

CITY OF EVANSTON, WYOMING

FINANCIAL REPORT

June 30, 2015

CONTENTS

Introductory Section	
Title page	i
Table of contents	ii
Letter of transmittal	iv
Financial Section	
Independent Auditor's Report	1
Management's Discussion and Analysis (Unaudited)	4
Basic Financial Statements	12
Government-wide Financial Statements	
Statement of Net Position	13
Statement of Activities	15
Fund Financial Statements	
Balance Sheet - Governmental Funds	17
Reconciliation of Governmental Funds	
Fund Balances to Net Position of Governmental Activities	18
Statement of Revenues, Expenditures and Changes in	
Fund Balances - Governmental Funds	19
Reconciliation of the Statement of Revenues, Expenditures, and	
Changes in Fund Balances of Governmental Funds to the	
Statement of Activities	20
Statement of Net Position - Proprietary Funds	21
Statement of Revenues, Expenses and Changes in Fund	
Net Position - Proprietary Funds	25
Statement of Cash Flows - Proprietary Funds	27
Notes to Financial Statements	31

CONTENTS (Continued)

Required Supplementary Information	52
Schedule of Revenues, Expenditures and Changes in Fund Balance Budget and Actual - General Fund	53
Schedule of Changes in Net Pension Liability and Related Ratios (Unaudited)	57
Schedule of City Contributions (Unaudited)	59
Combining Fund Information and Other Supplementary Information	61
Combining and Individual Fund Statements and Schedules Combining Balance Sheet - Nonmajor Governmental Funds	63
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds	64
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual – Special Revenue Fund - Lodging Tax	65
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual – Special Revenue Fund – Economic Development	66
Compliance Section	67
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	68

December 14, 2015

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

State law requires that all general-purpose local governments publish within six months of the close of each fiscal year a complete set of financial statements presented in conformity with generally accepted accounting principle (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the comprehensive annual financial report of the City of Evanston for the fiscal year ended June 30, 2015.

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

The City of Evanston's financial statements have been audited by Porter, Muirhead, Cornia, & Howard, CPAs, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of Evanston, for the fiscal year ended June 30, 2015, 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, 2015, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

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

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

Profile of the Government

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

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

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

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

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

The City of Evanston provides a full range of services, including police, maintenance of streets, recreational activities, water, wastewater, environmental service, and community development.

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

Factors Affecting Financial Condition

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

Local Economy:

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

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

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

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

Long-term financial planning:

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

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

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

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

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

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

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

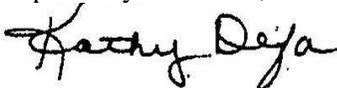
Pension and other post-employment benefits: The City of Evanston participates in several single-employer defined benefit pension plans for its employees. The City became involved with the Wyoming Retirement System to help secure employee's retirement. Our health premiums have increased by 50% due to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

Awards and Acknowledgment

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

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

Respectfully submitted,



Kathy Defa, City Treasurer

FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Evanston, Wyoming (“City”), as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the City’s basic financial statements as listed in the table of contents.

Management’s Responsibility for the Financial Statements

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

Auditor’s Responsibility

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

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Evanston, Wyoming, as of June 30, 2015 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and pension schedules as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

We have applied certain limited procedures to management's discussion and analysis and pension schedules in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during the audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

The budgetary comparison information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The budgetary information has been subjected to the auditing procedures applied during the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the budgetary comparison is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Supplementary Information

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

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.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated December 14, 2015 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* in considering the City of Evanston's internal control over financial reporting and compliance.



Porter, Muirhead, Cornia & Howard
Certified Public Accountants

Casper, Wyoming
December 14, 2015

CITY OF EVANSTON, WYOMING

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2015

(Unaudited)

As management of the City of Evanston, Wyoming, we offer readers of the City of Evanston, Wyoming's financial statements this narrative overview and analysis of the financial activities of the City of Evanston, Wyoming's for the fiscal year ended June 30, 2015.

