this last year with the largest job losses occurring in the mining and construction industries. The local economy continues to suffer driven by the mineral industry and decline of construction. All businesses are just trying to hold on and brave the economic storm. All of these factors were considered in preparing the City of Evanston, Wyoming's budget for the 2011 fiscal year.

***Requests for Information***

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

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**BASIC FINANCIAL STATEMENTS**

**CITY OF EVANSTON, WYOMING**

**STATEMENT OF NET ASSETS**

June 30, 2011

	Primary Government		Total
	Governmental Activities	Business-type Activities	
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	\$ 1,400,274	\$ 1,330,917	\$ 2,731,191
Investments at fair value	33,184,747	11,247	33,195,994
Prepaid expenses	113,988	-	113,988
Receivables (net of allowance for doubtful accounts)			
Accounts receivable	730,921	385,362	1,116,283
Accrued interest	61,163	-	61,163
Property taxes	45,790	-	45,790
Internal balances	(24,896,037)	24,896,037	-
Inventory	10,229	66,249	76,478
<b>Total current assets</b>	<b>10,651,075</b>	<b>26,689,812</b>	<b>37,340,887</b>
<b>Capital Assets</b>			
Land	20,067,992	733,694	20,801,686
Buildings and systems	27,795,288	65,335,143	93,130,431
Machinery and equipment	4,992,097	2,297,481	7,289,578
Infrastructure	17,588,070	-	17,588,070
Construction in progress	555,967	-	555,967
	70,999,414	68,366,318	139,365,732
Less accumulated depreciation	(34,672,909)	(34,515,743)	(69,188,652)
<b>Total capital assets (net of accumulated depreciation)</b>	<b>36,326,505</b>	<b>33,850,575</b>	<b>70,177,080</b>
<b>Total assets</b>	<b>46,977,580</b>	<b>60,540,387</b>	<b>107,517,967</b>

(Continued)

See accompanying notes to the financial statements

**CITY OF EVANSTON, WYOMING**

STATEMENT OF NET ASSETS (CONTINUED)

June 30, 2011

	Primary Government		Total
	Governmental Activities	Business-type Activities	
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Accounts payable	\$ 399,246	\$ 175,309	\$ 574,555
Accrued payroll	113,201	32,748	145,949
Accrued liabilities	46,863	-	46,863
Court bonds payable	17,485	-	17,485
Deposits payable	-	54,234	54,234
Current portion of long-term debt	15,983	39,923	55,906
<b>Total current liabilities</b>	<b>592,778</b>	<b>302,214</b>	<b>894,992</b>
<b>Noncurrent liabilities</b>			
Noncurrent portion of long-term debt	783,176	316,253	1,099,429
<b>Total noncurrent liabilities</b>	<b>783,176</b>	<b>316,253</b>	<b>1,099,429</b>
<b>Total liabilities</b>	<b>1,375,954</b>	<b>618,467</b>	<b>1,994,421</b>
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	36,326,505	33,668,201	69,994,706
Restricted for			
Landfill maintenance	-	465,433	465,433
Perpetual fund			
Expendable	105,847	-	105,847
Nonexpendable	100,000	-	100,000
Unrestricted	9,069,274	25,788,286	34,857,560
<b>Total net assets</b>	<b>\$ 45,601,626</b>	<b>\$ 59,921,920</b>	<b>\$ 105,523,546</b>

See accompanying notes to the financial statements

**CITY OF EVANSTON, WYOMING**

**STATEMENT OF ACTIVITIES**  
Year Ended June 30, 2011

<u>Function/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
<b>Governmental activities:</b>				
General government	\$ 4,253,402	\$ 98,930	\$ 2,352,031	\$ -
Public safety	2,866,679	349,963	-	-
Public works	1,234,499	-	-	-
Culture and recreation	1,531,946	39,664	-	-
Interest on long-term debt	8,675	-	-	-
<b>Total governmental activities</b>	<b>9,895,201</b>	<b>488,557</b>	<b>2,352,031</b>	<b>-</b>
<b>Business-type activities:</b>				
Water	2,315,592	2,129,692	-	-
Sewer	767,526	1,057,242	-	-
Golf	1,066,751	394,062	-	-
Sanitation	800,576	770,744	-	-
Other nonmajor enterprise funds	2,500	31,925	-	-
<b>Total business-type activities</b>	<b>4,952,945</b>	<b>4,383,665</b>	<b>-</b>	<b>-</b>
<b>Total primary government</b>	<b>\$ 14,848,146</b>	<b>\$ 4,872,222</b>	<b>\$ 2,352,031</b>	<b>\$ -</b>

General revenues

  Property taxes and other taxes

  Sales tax

  Franchise taxes

  Motor vehicle taxes

  Capital facilities tax

  Grants and contributions not restricted to specific programs

  Unrestricted investment earnings

  Miscellaneous revenue

  Transfers

**Total general revenues and transfers**

    Change in net assets

    Net assets - beginning of year

    Net assets - end of year

See accompanying notes to the financial statements

Net (Expense) Revenue and Changes in Net Assets		
Primary Government		
Governmental Activities	Business-type Activities	Total
\$ (1,802,441)	\$ -	\$ (1,802,441)
(2,516,716)	-	(2,516,716)
(1,234,499)	-	(1,234,499)
(1,492,282)	-	(1,492,282)
(8,675)	-	(8,675)
<u>(7,054,613)</u>	<u>-</u>	<u>(7,054,613)</u>
-	(185,900)	(185,900)
-	289,716	289,716
-	(672,689)	(672,689)
-	(29,832)	(29,832)
-	29,425	29,425
<u>-</u>	<u>(569,280)</u>	<u>(569,280)</u>
<u>(7,054,613)</u>	<u>(569,280)</u>	<u>(7,623,893)</u>
865,092	-	865,092
5,286,036	-	5,286,036
194,128	-	194,128
263,275	-	263,275
-	6,283	6,283
2,432,952	-	2,432,952
166,473	167,892	334,365
132,680	(978)	131,702
(811,375)	811,375	-
<u>8,529,261</u>	<u>984,572</u>	<u>9,513,833</u>
1,474,648	415,292	1,889,940
<u>44,126,978</u>	<u>59,506,628</u>	<u>103,633,606</u>
<u>\$ 45,601,626</u>	<u>\$ 59,921,920</u>	<u>\$ 105,523,546</u>

**CITY OF EVANSTON, WYOMING**

**BALANCE SHEET  
Governmental Funds  
June 30, 2011**

	<u>General</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ -	\$ 1,294,903	\$ 1,294,903
Investments at fair value	33,184,747	-	33,184,747
Prepaid expenses	113,988	-	113,988
Receivables (net of allowance for doubtful accounts)			
Accounts receivable	717,766	12,198	729,964
Accrued interest	61,163	-	61,163
Property taxes	45,790	-	45,790
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total assets	<u>\$ 34,123,454</u>	<u>\$ 1,307,101</u>	<u>\$ 35,430,555</u>
<b>LIABILITIES AND FUND BALANCES</b>			
Current liabilities			
Accounts payable	\$ 371,099	\$ 24,999	\$ 396,098
Accrued payroll	113,201	-	113,201
Accrued liabilities	46,863	-	46,863
Court bonds payable	17,485	-	17,485
Deferred revenues	162,809	-	162,809
Due to other funds	23,132,537	-	23,132,537
Current portion of advance payable to water fund	238,096	-	238,096
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total current liabilities	<u>24,082,090</u>	<u>24,999</u>	<u>24,107,089</u>
Noncurrent liabilities			
Noncurrent portion of advance payable to water fund	1,525,404	-	1,525,404
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total noncurrent liabilities	<u>1,525,404</u>	<u>-</u>	<u>1,525,404</u>
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total liabilities	<u>25,607,494</u>	<u>24,999</u>	<u>25,632,493</u>
Fund balances			
Nonspendable, prepaid expenses	113,988	-	113,988
Restricted, cemetery perpetual care	-	205,847	205,847
Assigned, emergency repairs	5,500,000	-	5,500,000
Unassigned	2,901,972	1,076,255	3,978,227
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total fund balances	<u>8,515,960</u>	<u>1,282,102</u>	<u>9,798,062</u>
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total liabilities and fund balances	<u>\$ 34,123,454</u>	<u>\$ 1,307,101</u>	<u>\$ 35,430,555</u>

See accompanying notes to the financial statements

CITY OF EVANSTON, WYOMING

RECONCILIATION OF GOVERNMENTAL FUNDS  
FUND BALANCES TO NET ASSETS OF GOVERNMENTAL ACTIVITIES

June 30, 2011

Total governmental fund balances \$ 9,798,062

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

Long-term liabilities, including accrued compensated absences, are not due and payable in the current period and therefore, are not reported in the funds. (799,159)

Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds. 36,326,505

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. 162,809

Internal service funds are used by management to charge the costs of certain activities, such as motor vehicle costs, and vision care, to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net assets. This is the unrestricted net assets of the internal service funds. 113,409

Net assets of governmental activities \$ 45,601,626

**CITY OF EVANSTON, WYOMING**

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

Governmental Funds

Year Ended June 30, 2011

	General Fund	Other Governmental Funds	Total Governmental Funds
<b>REVENUES</b>			
Taxes	\$ 6,400,659	\$ 218,422	\$ 6,619,081
Licenses and permits	159,769	-	159,769
Fines and forfeitures	247,320	-	247,320
Intergovernmental revenues	4,784,983	-	4,784,983
Charges for services	50,490	39,664	90,154
Interest and miscellaneous	192,457	98,011	290,468
 Total revenues	 <u>11,835,678</u>	 <u>356,097</u>	 <u>12,191,775</u>
<b>EXPENDITURES</b>			
Current			
General government	2,773,419	-	2,773,419
Public safety and transportation	2,781,418	-	2,781,418
Public works	1,153,319	-	1,153,319
Health, welfare and recreation	1,082,112	382,290	1,464,402
Intergovernmental expenditures	674,418	-	674,418
Capital outlay	3,128,295	8,993	3,137,288
 Total expenditures	 <u>11,592,981</u>	 <u>391,283</u>	 <u>11,984,264</u>
 Excess (deficiency) of revenues over expenditures	 <u>242,697</u>	 <u>(35,186)</u>	 <u>207,511</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	-	188,000	188,000
Transfers out	(868,000)	-	(868,000)
 Total other financing sources (uses)	 <u>(868,000)</u>	 <u>188,000</u>	 <u>(680,000)</u>
 Net change in fund balances	 <u>(625,303)</u>	 <u>152,814</u>	 <u>(472,489)</u>
 Fund balances - beginning of year	 <u>9,141,263</u>	 <u>1,129,288</u>	 <u>10,270,551</u>
 Fund balances - end of year	 <u>\$ 8,515,960</u>	 <u>\$ 1,282,102</u>	 <u>\$ 9,798,062</u>

See accompanying notes to the financial statements

**CITY OF EVANSTON, WYOMING**

**RECONCILIATION OF THE STATEMENT OF REVENUES,  
EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
Year Ended June 30, 2011**

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

Net change in fund balances - total governmental funds \$ (472,489)

Governmental funds report capital outlays as expenditures.