Financial Highlights

- The assets of the City of Evanston, Wyoming exceeded its liabilities at the close of the most recent fiscal year by \$105,875,597 (*net position*). Of this amount, \$36,505,176 (*unrestricted net position*) may be used to meet the government's ongoing obligations to citizens and creditors.
- The government's total net position increased by \$1,430,814.
- As of the close of the current fiscal year, the City of Evanston, Wyoming's governmental funds reported combined ending fund balances of \$10,916,225.
- At the end of the current fiscal year, fund balance for the general fund was \$8,929,398.

Overview of the Financial Statements

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

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

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

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

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

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

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

CITY OF EVANSTON, WYOMING

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2015

(Unaudited)

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 four 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 which is considered to be a major fund, data from the other three governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of *combining statements* elsewhere in this report.

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

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

Proprietary funds. The City of Evanston, Wyoming maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City of Evanston, Wyoming uses enterprise funds to account for its Water, Sewer and Environmental Service 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 an internal service fund to account for its fleet of vehicles. Because this service predominantly benefits governmental rather than business-type functions, it has 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, Sewer, and Environmental Service operation, all of which are considered to be major funds of the City of Evanston, Wyoming.

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

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on page 31-51 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 53-60 of this report.

CITY OF EVANSTON, WYOMING

MANAGEMENT'S DISCUSSION AND ANALYSIS
 JUNE 30, 2015
 (Unaudited)

The combining statements for the non-major governmental funds can be found on pages 63-66 of this report.

Government-wide Financial Analysis

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

City of Evanston, Wyoming Net Position

	Governmental Activities		Business-type Activities		Total	
	Restated 2014	2015	Restated 2014	2015	Restated 2014	2015
Current assets	\$ 11,333,532	\$ 12,509,736	\$ 29,638,648	\$ 29,590,754	\$ 40,972,180	\$ 42,100,490
Capital assets Net Accum. Dep	38,487,026	37,635,113	31,254,944	31,006,564	69,741,970	68,641,677
Total assets	49,820,558	50,144,849	60,893,592	60,597,318	110,714,150	110,742,167
Deferred outflows of resources	199,851	406,999	77,177	175,731	277,028	582,730
Current Liabilities	1,236,782	825,169	526,848	273,301	1,763,630	1,098,470
Total Non-Current Liabilities	632,292	2,090,251	369,457	1,609,068	1,001,749	3,699,319
Total Liabilities	2,068,925	2,915,420	896,305	1,882,369	2,965,230	4,797,789
Deferred property taxes	642,360	651,511	-	-	642,360	651,511
Total deferred inflows of resources	642,360	651,511	-	-	642,360	651,511
Invested in capital assets, net of related debt	38,487,026	37,635,113	31,171,925	30,810,795	69,658,951	68,445,908
Restricted	205,847	205,847	653,948	-	859,795	205,847
Unrestricted	8,616,251	9,143,957	28,171,414	28,079,885	36,787,665	37,223,842
Total net position	\$ 47,309,124	\$ 46,984,917	\$ 59,997,287	\$ 58,890,680	\$ 107,306,411	\$ 105,875,597

An additional portion of the City of Evanston, Wyoming's net position represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net position* \$37,223,842 may be used to meet the government's ongoing obligations to citizens and creditors.

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

CITY OF EVANSTON, WYOMING

MANAGEMENT'S DISCUSSION AND ANALYSIS
 JUNE 30, 2015
 (Unaudited)

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

City of Evanston, Wyoming's Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	2014	2015	2014	2015	2014	2015
Revenues:						
Program revenues:						
Charges for services	\$ 390,451	\$ 678,287	\$ 4,605,956	\$ 4,495,080	\$ 4,996,407	\$ 5,173,367
Operating grants and contributions	2,386,618	2,213,177	-	-	2,386,618	2,213,177
General revenues:						
Property taxes	871,456	911,679	-	-	871,456	911,679
Other taxes	5,166,424	5,571,210	-	-	5,166,424	5,571,210
Grants and contributions not restricted to specific programs	2,791,078	2,682,463	-	-	2,791,078	2,682,463
Unrestricted investment earnings	239,895	267,816	57,929	66,027	297,824	333,843
Miscellaneous revenue	195,144	267,816	-	66,027	195,144	333,843
Transfers	(632,600)	(490,000)	632,600	490,000	-	-
Total revenues	11,408,463	12,102,448	5,296,485	5,117,134	16,704,948	17,219,582
Expenses:						
General government	4,847,287	4,219,476	-	-	4,847,287	4,219,476
Public safety	2,927,354	2,990,753	-	-	2,927,354	2,990,753
Public Works	1,322,342	2,202,338	-	-	1,322,342	2,202,338
Recreation	1,616,708	1,519,799	-	-	1,616,708	1,519,799
Interest on long-term debt	4,009	3,915	-	-	4,009	3,915
Water	-	-	2,498,716	2,632,092	2,498,716	2,632,092
Sewer	-	-	791,096	842,214	791,096	842,214
Golf	-	-	943,565	864,434	943,565	864,434
Environmental services	-	-	943,995	1,093,371	943,995	1,093,371
Total expenses	10,717,700	10,936,281	5,177,372	5,432,111	15,895,072	16,368,392
Change in net position	690,763	1,126,963	119,113	(307,504)	809,876	819,459
Net position – 6/30/14	46,063,510	47,309,124	59,878,174	59,997,287	105,941,684	107,306,411
Prior period adjustment	554,851	(1,451,170)	-	(799,103)	554,851	(2,250,273)
Net position – 6/30/15	\$ 47,309,124	\$ 46,984,917	\$ 59,997,287	\$ 58,890,680	\$ 107,306,411	\$ 105,875,597

CITY OF EVANSTON, WYOMING

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2015

(Unaudited)

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

Other awarded grants, to the City of Evanston, Wyoming furnished resources to support functions such as the Strand Cultural Center, Rail Access Business Plan, Early Childhood Building Expansion and the Bear River Greenway Project.

Expenses and Program Revenues – Governmental Activities

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

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

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

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

Revenues by Source – Governmental Activities

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

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

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

Financial Analysis of the Government's Funds

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

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

The general fund is the chief operating fund of the City of Evanston, Wyoming. At the end of the current fiscal year, unreserved fund balance of the general fund was \$8,929,398 while total fund balance reached \$10,916,225. 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 increased by \$1,355,238 during the current fiscal year.

- Sales tax rate increased tax revenues by \$394,346.
- Property tax increased by \$11,496.
- Transfer of funds to Golf and Cemetery Fund of \$711,500.
- Investments were increased by \$147,555.
- Charges for Services increased by \$81,133.
- Miscellaneous revenue increased by \$72,675.

CITY OF EVANSTON, WYOMING

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2015

(Unaudited)

The long-term liability (\$3,832,726) including accrued compensated absences and pension obligation , are not due and payable in the current period and therefore are not reported in the funds.

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

Unrestricted net position of the Water, Sewer, Sanitation and other Enterprise Funds at the end of the year amounted to \$27,361,219. The total growth in unrestricted net position for these funds was \$810,195. 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 \$305,014 increase in appropriations. There were a few unexpected expenditures or grants that were approved during the fiscal year and a brief summary follows:

- \$69,410 capital outlay for grants and proposed capital projects.
- \$16,000 department budgets for miscellaneous expenses during the fiscal year.
- \$58,941 general government adjustments for Boys and Girls Club and Treasurer Department.
- \$15,000 for Police Department Grants.
- \$36,000 for Public Works Administration.
- \$109,663 for Street Department expenses.

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, 2015 amounts to \$68,641,677 (net of accumulated depreciation). This investment in capital assets included land, buildings and system, improvements, machinery and equipment, park facilities, roads, highways, and bridges.

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

- Airport Planning Grant
- Bear River Greenway
- Emergency Detention Furniture
- Water Treatment Plant Tank Replacement
- Waste Water Treatment Plant Upgrades
- Rail Access Business Plan
- Community Garden
- Early Childhood Building Expansion
- Strand Theater Cultural Center Renovation

CITY OF EVANSTON, WYOMING

MANAGEMENT'S DISCUSSION AND ANALYSIS
 JUNE 30, 2015
 (Unaudited)