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

1,943,297

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

(269)

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

6,057

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

8,603

Certain revenues are not recognized as current financial resources and, therefore, are not reported as revenues in governmental funds.

(10,551)

Change in net assets of governmental activities

\$ 1,474,648

See accompanying notes to the financial statements

**CITY OF EVANSTON, WYOMING**

**STATEMENT OF NET ASSETS**

Proprietary Funds

June 30, 2011

	<u>Business-type Activities - Enterprise Funds</u>		
	<u>Water Fund</u>	<u>Sewer Fund</u>	<u>Golf Fund</u>
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	\$ -	\$ 291,366	\$ 870,430
Investments, at fair value	11,247	-	-
Accounts receivable (net of allowance for doubtful accounts)	202,046	108,071	-
Due from other funds	11,582,773	8,964,533	-
Inventory	-	-	66,249
Current portion of advance receivable from general fund	238,096	-	-
Total current assets	<u>12,034,162</u>	<u>9,363,970</u>	<u>936,679</u>
<b>Noncurrent assets</b>			
Long term portion of advance receivable from general fund	1,525,404	-	-
Total noncurrent assets	<u>1,525,404</u>	<u>-</u>	<u>-</u>
<b>Capital assets</b>			
Land	161,500	240,005	312,189
Buildings and systems	43,813,651	15,188,881	6,267,611
Machinery and equipment	326,538	307,453	654,118
	<u>44,301,689</u>	<u>15,736,339</u>	<u>7,233,918</u>
Less accumulated depreciation	<u>18,600,267</u>	<u>13,283,103</u>	<u>1,741,710</u>
Total capital assets (net of accumulated depreciation)	<u>25,701,422</u>	<u>2,453,236</u>	<u>5,492,208</u>
Total assets	<u>39,260,988</u>	<u>11,817,206</u>	<u>6,428,887</u>

See accompanying notes to the financial statements

Business-type Activities - Enterprise Funds

<u>Sanitation Fund</u>	<u>Other Enterprise Fund</u>	<u>Totals</u>	<u>Governmental Activities- Internal Service Fund</u>
\$ -	\$ 169,121	\$ 1,330,917	\$ 105,371
-	-	11,247	-
72,966	2,279	385,362	955
2,585,231	-	23,132,537	-
-	-	66,249	10,229
-	-	238,096	-
<u>2,658,197</u>	<u>171,400</u>	<u>25,164,408</u>	<u>116,555</u>
-	-	1,525,404	-
-	-	1,525,404	-
20,000	-	733,694	-
65,000	-	65,335,143	278,623
1,009,372	-	2,297,481	44,361
<u>1,094,372</u>	<u>-</u>	<u>68,366,318</u>	<u>322,984</u>
890,663	-	34,515,743	322,673
<u>203,709</u>	<u>-</u>	<u>33,850,575</u>	<u>311</u>
<u>2,861,906</u>	<u>171,400</u>	<u>60,540,387</u>	<u>116,866</u>

(Continued)

**CITY OF EVANSTON, WYOMING**

**STATEMENT OF NET ASSETS (CONTINUED)**

Proprietary Funds

June 30, 2011

	<u>Business-type Activities - Enterprise Funds</u>		
	<u>Water Fund</u>	<u>Sewer Fund</u>	<u>Golf Fund</u>
<b>LIABILITIES</b>			
Current liabilities			
Accounts payable	\$ 65,556	\$ 22,407	\$ 57,050
Accrued payroll	18,243	8,648	-
Deposits payable	54,234	-	-
Current portion of long-term debt	<u>4,756</u>	<u>1,577</u>	<u>31,233</u>
Total current liabilities	<u>142,789</u>	<u>32,632</u>	<u>88,283</u>
Noncurrent liabilities			
Noncurrent portion of long-term debt	<u>90,368</u>	<u>29,969</u>	<u>151,141</u>
Total noncurrent liabilities	<u>90,368</u>	<u>29,969</u>	<u>151,141</u>
Total liabilities	<u>233,157</u>	<u>62,601</u>	<u>239,424</u>
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	25,701,422	2,453,236	5,309,834
Restricted for landfill maintenance	-	-	-
Unrestricted	<u>13,326,409</u>	<u>9,301,369</u>	<u>879,629</u>
Total net assets	<u>\$ 39,027,831</u>	<u>\$ 11,754,605</u>	<u>\$ 6,189,463</u>

See accompanying notes to the financial statements

<u>Business-type Activities - Enterprise Funds</u>			<u>Governmental Activities - Internal Service Fund</u>
<u>Sanitation Fund</u>	<u>Other Enterprise Fund</u>	<u>Totals</u>	
\$ 30,296	\$ -	\$ 175,309	\$ 3,144
5,857	-	32,748	-
-	-	54,234	-
2,357	-	39,923	-
<u>38,510</u>	<u>-</u>	<u>302,214</u>	<u>3,144</u>
<u>44,775</u>	<u>-</u>	<u>316,253</u>	<u>-</u>
<u>44,775</u>	<u>-</u>	<u>316,253</u>	<u>-</u>
<u>83,285</u>	<u>-</u>	<u>618,467</u>	<u>3,144</u>
203,709	-	33,668,201	311
465,433	-	465,433	-
<u>2,109,479</u>	<u>171,400</u>	<u>25,788,286</u>	<u>113,409</u>
<u>\$ 2,778,621</u>	<u>\$ 171,400</u>	<u>\$ 59,921,920</u>	<u>\$ 113,720</u>

**CITY OF EVANSTON, WYOMING**

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

Proprietary Funds  
Year Ended June 30, 2011

	<u>Business-type Activities - Enterprise Funds</u>		
	<u>Water Fund</u>	<u>Sewer Fund</u>	<u>Golf Fund</u>
Operating revenues			
Charges for services	\$ 2,092,167	\$ 1,044,046	\$ 373,662
Miscellaneous	37,525	13,196	20,400
Total operating revenues	<u>2,129,692</u>	<u>1,057,242</u>	<u>394,062</u>
Operating expenses			
Personnel services	761,798	375,599	-
Contractual services	80,301	-	428,821
Repairs and maintenance	79,954	60,934	196,351
Supplies	299,633	42,429	137,324
Interest expense	-	-	5,050
Miscellaneous	3,445	25,151	49,023
Capital outlay	-	-	-
Depreciation	971,494	153,120	250,182
Utilities	118,967	110,293	-
Total operating expenses	<u>2,315,592</u>	<u>767,526</u>	<u>1,066,751</u>
Operating income (loss)	<u>(185,900)</u>	<u>289,716</u>	<u>(672,689)</u>
Nonoperating revenues			
Interest income	93,436	58,109	-
Capital facility tax	6,283	-	-
Gain (loss) on sales of assets	2,189	-	(3,167)
Total nonoperating revenues	<u>101,908</u>	<u>58,109</u>	<u>(3,167)</u>
Income (loss) before transfers	<u>(83,992)</u>	<u>347,825</u>	<u>(675,856)</u>
Capital contributions	-	-	-
Transfers in	-	-	680,000
Total transfers and contributions	<u>-</u>	<u>-</u>	<u>680,000</u>
Change in net assets	<u>(83,992)</u>	<u>347,825</u>	<u>4,144</u>
Total net assets - beginning of year	<u>39,111,823</u>	<u>11,406,780</u>	<u>6,185,319</u>
Total net assets - end of year	<u>\$ 39,027,831</u>	<u>\$ 11,754,605</u>	<u>\$ 6,189,463</u>

See accompanying notes to the financial statements

Business-type Activities - Enterprise Funds

<u>Sanitation Fund</u>	<u>Other Enterprise Fund</u>	<u>Totals</u>	<u>Governmental Activities Internal Service Fund</u>
\$ 770,659	\$ 24,706	\$ 4,305,240	\$ 57,789
85	7,219	78,425	-
<u>770,744</u>	<u>31,925</u>	<u>4,383,665</u>	<u>57,789</u>
278,413	-	1,415,810	-
-	-	509,122	-
59,401	2,500	399,140	-
284,961	-	764,347	47,716
-	-	5,050	-
63,562	-	141,181	-
6,850	-	6,850	-
107,389	-	1,482,185	1,470
-	-	229,260	-
<u>800,576</u>	<u>2,500</u>	<u>4,952,945</u>	<u>49,186</u>
<u>(29,832)</u>	<u>29,425</u>	<u>(569,280)</u>	<u>8,603</u>
16,347	-	167,892	-
-	-	6,283	-
-	-	(978)	-
<u>16,347</u>	<u>-</u>	<u>173,197</u>	<u>-</u>
<u>(13,485)</u>	<u>29,425</u>	<u>(396,083)</u>	<u>8,603</u>
131,375	-	131,375	-
-	-	680,000	-
<u>131,375</u>	<u>-</u>	<u>811,375</u>	<u>-</u>
117,890	29,425	415,292	8,603
<u>2,660,731</u>	<u>141,975</u>	<u>59,506,628</u>	<u>105,117</u>
<u>\$ 2,778,621</u>	<u>\$ 171,400</u>	<u>\$ 59,921,920</u>	<u>\$ 113,720</u>