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

	Governmental		Business-type		Total	
	Activities		Activities			
	Restated 2014	2015	2014	2015	2014	2015
Land	\$ 11,329,898	\$ 11,329,897	\$ 733,694	\$ 733,694	\$ 12,063,592	\$ 12,063,591
Construction in Progress	2,157,740	876,844	291,945	-	2,449,685	876,844
Buildings and Systems	40,289,062	42,440,578	66,135,209	67,370,419	106,424,271	109,810,997
Machinery and Equipment	4,963,597	4,913,237	2,615,375	2,598,990	7,578,972	7,512,227
Infrastructure	17,588,070	17,588,070	-	-	17,588,070	17,588,070
Total Accum. Depreciation	(38,366,246)	(39,513,513)	(38,521,279)	(39,696,539)	(76,887,525)	(79,210,052)
Total	\$ 37,962,121	\$ 37,635,113	\$ 31,254,944	\$ 31,006,564	\$ 69,217,065	\$ 68,641,677

Additional information on the City of Evanston, Wyoming's capital assets can be found in Note 3 on pages 41-43 of this report.

Long-term debt. At the end of the current fiscal year, the City of Evanston, Wyoming had total debt outstanding of \$3,832,726.

City of Evanston's Outstanding Debt

	Governmental		Business-type		Total	
	Restated 2014	2015	Restated 2014	2015	2014	2015
Accrued Compensated Absences	\$ 665,571	\$ 638,825	\$ 238,695	\$ 284,832	\$ 904,266	\$ 923,657
Lease Purchase Obligation	-	46,548	271,446	338,465	271,446	385,013
Pension Obligation	1,126,116	1,444,679	876,280	1,079,377	2,002,396	2,524,056
Total	\$ 1,791,687	\$ 2,130,052	\$ 1,386,421	\$ 1,702,674	\$ 3,178,108	\$ 3,832,726

The City of Evanston, Wyoming's total debt is \$13,832,726 for the current fiscal year. Additional information on the City of Evanston, Wyoming's long-term debt can be found in Note 3 on pages 43-45 of this report.

CITY OF EVANSTON, WYOMING

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2015

(Unaudited)

Economic Factors and Next Year's Budgets and Rates

- The unemployment rate for the City of Evanston, Wyoming is currently 4.2 percent, which is a decrease from a rate of 5.1 percent a year ago. This compares to the state's average unemployment rate of 4.1 percent and the national average rate of 5.1 percent.

Across Wyoming, county unemployment rates followed a seasonal pattern and fell slightly or were unchanged. The unemployment rate fell by one percentage point in Uinta County. The local economy continues to suffer driven by the mineral industry and decline of construction. All businesses are just trying to hold on and brave the economic storm. All of these factors were considered in preparing the City of Evanston, Wyoming budget for the 2015 fiscal year.

Requests for Information

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

BASIC FINANCIAL STATEMENTS

CITY OF EVANSTON, WYOMING

STATEMENT OF NET POSITION

June 30, 2015

	Primary Government		Total
	Governmental Activities	Business-type Activities	
ASSETS			
Pooled cash and investments	\$ 11,922,551	\$ 27,495,571	\$ 39,418,122
Investments at fair value	-	3,419	3,419
Receivables (net of allowance for uncollectibles)			
Accounts receivable	1,319,966	467,455	1,787,421
Accrued interest	25,142	-	25,142
Property taxes	675,151	-	675,151
Internal balances	(1,572,556)	1,572,556	-
Inventory	7,960	51,753	59,713
Prepaid expenses	131,522	-	131,522
Capital assets not being depreciated			
Land	11,329,897	733,694	12,063,591
Construction in progress	876,844	-	876,844
Capital assets being depreciated			
Buildings and systems	42,440,578	67,370,419	109,810,997
Machinery and equipment	4,913,237	2,598,990	7,512,227
Infrastructure	17,588,070	-	17,588,070
	<u>77,148,626</u>	<u>70,703,103</u>	<u>147,851,729</u>
Less accumulated depreciation	<u>(39,513,513)</u>	<u>(39,696,539)</u>	<u>(79,210,052)</u>
Total capital assets (net of accumulated depreciation)	<u>37,635,113</u>	<u>31,006,564</u>	<u>68,641,677</u>
Total assets	<u>50,144,849</u>	<u>60,597,318</u>	<u>110,742,167</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension plan items	<u>406,999</u>	<u>175,731</u>	<u>582,730</u>

See accompanying notes to the financial statements

	Primary Government		
	Governmental Activities	Business-type Activities	Total
LIABILITIES			
Accounts payable	\$ 383,636	\$ 65,917	\$ 449,553
Accrued payroll	134,488	62,049	196,537
Accrued liabilities	107,163	-	107,163
Court bonds payable	14,475	-	14,475
Unearned rent revenue	7,647	-	7,647
Unearned - cash in lieu of land development	137,958	-	137,958
Deposits payable	-	51,730	51,730
Long-term liabilities			
Due in one year	39,802	93,605	133,407
Due in more than one year	645,572	529,691	1,175,263
Net pension liability	1,444,679	1,079,377	2,524,056
Total liabilities	<u>2,915,420</u>	<u>1,882,369</u>	<u>4,797,789</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred property taxes	651,511	-	651,511
Total deferred inflows of resources	<u>651,511</u>	<u>-</u>	<u>651,511</u>
NET POSITION			
Invested in capital assets, net of related debt	37,635,113	30,810,795	68,445,908
Restricted for			
Perpetual fund			
Expendable	105,847	-	105,847
Nonexpendable	100,000	-	100,000
Unrestricted	9,143,957	28,079,885	37,223,842
Total net position	<u>\$ 46,984,917</u>	<u>\$ 58,890,680</u>	<u>\$ 105,875,597</u>

CITY OF EVANSTON, WYOMING

STATEMENT OF ACTIVITIES

Year Ended June 30, 2015

Function/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities:				
General government	\$ 4,219,476	\$ 186,946	\$ 2,213,177	\$ -
Public safety	2,990,753	457,254	-	-
Public works	2,202,338	-	-	-
Health, welfare, and recreation	1,519,799	34,087	-	16,729
Interest on long-term debt	3,915	-	-	-
Total governmental activities	10,936,281	678,287	2,213,177	16,729
Business-type activities:				
Water fund	2,632,092	2,019,579	-	-
Sewer fund	842,214	1,008,914	-	-
Golf fund	864,434	410,055	-	-
Environmental service fund	1,093,371	1,056,532	-	-
Total business-type activities	5,432,111	4,495,080	-	-
Total primary government	\$ 16,368,392	\$ 5,173,367	\$ 2,213,177	\$ 16,729

General revenues

Property taxes and other taxes

Sales tax

Franchise taxes

Motor vehicle taxes

Grants and contributions not restricted to specific programs

Unrestricted investment earnings

Miscellaneous revenue

Transfers

Total general revenues and transfers

Change in net position

Net position - beginning of year, as previously reported

Prior period adjustment

Net position - beginning of year, as restated

Net position - end of year

See accompanying notes to the financial statements

Net (Expense) Revenue and Changes in Net Position

Primary Government		
Governmental Activities	Business-type Activities	Total
\$ (1,819,353)	\$ -	\$ (1,819,353)
(2,533,499)	-	(2,533,499)
(2,202,338)	-	(2,202,338)
(1,468,983)	-	(1,468,983)
(3,915)	-	(3,915)
<u>(8,028,088)</u>	<u>-</u>	<u>(8,028,088)</u>
-	(612,513)	(612,513)
-	166,700	166,700
-	(454,379)	(454,379)
-	(36,839)	(36,839)
<u>-</u>	<u>(937,031)</u>	<u>(937,031)</u>
<u>(8,028,088)</u>	<u>(937,031)</u>	<u>(8,965,119)</u>
911,679	-	911,679
5,098,631	-	5,098,631
185,045	-	185,045
287,534	-	287,534
2,682,463	-	2,682,463
211,883	73,500	285,383
267,816	66,027	333,843
(490,000)	490,000	-
<u>9,155,051</u>	<u>629,527</u>	<u>9,784,578</u>
1,126,963	(307,504)	819,459
47,309,124	59,997,287	107,306,411
<u>(1,451,170)</u>	<u>(799,103)</u>	<u>(2,250,273)</u>
<u>45,857,954</u>	<u>59,198,184</u>	<u>105,056,138</u>
<u>\$ 46,984,917</u>	<u>\$ 58,890,680</u>	<u>\$ 105,875,597</u>