**CITY OF EVANSTON, WYOMING**

**STATEMENT OF CASH FLOWS**

Proprietary Funds  
Year Ended June 30, 2011

	<u>Business-type Activities - Enterprise Funds</u>		
	<u>Water Fund</u>	<u>Sewer Fund</u>	<u>Golf Fund</u>
Cash flows from operating activities			
Receipts from customers	\$ 2,090,435	\$ 1,043,123	\$ 394,062
Receipts from other funds	-	-	-
Payments to suppliers for services	(640,041)	(237,269)	(819,094)
Payments to employees for services	(760,504)	(377,716)	-
Settlement of interfund operating activities	(783,457)	(194,879)	210,728
Net cash and cash equivalents provided (used) by operating activities	<u>(93,567)</u>	<u>233,259</u>	<u>(214,304)</u>
Cash flows from noncapital financing activities			
Capital facility tax	6,283	-	-
Transfers from other funds	-	-	680,000
Payments to other funds	-	-	-
Net cash and cash equivalents provided by noncapital financing activities	<u>6,283</u>	<u>-</u>	<u>680,000</u>
Cash flows from capital and related financing activities			
Lease proceeds	-	-	187,500
Principal payments	-	-	(24,858)
Sales of property and equipment	2,189	-	-
Acquisitions of property and equipment	(9,953)	-	(187,500)
Net cash and cash equivalents used by capital and related financing activities	<u>(7,764)</u>	<u>-</u>	<u>(24,858)</u>
Cash flows from investing activities			
Interest on investments	95,048	58,107	-
Net cash and cash equivalents provided by investing activities	<u>95,048</u>	<u>58,107</u>	<u>-</u>
Net increase in cash and cash equivalents	-	291,366	440,838
Cash and cash equivalents - beginning of year	-	-	429,592
Cash and cash equivalents - end of year	<u>\$ -</u>	<u>\$ 291,366</u>	<u>\$ 870,430</u>

See accompanying notes to the financial statements

Business-type Activities - Enterprise Funds

<u>Sanitation Fund</u>	<u>Other Enterprise Fund</u>	<u>Totals</u>	<u>Governmental Activities - Internal Service Fund</u>
\$ 762,355	\$ 24,873	\$ 4,314,848	\$ -
-	(2,500)	(2,500)	57,366
(429,673)	-	(2,126,077)	(46,160)
(258,611)	-	(1,396,831)	-
(90,418)	7,219	(850,807)	-
<u>(16,347)</u>	<u>29,592</u>	<u>(61,367)</u>	<u>11,206</u>
-	-	6,283	-
-	-	680,000	-
-	25,000	25,000	-
<u>-</u>	<u>25,000</u>	<u>711,283</u>	<u>-</u>
-	-	187,500	-
-	-	(24,858)	-
-	-	2,189	-
-	-	(197,453)	-
<u>-</u>	<u>-</u>	<u>(32,622)</u>	<u>-</u>
<u>16,347</u>	<u>-</u>	<u>169,502</u>	<u>-</u>
<u>16,347</u>	<u>-</u>	<u>169,502</u>	<u>-</u>
-	54,592	786,796	11,206
-	114,529	544,121	94,165
<u>\$ -</u>	<u>\$ 169,121</u>	<u>\$ 1,330,917</u>	<u>\$ 105,371</u>

(Continued)

**CITY OF EVANSTON, WYOMING**

**STATEMENT OF CASH FLOWS (CONTINUED)**

Proprietary Funds  
Year Ended June 30, 2011

	<u>Business-type Activities - Enterprise Funds</u>		
	<u>Water Fund</u>	<u>Sewer Fund</u>	<u>Golf Fund</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities			
Operating income (loss)	\$ (185,900)	\$ 289,716	\$ (672,689)
Adjustments to reconcile income to net cash and cash equivalents provided by operating activities			
Depreciation	971,494	153,120	250,182
Change in operating assets and liabilities			
Accounts receivable	(36,766)	(14,121)	-
Due from other funds	(783,457)	(194,879)	210,728
Inventory	-	-	(23,965)
Accounts payable	(57,741)	1,540	21,440
Accrued payroll	(346)	(735)	-
Accrued liabilities	1,640	(1,382)	-
Deposits payable	(2,491)	-	-
Net cash and cash equivalents provided (used) by operating activities	<u>\$ (93,567)</u>	<u>\$ 233,259</u>	<u>\$ (214,304)</u>
Supplemental Information			
Non-cash investing, capital and financing activities:			
During the year ended June 30, 2011 the City transferred capital assets to the Sanitation Fund	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net decrease in the fair value of investments	<u>\$ 1,605</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying notes to the financial statements

Business-type Activities - Enterprise Funds

<u>Sanitation Fund</u>	<u>Other Enterprise Funds</u>	<u>Totals</u>	<u>Governmental Activities - Internal Service Fund</u>
\$ (29,832)	\$ 29,425	\$ (569,280)	\$ 8,603
107,389	-	1,482,185	1,470
(8,389)	167	(59,109)	(423)
(90,418)	-	(858,026)	-
-	-	(23,965)	(990)
(14,899)	-	(49,660)	2,546
19,802	-	18,721	-
-	-	258	-
-	-	(2,491)	-
<u>\$ (16,347)</u>	<u>\$ 29,592</u>	<u>\$ (61,367)</u>	<u>\$ 11,206</u>
<u>\$ 131,375</u>	<u>\$ -</u>	<u>\$ 131,375</u>	<u>\$ -</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,605</u>	<u>\$ -</u>

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**CITY OF EVANSTON, WYOMING**

**NOTES TO FINANCIAL STATEMENTS**

June 30, 2011

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

***Reporting Entity***

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

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

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

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

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

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

Separate financial statements are provided for governmental funds, 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 funds. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

CITY OF EVANSTON, WYOMING

NOTES TO FINANCIAL STATEMENTS

June 30, 2011

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

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

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

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

The City reports the following major governmental funds:

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

The City reports the following major proprietary funds:

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

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

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

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

Additionally, the City reports the following fund types:

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

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

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

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The City has elected not to follow subsequent private-sector guidance.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the government's water and sewer function and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

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.

CITY OF EVANSTON, WYOMING

NOTES TO FINANCIAL STATEMENTS

June 30, 2011

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

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

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

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

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

***Deposits and Investments***

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

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

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

***Receivables and Payables***

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

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

***Inventories and Prepaid Items***

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

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

CITY OF EVANSTON, WYOMING

NOTES TO FINANCIAL STATEMENTS

June 30, 2011

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

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

*Compensated Absences Benefits*

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

*Capital Assets*

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost.

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

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

Property, plant, and equipment of the City, is depreciated using the straight line method over the following estimated useful lives:

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

*Long-Term Obligations*

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

CITY OF EVANSTON, WYOMING

NOTES TO FINANCIAL STATEMENTS

June 30, 2011

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

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

***Fund Equity***

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

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

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

***Use of Estimates***

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

**Note 2. Reconciliation of Government-Wide and Fund Financial Statements**

***Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Government-wide Statement of Net Assets***

The governmental fund balance sheet includes a reconciliation between fund balance - total governmental funds and net assets - governmental activities as reported in the government-wide statement of net assets. One element of that reconciliation explains that "long-term liabilities, including accrued compensated absences, are not due and payable in the current period and therefore are not reported in the funds." The details of this \$(799,159) difference are as follows:

Accrued compensated absences	\$ (799,159)
Net adjustment to decrease - total governmental fund balances to arrive at net assets of governmental activities	<u>\$ (799,159)</u>

**CITY OF EVANSTON, WYOMING**

**NOTES TO FINANCIAL STATEMENTS**

June 30, 2011

**Note 2. Reconciliation of Government-Wide and Fund Financial Statements (Continued)**

***Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Government-wide Statement of Net Assets (Continued)***

Another element of that reconciliation states that "capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds." The details of this \$36,325,805 are as follows:

General government capital assets (net of accumulated depreciation)	\$ 35,840,067
Permanent fund capital assets (net of accumulated depreciation)	<u>485,738</u>
Net adjustment to increase - <i>total governmental fund balances</i> to arrive at <i>net assets of governmental activities</i>	<u><u>\$ 36,325,805</u></u>

Another element of that reconciliation states that "revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds." The details of this \$162,809 difference are as follows:

Deferred property taxes	\$ 24,851
Deferred - cash in lieu of land development	<u>137,958</u>
Net adjustment to increase - <i>total governmental fund balances</i> to arrive at <i>net assets of governmental activities</i>	<u><u>\$ 162,809</u></u>

The last element of that reconciliation states "the assets and liabilities of the internal service fund are included in governmental activities in the statement of net assets." The details of this \$113,409 difference are as follows:

Motor Vehicle Fund	
Current assets	\$ 116,555
Current liabilities	<u>(3,146)</u>
	<u>113,409</u>
Net adjustment to increase - <i>total governmental fund balances</i> to arrive at <i>net assets of governmental activities</i>	<u><u>\$ 113,409</u></u>

***Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government-wide Statement of Activities***

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between *net change in fund balances - total governmental funds* and *change in net assets of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains that "Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense." The details of this \$1,943,297 difference are as follows:

General government	
Capital outlay	\$ 4,269,808
Less completed construction in progress	(924,699)
NBV assets transferred to business activities	(131,375)
Depreciation expense	(1,271,906)
Internal service depreciation	<u>1,469</u>
	<u>1,943,297</u>
Net adjustment to increase <i>net change in fund balance - total governmental funds</i> to arrive at <i>change in net assets of governmental activities</i>	<u><u>\$ 1,943,297</u></u>

CITY OF EVANSTON, WYOMING

NOTES TO FINANCIAL STATEMENTS

June 30, 2011

**Note 2. Reconciliation of Government-Wide and Fund Financial Statements (Continued)**

***Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures, Changes in Fund Balances and the Government-wide Statement of Activities (Continued)***

An element of that reconciliation states that governmental funds do not report the net book value loss on the disposition of capital assets; however in the statement of activities the loss has been recognized. The details of this \$(269) are as follows:

Disposal of capital assets (cost basis)	\$ (84,043)
Accumulated depreciation	83,774
	<hr/>
Net adjustment to decrease <i>net change in fund balance - total governmental funds</i> to arrive at <i>change in net assets of governmental activities</i>	\$ (269)
	<hr/>

Another element of that reconciliation states that "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." The details of this \$6,057 difference are as follows:

Compensated absences as of June 30, 2010	\$ 805,216
Compensated absences as of June 30, 2011	(799,159)
	<hr/>
Net adjustment to increase <i>net change in fund balance - total governmental funds</i> to arrive at <i>change in net assets of governmental activities</i>	\$ 6,057
	<hr/>

An element of that reconciliation states "internal service activities are accounted for in a separate fund. However, in the statement of activities the activity of the internal service fund has been eliminated and the excess revenue over expenditures has been recognized." The details of this \$8,603 difference are as follows:

Internal service fund changes in net assets:	
Motor Vehicle Fund	\$ 8,603
	<hr/>
Net adjustment to increase <i>net change in fund balance - total governmental funds</i> to arrive at <i>change in net assets of governmental activities</i>	\$ 8,603
	<hr/>

Another element of that reconciliation states that "certain revenues are not recognized as current financial resources and, therefore, are not reported as revenues in governmental funds. The details of this \$(10,551) difference are as follows:

Deferred revenue as of June 30, 2010	(173,360)
Deferred revenue as of June 30, 2011	162,809
	<hr/>
Net adjustment to decrease <i>net change in fund balance - total governmental funds</i> to arrive at <i>change in net assets of governmental activities</i>	\$ (10,551)
	<hr/>

**CITY OF EVANSTON, WYOMING**

**NOTES TO FINANCIAL STATEMENTS**

June 30, 2011

**Note 3. Stewardship, Compliance, and Accounting**

***Budgets and Budgetary Accounting***

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

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

**Note 4. Detailed Notes on all Funds**

***Deposits and Investments***

As of June 30, 2011, the City had the following investments:

Investment Type	Fair Value	Interest Rate	Investment Maturities (In Years)				Investment Ratings
			Less Than 1	1-5	6-10	More Than 10	
GNMA	\$ 69,884	5.50-9.50%	\$ -	\$ -	\$ 11,224	\$ 58,562	Not Rated
FHLB	9,569,359	1.55-3.1%	-	6,021,360	3,547,999	-	AAA/Aaa *
Certificates of Deposit	384,062	4.00-5.00%	-	384,062	-	-	Not Rated
Money Market	5,030	0.01%	5,030	-	-	-	Not Rated
State Treasurer's investment pool (Wyo-Star)	<u>23,167,659</u>		<u>23,167,659</u>	<u>-</u>	<u>-</u>	<u>-</u>	Not Rated
	<u>\$ 33,195,994</u>		<u>\$ 23,172,689</u>	<u>\$ 6,405,422</u>	<u>\$ 3,559,223</u>	<u>\$ 58,562</u>	

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

CITY OF EVANSTON, WYOMING

NOTES TO FINANCIAL STATEMENTS

June 30, 2011

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**Note 4. Detailed Notes on all Funds (Continued)**

***Deposits and Investments (Continued)***

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

***Credit risk.*** State law does not allow governments to invest in commercial paper and corporate bonds. Therefore, the City's investments have limited exposure to credit risk. As of June 30, 2011, the State Treasurer's Investment Pool (WYOSTAR) did not have a quality service credit rating.

***Concentration of credit risk.*** The City does not have a formal policy that mandates or limits an investment in any one issuer as of a specified percentage of the City's total investments. However, the investment in the Wyoming State Treasurer's Investment Pool (WYOSTAR) held 70% of the City's total investments at June 30, 2011.

***Custodial credit risk – deposits.*** In the case of deposits, this is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City does not have a formal policy for custodial credit risk; however, State statutes require that the City's deposits in excess of the Federal depository insurance amount be collateralized. At June 30, 2011, the City's deposits were fully insured or collateralized as required by statutes.

***Custodial credit risk – investments.*** For an investment, this is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City does not have a formal policy for custodial credit risk; however, all City investments were held by brokers or the Treasurer of the State of Wyoming in the City's name.

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

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

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**CITY OF EVANSTON, WYOMING**

**NOTES TO FINANCIAL STATEMENTS**

June 30, 2011

**Note 4. Detailed Notes on All Funds (Continued)**

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

The following is a detailed reconciliation of the City's individual fund level financial statement balances for the year ended June 30, 2011, to the government-wide statements.

	Government-Wide Statements Internal Balances		Fund Level Financial Statements Due From/To Other Funds	
	Receivable	Payable	Receivable	Payable
Due to/from other funds				
Governmental activities	\$ -	\$ 24,896,037	\$ -	\$ -
General fund	-	-	-	23,132,537
Business-type activities	24,896,037	-	-	-
Enterprise funds				
Water fund	-	-	11,582,773	-
Sewer fund	-	-	8,964,533	-
Sanitation fund	-	-	2,585,231	-
	<u>\$ 24,896,037</u>	<u>\$ 24,896,037</u>	<u>\$ 23,132,537</u>	<u>\$ 23,132,537</u>
Advances to/from other funds				
Governmental activities				
General fund	-	1,763,500	-	1,763,500
Business-type activities				
Water fund	1,763,500	-	1,763,500	-
	<u>\$ 1,763,500</u>	<u>\$ 1,763,500</u>	<u>\$ 1,763,500</u>	<u>\$ 1,763,500</u>

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

Year ending June 30,	Advance Payable Water Fund	
	Principal	Interest
2012	\$ 241,325	\$ 8,675
2013	242,512	7,488
2014	243,705	6,295
2015	244,904	5,096
2016	246,109	3,891
2017-2022	544,945	4,386
	<u>\$ 1,763,500</u>	<u>\$ 35,831</u>

**CITY OF EVANSTON, WYOMING**

**NOTES TO FINANCIAL STATEMENTS**

June 30, 2011

**Note 4. Detailed Notes on All Funds (Continued)**

***Receivables***

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

	General	Water Fund	Sewer Fund	Sanitation Fund	Nonmajor and Other Funds	Total
Receivables						
Customer	\$ 957	\$ 202,046	\$ 108,071	\$ 72,966	\$ 2,279	\$ 386,319
Grants	187,866	-	-	-	-	187,866
Franchise fees	48,443	-	-	-	-	48,443
Sales and use tax	477,577	-	-	-	-	477,577
Miscellaneous	3,880	-	-	-	12,198	16,078
	<u>\$ 718,723</u>	<u>\$ 202,046</u>	<u>\$ 108,071</u>	<u>\$ 72,966</u>	<u>\$ 14,477</u>	<u>\$ 1,116,283</u>

***Interfund Transfers***

The following is a detailed reconciliation of the City's interfund transfers for the year ended June 30, 2011.

	Transfers In	Transfers Out
Governmental Activities:		
General Fund	\$ -	\$ 868,000
Permanent Fund		
Cemetery Fund	188,000	-
Total governmental activities	<u>188,000</u>	<u>868,000</u>
Business-type Activities:		
Golf Fund	680,000	-
Total business-type activities	<u>680,000</u>	-
Total governmental wide	<u>\$ 868,000</u>	<u>\$ 868,000</u>

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

***Property Taxes***

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

**CITY OF EVANSTON, WYOMING**

**NOTES TO FINANCIAL STATEMENTS**

June 30, 2011

**Note 4. Detailed Notes on All Funds (Continued)**

***Property Taxes (Continued)***

The City is permitted by Wyoming Statutes to levy taxes up to 8 mills of assessed valuation for all purposes, exclusive of state revenue, except for the payment of public debt and interest thereon. The combined tax rate to finance general government services other than the payment of principal and interest on long-term debt for the year ended June 30, 2011, was 8 mills which mean that the City has levied to the maximum amount available.

***Capital Assets***

Capital asset activity for the year ended June 30, 2011 was as follows:

	<u>Beginning Balance</u>	<u>Increase</u>	<u>Decrease</u>	<u>Transfer</u>	<u>Ending Balance</u>
Governmental activities					
Capital assets not being depreciated					
Land	\$ 16,474,004	\$ 3,593,988	\$ -	\$ -	\$ 20,067,992
Construction in progress	1,480,666	-	924,699	-	555,967
Total capital assets not being depreciated	<u>17,954,670</u>	<u>3,593,988</u>	<u>924,699</u>	<u>-</u>	<u>20,623,959</u>
Capital assets being depreciated					
Buildings and systems	27,247,724	547,562	-	-	27,795,286
Machinery and equipment	5,387,606	128,256	84,043	(439,720)	4,992,099
Infrastructure	17,588,070	-	-	-	17,588,070
Total capital assets being depreciated	<u>50,223,400</u>	<u>675,818</u>	<u>84,043</u>	<u>(439,720)</u>	<u>50,375,455</u>
Less accumulated depreciation for					
Buildings and systems	12,195,269	1,050,207	-	-	13,245,476
Machinery and equipment	4,634,127	151,072	83,774	(308,345)	4,393,080
Infrastructure	16,963,726	70,627	-	-	17,034,353
Total accumulated depreciation	<u>33,793,122</u>	<u>1,271,906</u>	<u>83,774</u>	<u>(308,345)</u>	<u>34,672,909</u>
Total capital assets, being depreciated, net	<u>16,430,278</u>	<u>(596,088)</u>	<u>269</u>	<u>(131,375)</u>	<u>15,702,546</u>
Governmental activities capital assets, net	<u>\$ 34,384,948</u>	<u>\$ 2,997,900</u>	<u>\$ 924,968</u>	<u>\$ (131,375)</u>	<u>\$ 36,326,505</u>

**CITY OF EVANSTON, WYOMING**

**NOTES TO FINANCIAL STATEMENTS**

June 30, 2011

**Note 4. Detailed Notes on All Funds (Continued)**

***Capital Assets (Continued)***

	Beginning Balance	Increase	Decrease	Transfer	Ending Balance
Business-type activities					
Capital assets not being depreciated					
Land	\$ 733,694	\$ -	\$ -		\$ 733,694
Construction in progress	1,513,908	-	1,513,908		-
Total capital assets not being depreciated	<u>2,247,602</u>	<u>-</u>	<u>1,513,908</u>	<u>-</u>	<u>733,694</u>
Capital assets being depreciated					
Buildings and systems	63,811,283	1,523,860	-	-	65,335,143
Machinery and equipment	1,960,732	301,073	404,044	439,720	2,297,481
Total capital assets being depreciated	<u>65,772,015</u>	<u>1,824,933</u>	<u>404,044</u>	<u>439,720</u>	<u>67,632,624</u>
Less accumulated depreciation for					
Buildings and systems	31,447,807	1,299,880	-	-	32,747,687
Machinery and equipment	1,490,116	182,305	212,710	308,345	1,768,056
Total accumulated depreciation	<u>32,937,923</u>	<u>1,482,185</u>	<u>212,710</u>	<u>308,345</u>	<u>34,515,743</u>
Total capital assets, being depreciated, net	<u>32,834,092</u>	<u>342,748</u>	<u>191,334</u>	<u>131,375</u>	<u>33,116,881</u>
Business-type activities capital assets, net	<u>\$ 35,081,694</u>	<u>\$ 342,748</u>	<u>\$ 1,705,242</u>	<u>\$ 131,375</u>	<u>\$ 33,850,575</u>

Machinery and equipment that was purchased through a lease purchase obligation is included in machinery and equipment of the business-type activities. The purchase price of that equipment was \$187,500 and the current year depreciation expense of \$3,082 was expensed in business-type activities.

**CITY OF EVANSTON, WYOMING**

**NOTES TO FINANCIAL STATEMENTS**

June 30, 2011

**Note 4. Detailed Notes on All Funds (Continued)**

***Capital Assets (Continued)***

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

*Governmental activities*

General government	\$ 1,062,899
Public safety	77,259
Public works, including depreciation of general infrastructure assets	89,033
Capital assets held by the City's internal service funds are charged to the activities of the various functions based on their usage of the assets	1,470
Capital assets held in the permanent fund	<u>41,245</u>
Total depreciation expense for governmental activities	<u><u>\$ 1,271,906</u></u>

*Business-type activities*

Water fund	\$ 971,494
Sewer fund	153,120
Golf fund	250,182
Sanitation fund	<u>107,389</u>
Total depreciation expense for business-type activities	<u><u>\$ 1,482,185</u></u>

***Long-Term Debt***

The changes on long-term debt for the year ended June 30, 2011 were as follows:

	<u>Balance July 1, 2010</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30, 2011</u>	<u>Due Within One Year</u>
<b>Governmental activities</b>					
Compensated absences	\$ 805,216	\$ -	\$ 6,057	\$ 799,159	\$ 15,983
Governmental activities long-term liabilities	<u>\$ 805,216</u>	<u>\$ -</u>	<u>\$ 6,057</u>	<u>\$ 799,159</u>	<u>\$ 15,983</u>
For the governmental activities, compensated absences are generally liquidated by the general fund.					
<b>Business-type activities</b>					
Compensated absences	\$ 153,198	\$ 20,604	\$ -	\$ 173,802	\$ 8,690
Lease purchase obligation	94,325	187,500	99,450	182,375	31,233
Business-type activities long-term liabilities	<u>\$ 247,523</u>	<u>\$ 208,104</u>	<u>\$ 99,450</u>	<u>\$ 356,177</u>	<u>\$ 39,923</u>

**CITY OF EVANSTON, WYOMING**

**NOTES TO FINANCIAL STATEMENTS**

June 30, 2011

**Note 4. Detailed Notes on All Funds (Continued)**

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

Debt outstanding, (excluding accrued compensated absences) at June 30, 2011 is comprised of the following issue:

\$187,500 lease purchase obligation, interest rate 4.792%, payable monthly, principal and interest payments of \$3,282 through June 2015, serviced by the Golf Fund. \$ 182,374

The annual requirements to amortize all debt except compensated absences outstanding as of June 30, 2011 are as follows:

Year ending June 30,	Lease Purchase Obligation	
	Principal	Interest
2012	\$ 31,233	\$ 8,148
2013	32,763	6,618
2014	34,368	5,013
2015	84,010	49,801
	<u>\$ 182,374</u>	<u>\$ 69,580</u>

***Assigned Fund Balances Designation***

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

As of June 30, 2011 the City Council had established the following tentative plans:

Emergency building repairs as follows:

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

**CITY OF EVANSTON, WYOMING**

**NOTES TO FINANCIAL STATEMENTS**

June 30, 2011

**Note 4. Detailed Notes on All Funds (Continued)**

***Construction Commitments***

The City has several outstanding construction projects as of June 30, 2011. The projects include street improvements, stabilization of the machine shop, improvements to the recreation center, and the completion of the water treatment facilities. At year end, the City's commitments with contractors are as follows:

Project Name	Original Contract Amount	Expended To Date	Remaining Commitment
<b>Governmental-activities</b>			
<b>General Fund</b>			
Underpass Reconstruction	\$ 450,000	\$ 44,613	\$ 405,387
Roundhouse Turntable	126,000	7,464	118,536
City Hall Retrofit- Heating/Air System	63,600	11,960	51,640
Machine Shop Energy Efficiency	312,058	293,594	18,464
Machine Shop Energy Efficiency	50,000	48,339	1,661
Strand Theater	177,832	149,997	27,835
Total governmental activities	<u>1,179,490</u>	<u>555,967</u>	<u>623,523</u>
Total primary government	<u>\$ 1,179,490</u>	<u>\$ 555,967</u>	<u>\$ 623,523</u>

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CITY OF EVANSTON, WYOMING

NOTES TO FINANCIAL STATEMENTS

June 30, 2011

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**Note 4. Detailed Notes on All Funds (Continued)**

***Risk Management***

The City is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets, errors and omissions, injuries to employees and natural disasters. During the year ended June 30, 2011 the City contracted with various insurance companies for property insurance (including boiler and machinery), general liability insurance, professional insurance and vehicle insurance. Settlements have not exceeded coverage's in any of the past three fiscal years. The government has had no significant reductions in insurance coverage from coverage in the prior years.

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

***Retirement Plans***

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

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

The City's contributions to the System for the years ended June 30, 2011, 2010, and 2009, were \$256,644 and \$232,464 and \$226,728 respectively and the employees' contributions were \$56,278 and \$29,058 and \$28,335, respectively, equal to the required contribution for the year.

The City's police officers also participate in the Wyoming Retirement System. The Police Pension Plan is funded by amounts withheld from participating employees' salaries and by contributions from the City. These contributions are determined by state statutes and as of June 30, 2011 the percentages to be contributed on compensation were 8.60% for the employees and the same for the City. The City currently pays 11.44% of the required total contributions and the police officers contribute the remaining portion, 5.76% of the required total contribution.

For the years ended June 30, 2011, 2010, and 2009 the contributions to the Police Pension Plan were \$241,990, \$241,991 and \$231,543 respectively. The City's portion of these contributions were \$157,868, \$140,692 and \$134,619 respectively and the employees' contributions were \$84,123, \$101,299 and \$96,924, respectively, equal to the required contributions for each year.

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**REQUIRED SUPPLEMENTARY INFORMATION**

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**CITY OF EVANSTON, WYOMING**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL**  
**General Fund**  
**Year Ended June 30, 2011**

	Budgeted Amounts		Actual	Variance
	Original	Final		with Final Budget Positive (Negative)
<b>PROPERTY TAXES AND OTHER TAXES</b>				
Property taxes	\$ 397,000	\$ 397,000	\$ 657,221	\$ 260,221
Motor vehicle tax	200,000	200,000	262,846	62,846
Sales and use taxes	3,892,000	3,892,000	5,286,035	1,394,035
Franchise fees	139,500	139,500	194,128	54,628
Car company tax	200	200	429	229
	<u>4,628,700</u>	<u>4,628,700</u>	<u>6,400,659</u>	<u>1,771,730</u>
<b>LICENSES AND PERMITS</b>	<u>77,600</u>	<u>77,600</u>	<u>159,769</u>	<u>82,169</u>
<b>INTERGOVERNMENTAL REVENUES</b>				
State gasoline tax	270,000	270,000	366,572	96,572
Severance tax	450,000	450,000	473,948	23,948
Cigarette tax	100,000	100,000	116,525	16,525
State funding	799,840	799,840	799,845	5
Grants	3,538,321	3,815,824	2,352,032	(1,463,792)
Mineral royalties	675,000	675,000	676,061	1,061
	<u>5,833,161</u>	<u>6,110,664</u>	<u>4,784,983</u>	<u>(1,325,681)</u>
<b>CHARGES FOR SERVICES</b>				
Public safety fees	20,250	20,250	31,559	11,309
Permits and fees	9,300	9,300	18,931	9,631
	<u>29,550</u>	<u>29,550</u>	<u>50,490</u>	<u>20,940</u>
<b>FINES AND FORFEITURES</b>	<u>217,000</u>	<u>217,000</u>	<u>247,320</u>	<u>30,320</u>
<b>MISCELLANEOUS REVENUES</b>				
Interest earnings	284,000	284,000	164,462	(119,538)
Leases	15,300	15,300	19,277	3,977
Other income	-	-	2,055	2,055
Gain on sale of fixed assets	1,000	1,000	6,663	5,663
	<u>300,300</u>	<u>300,300</u>	<u>192,457</u>	<u>(107,843)</u>
<b>Total revenues</b>	<u>11,086,311</u>	<u>11,363,814</u>	<u>11,835,678</u>	<u>471,635</u>

(Continued)