CITY OF EVANSTON, WYOMING

BALANCE SHEET
Governmental Funds
June 30, 2015

	General Fund	Other Governmental Funds	Total Governmental Funds
	<u> </u>	<u> </u>	<u> </u>
ASSETS			
Pooled cash and investments	\$ 9,847,430	\$ 1,961,089	\$ 11,808,519
Prepaid expenses	131,522	-	131,522
Receivables (net of allowance for uncollectibles)			
Accounts receivable	1,250,464	69,502	1,319,966
Accrued interest	25,142	-	25,142
Property taxes	675,151	-	675,151
	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 11,929,709</u>	<u>\$ 2,030,591</u>	<u>\$ 13,960,300</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
Liabilities			
Accounts payable	\$ 347,520	\$ 36,117	\$ 383,637
Accrued payroll	153,872	-	153,872
Accrued liabilities	107,163	-	107,163
Court bonds payable	14,475	-	14,475
Unearned rent revenue	-	7,647	7,647
Unearned - cash in lieu of land development	137,958	-	137,958
Current portion of advance payable to water fund	246,213	-	246,213
	<u> </u>	<u> </u>	<u> </u>
Total current liabilities	<u>1,007,201</u>	<u>43,764</u>	<u>1,050,965</u>
Noncurrent portion of advance payable to water fund	1,326,343	-	1,326,343
	<u> </u>	<u> </u>	<u> </u>
Total noncurrent liabilities	<u>1,326,343</u>	<u>-</u>	<u>1,326,343</u>
	<u> </u>	<u> </u>	<u> </u>
Total liabilities	<u>2,333,544</u>	<u>43,764</u>	<u>2,377,308</u>
Deferred inflows of resources			
Deferred property taxes	666,767	-	666,767
	<u> </u>	<u> </u>	<u> </u>
Total deferred inflows of resources	<u>666,767</u>	<u>-</u>	<u>666,767</u>
Fund balances			
Nonspendable			
Permanent fund principal	-	100,000	100,000
Restricted, cemetery perpetual care	-	1,532,358	1,532,358
Assigned, emergency repairs	5,500,000	-	5,500,000
Unassigned	3,429,398	354,469	3,783,867
	<u> </u>	<u> </u>	<u> </u>
Total fund balances	<u>8,929,398</u>	<u>1,986,827</u>	<u>10,916,225</u>
	<u> </u>	<u> </u>	<u> </u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 11,929,709</u>	<u>\$ 2,030,591</u>	<u>\$ 13,960,300</u>

See accompanying notes to the financial statements

CITY OF EVANSTON, WYOMING

RECONCILIATION OF GOVERNMENTAL FUNDS
 FUND BALANCES TO NET POSITION OF GOVERNMENTAL ACTIVITIES
 June 30, 2015

Total governmental fund balances		\$ 10,916,225
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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:

Accrued compensated absences	\$ (638,825)	
Less accrued compensated absences recorded in governmental funds	19,384	
Lease purchase obligation	(46,548)	
Pension liability	<u>(1,444,679)</u>	(2,110,668)

Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds.	37,635,113
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Deferred outflows are not available to pay for current period expenditures and therefore the underlying resources

Pension plan items	209,681	
Difference in investment returns	<u>197,318</u>	406,999

Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds:

Deferred property taxes in governmental funds	666,767	
Deferred property taxes in governmental activities	<u>(651,511)</u>	15,256

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

Motor Vehicle Fund		
Unrestricted net position		<u>121,992</u>

Net position of governmental activities		<u><u>\$ 46,984,917</u></u>
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See accompanying notes to the financial statements