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

General Fund  
Year Ended June 30, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>GENERAL GOVERNMENT</b>				
City Council				
Salaries and benefits	\$ 116,610	\$ 116,610	\$ 86,848	\$ 29,762
Contractual	90,554	90,554	43,295	47,259
	<u>207,164</u>	<u>207,164</u>	<u>130,143</u>	<u>77,021</u>
Attorney				
Contractual	157,000	157,000	134,983	22,017
	<u>157,000</u>	<u>157,000</u>	<u>134,983</u>	<u>22,017</u>
Judicial				
Salaries and benefits	51,772	51,772	52,665	(893)
Contractual	77,953	77,953	60,054	17,899
	<u>129,725</u>	<u>129,725</u>	<u>112,719</u>	<u>17,006</u>
Mayor				
Contractual	6,100	6,100	2,691	3,409
	<u>6,100</u>	<u>6,100</u>	<u>2,691</u>	<u>3,409</u>
Community Development				
Salaries and benefits	243,540	243,540	219,475	24,065
Contractual	55,554	55,554	30,214	25,340
	<u>299,094</u>	<u>299,094</u>	<u>249,689</u>	<u>49,405</u>
Administrative				
Salaries and benefits	132,576	132,576	125,916	6,660
Contractual	113,906	113,906	65,683	48,223
	<u>246,482</u>	<u>246,482</u>	<u>191,599</u>	<u>54,883</u>
Treasury				
Salaries and benefits	279,593	279,593	233,286	46,307
Contractual	107,325	107,325	79,121	28,204
	<u>386,918</u>	<u>386,918</u>	<u>312,407</u>	<u>74,511</u>
Clerk				
Salaries and benefits	202,751	202,751	199,133	3,618
Contractual	80,084	80,084	44,567	35,517
	<u>282,835</u>	<u>282,835</u>	<u>243,700</u>	<u>39,135</u>
Emergency Reserve				
Contractual	225,000	225,000	41,822	183,178
	<u>225,000</u>	<u>225,000</u>	<u>41,822</u>	<u>183,178</u>
Urban Renewal				
Salaries and benefits	60,050	60,050	56,759	3,291
Contractual	43,735	43,735	15,763	27,972
	<u>103,785</u>	<u>103,785</u>	<u>72,522</u>	<u>31,263</u>
Economic Development				
Contractual	21,250	21,250	7,760	13,490
	<u>21,250</u>	<u>21,250</u>	<u>7,760</u>	<u>13,490</u>

(Continued)

**CITY OF EVANSTON, WYOMING**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL (CONTINUED)**  
 General Fund  
 Year Ended June 30, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>GENERAL GOVERNMENT (Continued)</b>				
Youth Services -- Summer Youth Program				
Salaries and benefits	\$ 34,348	\$ 34,348	\$ 15,076	\$ 19,272
Contractual	750	750	612	138
	<u>35,098</u>	<u>35,098</u>	<u>15,688</u>	<u>19,410</u>
Youth Services				
Salaries and benefits	220,499	220,499	197,743	22,756
Contractual	104,016	104,016	82,627	21,389
	<u>324,515</u>	<u>324,515</u>	<u>280,370</u>	<u>44,145</u>
YDAC Grant				
Salaries and benefits	113,859	113,859	112,954	905
Contractual	41,399	41,399	36,520	4,879
	<u>155,258</u>	<u>155,258</u>	<u>149,474</u>	<u>5,784</u>
General Services				
Salaries and benefits	463,480	463,480	414,957	48,523
Contractual	437,513	437,513	412,895	24,618
	<u>900,993</u>	<u>900,993</u>	<u>827,852</u>	<u>73,141</u>
Total general government	<u>3,481,217</u>	<u>3,481,217</u>	<u>2,773,419</u>	<u>707,798</u>
<b>PUBLIC SAFETY AND TRANSPORTATION</b>				
Police Administrative				
Salaries and benefits	242,058	242,058	201,168	40,890
Contractual	266,834	266,834	189,611	77,223
	<u>508,892</u>	<u>508,892</u>	<u>390,779</u>	<u>118,113</u>
Police Detective				
Salaries and benefits	513,252	513,252	494,817	18,435
Contractual	32,810	32,810	17,416	15,394
	<u>546,062</u>	<u>546,062</u>	<u>512,233</u>	<u>33,829</u>
Police Patrol				
Salaries and benefits	1,394,228	1,394,228	1,263,170	131,058
Contractual	97,200	97,200	93,189	4,011
	<u>1,491,428</u>	<u>1,491,428</u>	<u>1,356,359</u>	<u>135,069</u>
Support				
Salaries and benefits	398,327	398,327	376,062	22,265
Contractual	22,358	22,358	16,770	5,588
	<u>420,685</u>	<u>420,685</u>	<u>392,832</u>	<u>27,853</u>
Police Grants				
Salaries and benefits	42,539	42,481	49,388	(6,907)
Contractual	77,930	78,488	79,827	(1,339)
	<u>120,469</u>	<u>120,969</u>	<u>129,215</u>	<u>(8,246)</u>
Total public safety and transportation	<u>3,087,536</u>	<u>3,088,036</u>	<u>2,781,418</u>	<u>306,618</u>

(Continued)

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

General Fund  
Year Ended June 30, 2011

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		Positive (Negative)
<b>PARKS AND RECREATION</b>				
Administrative				
Contractual	\$ 1,093,826	\$ 1,093,826	\$ 1,082,112	\$ 11,714
	1,093,826	1,093,826	1,082,112	11,714
Total parks and recreation	1,093,826	1,093,826	1,082,112	11,714
<b>PUBLIC WORKS</b>				
Administrative				
Salaries and benefits	135,758	170,758	152,212	18,546
Contractual	53,266	53,266	24,289	28,977
	189,024	224,024	176,501	47,523
Engineering				
Salaries and benefits	65,816	65,816	52,540	13,276
Contractual	37,718	37,718	11,108	26,610
	103,534	103,534	63,648	39,886
Streets				
Salaries and benefits	481,398	481,398	427,569	53,829
Contractual	1,148,163	1,148,163	485,601	662,562
	1,629,561	1,629,561	913,170	716,391
Total public works	1,922,119	1,957,119	1,153,319	803,800
<b>INTERGOVERNMENTAL EXPENDITURES</b>	855,145	855,145	674,418	180,727
<b>CAPITAL OUTLAY</b>	4,236,782	4,619,915	3,128,295	1,491,620
Total expenditures	14,676,625	15,095,258	11,592,981	3,502,277
Excess (deficiency) of revenues over expenditures	(3,590,314)	(3,731,444)	242,697	3,974,141
Other financing (uses)				
Transfers in	-	-	-	-
Transfers (out)	(988,306)	(988,306)	(868,000)	120,306
Total other financing (uses)	(988,306)	(988,306)	(868,000)	120,306
Net change in fund balance	(4,578,620)	(4,719,750)	(625,303)	4,094,447
Fund balance - beginning of year	9,141,263	9,141,263	9,141,263	-
Fund balance - end of year	\$ 4,562,643	\$ 4,421,513	\$ 8,515,960	\$ 4,094,447

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

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## **NONMAJOR GOVERNMENTAL FUNDS**

### **SPECIAL REVENUE FUNDS**

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

- The Lodging Tax Fund is used to account for the special 3% lodging tax that is restricted for the purpose of promoting tourism within the City.
- The Economic Development Fund is used to account for the lease with InsulTech, LLC that is restricted for the purpose of economic development of the City.

### **PERMANENT FUND**

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

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

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**CITY OF EVANSTON, WYOMING**

**COMBINING BALANCE SHEET**

Nonmajor Governmental Funds

June 30, 2011

	Special Revenue			Permanent Fund	Total Nonmajor Governmental Funds
	Lodging Tax Fund	Economic Development Fund	Total	Cemetery Fund	
<b>ASSETS</b>					
Cash and cash equivalents	\$ 652,602	\$ 222,507	\$ 875,109	\$ 419,794	\$ 1,294,903
Accounts receivable	12,198	-	12,198	-	12,198
<b>Total assets</b>	<u>\$ 664,800</u>	<u>\$ 222,507</u>	<u>\$ 887,307</u>	<u>\$ 419,794</u>	<u>\$ 1,307,101</u>
<b>LIABILITIES</b>					
Accounts payable	\$ 18,267	\$ -	\$ 18,267	\$ 6,732	\$ 24,999
<b>Total liabilities</b>	<u>18,267</u>	<u>-</u>	<u>18,267</u>	<u>6,732</u>	<u>24,999</u>
<b>FUND BALANCES</b>					
Restricted	-	-	-	205,847	205,847
Unassigned	646,533	222,507	869,040	207,215	1,076,255
<b>Total fund balances</b>	<u>646,533</u>	<u>222,507</u>	<u>869,040</u>	<u>413,062</u>	<u>1,282,102</u>
<b>Total liabilities and fund balances</b>	<u>\$ 664,800</u>	<u>\$ 222,507</u>	<u>\$ 887,307</u>	<u>\$ 419,794</u>	<u>\$ 1,307,101</u>

**CITY OF EVANSTON, WYOMING**

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

Nonmajor Governmental Funds  
Year Ended June 30, 2011

	Special Revenue			Permanent Fund	Total Nonmajor Governmental Funds
	Lodging Tax Fund	Economic Development Fund	Total	Cemetery Fund	
<b>Revenues</b>					
Taxes	\$ 218,422	\$ -	\$ 218,422	\$ -	\$ 218,422
Charges for services	-	-	-	39,664	39,664
Interest and miscellaneous	102	96,000	96,102	1,909	98,011
<b>Total revenues</b>	<u>218,524</u>	<u>96,000</u>	<u>314,524</u>	<u>41,573</u>	<u>356,097</u>
<b>Expenditures</b>					
Current					
Health, welfare and recreation	193,286	-	193,286	189,004	382,290
Capital outlay	-	8,993	8,993	-	8,993
<b>Total expenditures</b>	<u>193,286</u>	<u>8,993</u>	<u>202,279</u>	<u>189,004</u>	<u>391,283</u>
Excess (deficiency) of revenues over expenditures	<u>25,238</u>	<u>87,007</u>	<u>112,245</u>	<u>(147,431)</u>	<u>(35,186)</u>
<b>Other Financing Sources</b>					
Transfers in	-	-	-	188,000	188,000
<b>Total other financing sources</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>188,000</u>	<u>188,000</u>
<b>Net change in fund balances</b>	<u>25,238</u>	<u>87,007</u>	<u>112,245</u>	<u>40,569</u>	<u>152,814</u>
Fund balances - beginning of year	<u>621,295</u>	<u>135,500</u>	<u>756,795</u>	<u>372,493</u>	<u>1,129,288</u>
Fund balances - end of year	<u>\$ 646,533</u>	<u>\$ 222,507</u>	<u>\$ 869,040</u>	<u>\$ 413,062</u>	<u>\$ 1,282,102</u>

**CITY OF EVANSTON, WYOMING**  
**SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND**  
**BALANCE - BUDGET AND ACTUAL**  
**Special Revenue Fund - Lodging Tax**  
**Year Ended June 30, 2011**

	Budgeted Amounts		Actual	Variance with final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Lodging tax	\$ 190,000	\$ 190,000	\$ 218,422	\$ 28,422
Interest	50	50	102	52
<b>Total revenues</b>	<b>190,050</b>	<b>190,050</b>	<b>218,524</b>	<b>28,474</b>
<b>Expenditures</b>				
General expenses	650	650	129	521
Marketing and promotion	149,900	149,900	162,769	(12,869)
Matching fund/grants	22,000	22,000	12,888	9,112
Contractual services	17,500	17,500	17,500	-
<b>Total expenditures</b>	<b>190,050</b>	<b>190,050</b>	<b>193,286</b>	<b>(3,236)</b>
<b>Excess of revenues over expenditures</b>	<b>-</b>	<b>-</b>	<b>25,238</b>	<b>25,238</b>
<b>Fund balance - beginning of year</b>	<b>497,113</b>	<b>497,113</b>	<b>621,295</b>	<b>124,182</b>
<b>Fund balance - end of year</b>	<b>\$ 497,113</b>	<b>\$ 497,113</b>	<b>\$ 646,533</b>	<b>\$ 149,420</b>

### **NONMAJOR PROPRIETARY FUNDS**

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

### **STORM WATER MAINTENANCE FUND**

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

**CITY OF EVANSTON, WYOMING**

**STATEMENT OF NET ASSETS**

Nonmajor Proprietary Fund

June 30, 2011

	<u>Business-type Activities - Enterprise Funds</u>	
	<u>Storm Water Maintenance Fund</u>	<u>Total Other Enterprise Fund</u>
<b>ASSETS</b>		
Current assets		
Cash and cash equivalents	\$ 169,121	\$ 169,121
Accounts receivable (net of allowance for doubtful accounts)	<u>2,279</u>	<u>2,279</u>
Total current assets	<u>171,400</u>	<u>171,400</u>
Capital assets		
Total capital assets (net of accumulated depreciation)	<u>-</u>	<u>-</u>
Total assets	<u>171,400</u>	<u>171,400</u>
<b>LIABILITIES</b>		
Current liabilities		
Total current liabilities	<u>-</u>	<u>-</u>
Total liabilities	<u>-</u>	<u>-</u>
<b>NET ASSETS</b>		
Invested in capital assets, net of related debt	-	-
Unassigned	<u>171,400</u>	<u>171,400</u>
Total net assets	<u>\$ 171,400</u>	<u>\$ 171,400</u>

**CITY OF EVANSTON, WYOMING**

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

Nonmajor Proprietary Fund  
Year Ended June 30, 2011

	<u>Business-type Activities - Enterprise Funds</u>	
	<u>Storm Water Maintenance Fund</u>	<u>Total Other Enterprise Fund</u>
Operating revenues		
Charges for services	\$ 24,706	\$ 24,706
Miscellaneous	7,219	7,219
Total operating revenues	<u>31,925</u>	<u>31,925</u>
Operating expenses	-	-
Repairs and maintenance	<u>2,500</u>	<u>2,500</u>
Total operating expenses	<u>2,500</u>	<u>2,500</u>
Operating income	<u>29,425</u>	<u>29,425</u>
Nonoperating revenues		
Total nonoperating revenues	<u>-</u>	<u>-</u>
Change in net assets	29,425	29,425
Total net assets - beginning of year	<u>141,975</u>	<u>141,975</u>
Total net assets - end of year	<u>\$ 171,400</u>	<u>\$ 171,400</u>

**CITY OF EVANSTON, WYOMING**

**STATEMENT OF CASH FLOWS**  
**Nonmajor Proprietary Fund**  
**Year Ended June 30, 2011**

	Business-type Activities - Enterprise Funds	
	Storm Water Maintenance Fund	Total Other Enterprise Fund
Cash flows from operating activities:		
Cash received from customers	\$ 24,873	\$ 24,873
Cash payments to suppliers for services	(2,500)	(2,500)
Other operating activities	7,219	7,219
∴ Net cash operating activities	29,592	29,592
Cash flows from noncapital financing activities:		
Payments to other funds	25,000	25,000
Net cash provided from noncapital financing activities	25,000	25,000
Cash flows from capital and related financing activities:		
Net cash used for capital and related financing activities	-	-
Net increase in cash and cash equivalents	54,592	54,592
Cash and cash equivalents - beginning of year	114,529	114,529
Cash and cash equivalents - end of year	\$ 169,121	\$ 169,121
Reconciliation of operating loss to net cash provided by operating activities:		
Operating loss	\$ 29,425	\$ 29,425
Adjustments to reconcile income to net cash provided by operating activities:		
Changes in assets and liabilities:		
Accounts receivable	167	167
Net cash operating activities	\$ 29,592	\$ 29,592

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### **INTERNAL SERVICE FUNDS**

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

### **MOTOR VEHICLE FUND**

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

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**CITY OF EVANSTON, WYOMING**

**STATEMENT OF NET ASSETS**

Internal Service Fund

June 30, 2011

	<u>Motor Vehicle Fund</u>	<u>Total</u>
<b>ASSETS</b>		
Current assets		
Cash and cash equivalents	\$ 105,371	\$ 105,371
Accounts receivable	955	955
Inventory	<u>10,229</u>	<u>10,229</u>
Total current assets	<u>116,555</u>	<u>116,555</u>
Capital assets		
Building and systems	278,623	278,623
Machinery and equipment	<u>44,361</u>	<u>44,361</u>
	322,984	322,984
Less accumulated depreciation	<u>322,673</u>	<u>322,673</u>
Total capital assets (net of accumulated depreciation)	<u>311</u>	<u>311</u>
Total assets	<u>116,866</u>	<u>116,866</u>
<b>LIABILITIES</b>		
Accounts payable	<u>3,144</u>	<u>3,144</u>
Total liabilities	<u>3,144</u>	<u>3,144</u>
<b>NET ASSETS</b>		
Invested in capital assets, net of related debt	311	311
Unrestricted	<u>113,409</u>	<u>113,409</u>
Total net assets	<u>\$ 113,720</u>	<u>\$ 113,720</u>

**CITY OF EVANSTON, WYOMING**  
**STATEMENT OF REVENUES, EXPENSES AND**  
**CHANGES IN FUND NET ASSETS**  
**Internal Service Fund**  
**Year Ended June 30, 2011**

	<u>Motor Vehicle Fund</u>	<u>Total</u>
Operating revenues		
Charges for services	<u>\$ 57,789</u>	<u>\$ 57,789</u>
Total operating revenues	<u>57,789</u>	<u>57,789</u>
Operating expenses		
Reproduction	9,857	9,857
Supplies	37,859	37,859
Depreciation	<u>1,470</u>	<u>1,470</u>
Total operating expenses	<u>49,186</u>	<u>49,186</u>
Operating loss	<u>8,603</u>	<u>8,603</u>
Non operating revenues		
Transfer in	<u>-</u>	<u>-</u>
Change in net assets	8,603	8,603
Net assets - beginning of year	<u>105,117</u>	<u>105,117</u>
Net assets - end of year	<u>\$ 113,720</u>	<u>\$ 113,720</u>

**CITY OF EVANSTON, WYOMING**

**STATEMENT OF CASH FLOWS**

Internal Service Fund  
Year Ended June 30, 2011

	Motor Vehicle Fund	Total
Cash flows from operating activities		
Cash received from other funds	\$ 57,366	\$ 57,366
Cash payments to suppliers for services	(46,160)	(46,160)
Net cash provided by operating activities	11,206	11,206
Cash flows from noncapital financing activities	-	-
Cash flows from capital and related financing activities	-	-
Cash flows from investing activities	-	-
Net increase in cash and cash equivalents	11,206	11,206
Cash and cash equivalents - beginning of year	94,165	94,165
Cash and cash equivalents - end of year	\$ 105,371	\$ 105,371
Reconciliation of operating income to net cash provided by operating activities		
Operating income	\$ 8,603	\$ 8,603
Adjustments to reconcile income to net cash provided by operating activities		
Depreciation	1,470	1,470
Change in operating assets and liabilities		
Accounts receivable	(423)	(423)
Inventory	(990)	(990)
Accounts payable	2,546	2,546
Net cash provided by operating activities	\$ 11,206	\$ 11,206

CITY OF EVANSTON, WYOMING

STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS

Youth Drug and Alcohol Court

Year Ended June 30, 2011

Receipts	
Cash match	\$ 30,182
Participant fees	2,055
State grants	150,015
Total received	<u>182,252</u>
Disbursements	
Salaries	70,606
Employee benefits	42,349
Professional services contract	13,750
Office expense	13,732
Program materials	2,083
Education and training	1,017
Awards	397
Cellular phones	203
Drug Court contract	16,455
Detention	10,725
Medical health	8,340
Total disbursements	<u>179,657</u>
Excess disbursements over receipts	2,595
Cash available - beginning of year	<u>3,478</u>
Cash - end of year	<u>\$ 6,073</u>

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

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**CITY OF EVANSTON, WYOMING**

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

**Schedule By Source\***

**June 30, 2011**

Governmental funds capital assets	
Land	\$ 20,067,992
Building	27,516,665
Machinery and equipment	4,947,736
Infrastructure	17,588,070
Construction in progress	<u>555,967</u>
Total governmental funds capital assets	<u>\$ 70,676,430</u>
Investments in governmental funds capital assets by source	
General fund	<u>\$ 70,676,430</u>
Total governmental funds capital assets	<u>\$ 70,676,430</u>