CITY OF EVANSTON, WYOMING

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

Governmental Funds

Year Ended June 30, 2015

	General Fund	Other Governmental Funds	Total Governmental Funds
Revenues			
Taxes	\$ 6,214,052	\$ 267,757	\$ 6,481,809
Licenses and permits	388,319	-	388,319
Fines and forfeitures	151,153	-	151,153
Intergovernmental revenues	4,973,944	-	4,973,944
Charges for services	83,115	34,087	117,202
Interest and miscellaneous	273,907	205,792	479,699
Total revenues	12,084,490	507,636	12,592,126
Expenditures			
Current			
General government	2,497,655	-	2,497,655
Public safety and transportation	2,902,008	-	2,902,008
Public works	1,016,745	-	1,016,745
Health, welfare and recreation	1,057,017	515,337	1,572,354
Capital outlay	1,814,143	-	1,814,143
Debt service - interest	3,915	-	3,915
Intergovernmental expenditures	772,816	-	772,816
Total expenditures	10,064,299	515,337	10,579,636
Excess (deficiency) of revenues over expenditures	2,020,191	(7,701)	2,012,490
Other financing sources (uses)			
Proceeds from lease purchase obligation	46,548	-	46,548
Transfers in	-	213,000	213,000
Transfers out	(711,500)	-	(711,500)
Total other financing sources (uses)	(664,952)	213,000	(451,952)
Net change in fund balances	1,355,239	205,299	1,560,538
Fund balances - beginning of year	7,574,159	1,781,528	9,355,687
Fund balances - end of year	\$ 8,929,398	\$ 1,986,827	\$ 10,916,225

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, 2015

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

Net change in fund balances - total governmental funds \$ 1,560,538

Governmental funds report capital outlays as expenditures.

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

General government

Additional capital assets	\$ 1,008,847	
Depreciation expense	(1,335,854)	(327,007)

The changes in long-term liabilities does not require the use of current financial resources of governmental funds. Thus the change is not recorded in governmental funds. This is the net effect of these differences in the treatment.

Proceeds from capital lease	(46,548)	
Compensated absences as of June 30, 2014	665,571	
Accrued compensated absences as of June 30, 2015	(638,825)	
Less accrued compensated absences recorded in governmental funds	19,384	(418)

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

Pension liability as of June 30, 2014	1,126,116	
Pension liability as of June 30, 2015	(1,444,679)	
Deferred outflows - pension contributions and differences in investment returns as of June 30, 2014	(199,851)	
Deferred outflows - pension contributions and differences in investment returns as of June 30, 2015	406,999	(111,415)

Internal service activities are accounted for in a separate fund.

However, in the statement of activities the activity of the Internal Service Fund has been eliminated and the excess revenue over expenditures has been recognized.

Internal service fund changes in net position		4,186
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Certain revenues are not recognized as current financial resources and, therefore, are not reported as revenues in governmental funds:

Deferred property taxes in governmental funds as of June 30, 2014	(656,536)	
Deferred property taxes in governmental activities as of June 30, 2014	642,359	
Deferred property taxes in governmental funds as of June 30, 2015	666,767	
Deferred property taxes in governmental activities as of June 30, 2015	(651,511)	1,079

Change in net position of governmental activities		\$ 1,126,963
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See accompanying notes to the financial statements

CITY OF EVANSTON, WYOMING

STATEMENT OF NET POSITION

Proprietary Funds

June 30, 2015

	<u>Business-type Activities - Enterprise Funds</u>		
	<u>Water Fund</u>	<u>Sewer Fund</u>	<u>Golf Fund</u>
ASSETS			
Current assets			
Pooled cash and investments	\$ 12,435,334	\$ 10,457,285	\$ 1,778,891
Investments	3,419	-	-
Accounts receivable (net of allowance for uncollectibles)	248,037	109,141	-
Inventory	-	-	51,753
Current portion of advance receivable from general fund	246,213	-	-
Total current assets	<u>12,933,003</u>	<u>10,566,426</u>	<u>1,830,644</u>
Noncurrent assets			
Long term portion of advance receivable from general fund	1,326,343	-	-
Total noncurrent assets	<u>1,326,343</u>	<u>-</u>	<u>-</u>
Capital assets			
Land	161,500	240,005	312,189
Buildings and systems	45,443,156	15,574,053	6,267,611
Machinery and equipment	435,453	386,303	692,207
	<u>46,040,109</u>	<u>16,200,361</u>	<u>7,272,007</u>
Less accumulated depreciation	22,435,359	13,879,111	2,506,345
Total capital assets (net of accumulated depreciation)	<u>23,604,750</u>	<u>2,321,250</u>	<u>4,765,662</u>
Total assets	<u>37,864,096</u>	<u>12,887,676</u>	<u>6,596,306</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension plan items	<u>59,878</u>	<u>42,821</u>	<u>-</u>