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

**CITY OF EVANSTON, WYOMING**

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

Schedule By Function and Activity

June 30, 2011

Function and Activity	Land	Building and Improvements	Machinery and Equipment
<b>General Government</b>			
General services	\$ 20,067,992	\$ 27,441,854	\$ 672,053
Council	-	-	65,226
Engineering	-	-	89,642
Judicial	-	-	4,433
Economic development	-	-	6,900
Executive	-	-	30,925
Treasurer	-	-	43,899
Clerk	-	-	3,062
Youth services	-	-	81,740
Purchasing	-	-	5,318
Community development	-	-	145,271
<b>Total general government</b>	<u>20,067,992</u>	<u>27,441,854</u>	<u>1,148,469</u>
<b>Public Safety</b>			
Police department	-	-	1,080,134
<b>Total safety</b>	<u>-</u>	<u>-</u>	<u>1,080,134</u>
<b>Highway, Streets and Recreation</b>			
Public works	-	-	62,117
Streets	-	-	2,028,014
Parks and recreation	-	74,811	629,002
<b>Total highway, streets and recreation</b>	<u>-</u>	<u>74,811</u>	<u>2,719,133</u>
<b>Total governmental funds capital assets</b>	<u>\$ 20,067,992</u>	<u>\$ 27,516,665</u>	<u>\$ 4,947,736</u>

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

<u>Infrastructure</u>	<u>Construction in Progress</u>	<u>Total</u>
\$ -	\$ 555,967	\$ 48,737,866
-	-	65,226
-	-	89,642
-	-	4,433
-	-	6,900
-	-	30,925
-	-	43,899
-	-	3,062
-	-	81,740
-	-	5,318
-	-	145,271
-	555,967	49,214,282
-	-	1,080,134
-	-	1,080,134
-	-	62,117
17,588,070	-	19,616,084
-	-	703,813
17,588,070	-	20,382,014
\$ 17,588,070	\$ 555,967	\$ 70,676,430

**CITY OF EVANSTON, WYOMING**

**CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS**  
**Schedule of Changes by Function and Activity \***  
**Year Ended June 30, 2011**

<u>Function and Activity</u>	<u>Governmental Funds Capital Assets June 30, 2010</u>	<u>Additions</u>	<u>Deductions</u>	<u>Governmental Funds Capital Assets June 30, 2011</u>
<b>General Government</b>				
General services	\$ 43,039,587	\$ 4,971,562	\$ (170,050)	\$ 48,181,199
Council	65,676	-	450	65,226
Engineering	93,524	-	3,882	89,642
Judicial	17,736	-	13,303	4,433
Economic development	6,900	-	-	6,900
Executive	30,925	-	-	30,925
Treasurer	45,393	-	1,494	43,899
Clerk	3,062	-	-	3,062
Youth services	81,740	-	-	81,740
Purchasing	34,795	-	29,477	5,318
Community development	145,271	-	-	145,271
<b>Total general government</b>	<b>43,564,609</b>	<b>4,971,562</b>	<b>(121,444)</b>	<b>48,657,615</b>
<b>Public Safety</b>				
Police department	1,007,847	115,426	43,139	1,080,134
<b>Total safety</b>	<b>1,007,847</b>	<b>115,426</b>	<b>43,139</b>	<b>1,080,134</b>
<b>Highway, Streets and Recreation</b>				
Public works	63,456	-	1,339	62,117
Streets	2,403,795	11,830	387,611	2,028,014
Streets - infrastructure	17,588,070	-	-	17,588,070
Parks and recreation	715,236	1,000	12,423	703,813
<b>Total highway, Streets and recreation</b>	<b>20,770,557</b>	<b>12,830</b>	<b>401,373</b>	<b>20,382,014</b>
Construction in progress	1,480,667	-	924,700	555,967
<b>Total general fixed assets</b>	<b>\$ 66,823,680</b>	<b>\$ 5,099,818</b>	<b>\$ 1,247,768</b>	<b>\$ 70,675,730</b>

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

**COMPLIANCE SECTION**

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# PORTER, MUIRHEAD, CORNIA & HOWARD

(A Corporation of Certified Public Accountants)

123 West First Street Suite 800 P.O. Box 2759 Casper, Wyoming 82602 (307) 265-4311 Fax (307) 265-5180

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

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

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Evanston, Wyoming, as of and for the year ended June 30, 2011, which collectively comprise the City of Evanston's basic financial statements and have issued our report thereon dated December 08, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

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

Management of the City of Evanston is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the City of Evanston, Wyoming's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Evanston, Wyoming's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City of Evanston, Wyoming's internal control over financial reporting.

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

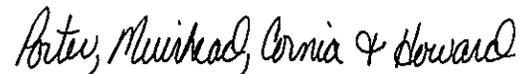
Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be a material weakness, as defined above.

Honorable Mayor and Members of the City Council  
City of Evanston, Wyoming  
Page 2

***Compliance and Other Matters***

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

This report is intended solely for the information and use of management, its oversight audit agency and other agencies granting funds to the City of Evanston, Wyoming and is not intended to be and should not be used by anyone other than these specified parties.



Porter, Muirhead, Cornia & Howard

Certified Public Accountants

December 08, 2011

**SINGLE AUDIT SECTION**

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**CITY OF EVANSTON, WYOMING**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
Year ended June 30, 2011

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Current Year Expenditures
<b>U. S. Department of Housing and Urban Development</b>			
Passed through Wyoming Business Council			
Community Development Block Grants/State Program	14.228	None	<u>\$ 149,997</u>
Total U. S. Department of Housing and Urban Development			<u>149,997</u>
<b>U. S. Department of Justice</b>			
Passed through the Wyoming Attorney General's Office - DCI			
Edward Byrne Memorial Formula Grant Program	16.579	None	<u>59,036</u>
Passed through the Wyoming Attorney General's Office - Division of Victim Services			
Crime Victim Assistance	16.575	2009-VA-GX-0064	<u>16,774</u>
<b>Direct Programs</b>			
Bullet Proof Vest Partnership Program	16.607	None	<u>4,810</u>
Total U. S. Department of Justice			<u>80,620</u> (Continued)

See note to the schedule of expenditures of federal awards

**CITY OF EVANSTON, WYOMING**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)**

Year ended June 30, 2011

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal CFDA Number	Pass Through Grantor's Number	Current Year Expenditures
<b>U. S. Department of Transportation</b>			
Passed through the Wyoming Department of Transportation			
Highway Planning and Construction	20.205	STP-E-EV-0.00 TL10007	\$ 199,224
State and Community Highway Safety	20.600	10-154AL22X	4,583
State and Community Highway Safety	20.600	402-HVE Enforcement	17,285
			<u>21,868</u>
Total U. S. Department of Transportation			<u>221,092</u>
<b>U. S. Department of Energy</b>			
Passed through the Wyoming Business Council Authority			
ARRA- State Energy Program, Recovery Act	81.041	None	284,815
ARRA- Energy and Efficiency and Conservation Block Grant Program, Recovery Act	81.128	None	55,783
			<u>340,598</u>
<b>U.S. Department of Homeland Security</b>			
Passed through Wyoming Department of Homeland Security			
Homeland Security Grant Program	97.067	09-GPD-EVT-LP-HLE9	20,619
Homeland Security Grant Program	97.067	10-GPD-EVT-LP--HLE10	25,033
Total U. S. Department of Homeland Security			<u>45,652</u>
Total Expenditures of Federal Awards			<u><u>\$ 837,959</u></u>

See note to the schedule of expenditures of federal awards

**CITY OF EVANSTON, WYOMING**

**NOTE TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

June 30, 2011

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**Note 1. Basis of Accounting**

The Schedule of Expenditures of Federal Awards is prepared on the modified accrual basis of accounting.

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REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

INDEPENDENT AUDITOR'S REPORT

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

***Compliance***

We have audited the City of Evanston, Wyoming's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on the City of Evanston, Wyoming's major federal program for the year ended June 30, 2011. The City of Evanston's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal program is the responsibility of the City of Evanston, Wyoming's management. Our responsibility is to express an opinion on the City of Evanston, Wyoming's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City of Evanston, Wyoming's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the City of Evanston, Wyoming's compliance with those requirements.

In our opinion, the City of Evanston, Wyoming complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2011.

***Internal Control Over Compliance***

Management of the City of Evanston, Wyoming is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the City of Evanston, Wyoming's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City of Evanston, Wyoming's internal control over compliance.

Honorable Mayor and Members of the City Council  
City of Evanston, Wyoming  
Page 2

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be *material weaknesses*, as defined above.

This report is intended for the information of management, its oversight audit agency and other agencies granting funds to the City of Evanston, Wyoming and is not intended to be and should not be used by anyone other than these specified parties.



Porter, Muirhead, Cornia & Howard

Certified Public Accountants

December 08, 2011

CITY OF EVANSTON, WYOMING

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
June 30, 2011

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

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**Financial Statements**

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

Material weaknesses identified? No

Significant deficiencies identified  
that are not considered to be material  
weaknesses? No

Noncompliance material to financial statements noted? No

**Federal Awards**

Internal control over major programs:

Material weaknesses identified? No

Significant deficiencies identified  
that are not considered to be material  
weaknesses? No

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

Any audit findings disclosed that are required to be  
reported in accordance with section 510 (a)  
of OMB Circular A-133? No

Identification of major programs:

CFDA Numbers

Name of Federal Program or Cluster

81.041

*U.S. Department of Energy*  
ARRA – State Energy Program-  
Recovery Act

Dollar threshold used to distinguish between  
Type A and type B programs: \$ 300,000

Auditee qualified as low-risk auditee? Yes

**CITY OF EVANSTON, WYOMING**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

June 30, 2011

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**Section II - Financial Statement Findings**

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No matters were reported.

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

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No matters were reported.

**CITY OF EVANSTON, WYOMING**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**

**June 30, 2011**

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There were no audit findings reported for the year ended June 30, 2010.

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