See accompanying notes to the financial statements

<u>Business-type Activities - Enterprise Funds</u>		<u>Governmental</u>
<u>Other Nonmajor</u>		<u>Activities</u>
<u>Enterprise fund</u>		
<u>Environmental</u>		<u>Internal</u>
<u>Service</u>	<u>Totals</u>	<u>Service</u>
<u>Fund</u>		<u>Fund</u>
\$ 2,824,061	\$ 27,495,571	\$ 114,032
-	3,419	-
110,277	467,455	-
-	51,753	7,960
-	246,213	-
<u>2,934,338</u>	<u>28,264,411</u>	<u>121,992</u>
-	1,326,343	-
-	<u>1,326,343</u>	-
20,000	733,694	-
85,599	67,370,419	278,623
1,085,027	2,598,990	29,661
<u>1,190,626</u>	<u>70,703,103</u>	<u>308,284</u>
<u>875,724</u>	<u>39,696,539</u>	<u>307,973</u>
314,902	31,006,564	311
<u>3,249,240</u>	<u>60,597,318</u>	<u>122,303</u>
<u>73,032</u>	<u>175,731</u>	-

(Continued)

CITY OF EVANSTON, WYOMING

STATEMENT OF NET POSITION (CONTINUED)

Proprietary Funds

June 30, 2015

	<u>Business-type Activities - Enterprise Funds</u>		
	<u>Water Fund</u>	<u>Sewer Fund</u>	<u>Golf Fund</u>
LIABILITIES			
Current liabilities			
Accounts payable	\$ 51,167	\$ 3,959	\$ 9,229
Accrued payroll	30,827	10,834	-
Deposits payable	51,730	-	-
Total current liabilities	<u>133,724</u>	<u>14,793</u>	<u>9,229</u>
Noncurrent liabilities			
Due within one year	6,885	3,254	32,728
Due in more than one year	130,823	61,831	163,041
Net pension liability	384,152	278,348	-
Total noncurrent liabilities	<u>521,860</u>	<u>343,433</u>	<u>195,769</u>
Total liabilities	<u>655,584</u>	<u>358,226</u>	<u>204,998</u>
NET POSITION			
Net investment in capital assets	23,604,750	2,321,250	4,569,893
Unrestricted	13,663,640	10,251,021	1,821,415
Total net position	<u>\$ 37,268,390</u>	<u>\$ 12,572,271</u>	<u>\$ 6,391,308</u>

See accompanying notes to the financial statements

<u>Business-type Activities - Enterprise Funds</u>		Governmental
Other Nonmajor		Activities
Enterprise fund		
<u>Environmental</u>		<u>Internal</u>
Service		Service
Fund	Totals	Fund
\$ 1,562	\$ 65,917	\$ -
20,388	62,049	-
-	51,730	-
<u>21,950</u>	<u>179,696</u>	<u>-</u>
50,738	93,605	-
173,996	529,691	-
416,877	1,079,377	-
<u>641,611</u>	<u>1,702,673</u>	<u>-</u>
<u>663,561</u>	<u>1,882,369</u>	<u>-</u>
314,902	30,810,795	311
2,343,809	28,079,885	121,992
<u>\$ 2,658,711</u>	<u>\$ 58,890,680</u>	<u>\$ 122,303</u>

CITY OF EVANSTON, WYOMING

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

Proprietary Funds
Year Ended June 30, 2015

	<u>Business-type Activities - Enterprise Funds</u>		
	<u>Water Fund</u>	<u>Sewer Fund</u>	<u>Golf Fund</u>
Operating revenues			
Charges for services	\$ 2,019,579	\$ 1,008,914	\$ 410,055
Miscellaneous	31,962	13,414	-
Total operating revenues	<u>2,051,541</u>	<u>1,022,328</u>	<u>410,055</u>
Operating expenses			
Personnel services	979,102	410,678	-
Contractual services	53,361	-	378,790
Repairs and maintenance	107,615	50,383	113,910
Supplies	350,704	60,471	134,390
Miscellaneous	5,938	21,322	28,414
Capital outlay	3,808	18,509	-
Depreciation	1,001,477	163,699	205,021
Utilities	130,087	117,152	-
Total operating expenses	<u>2,632,092</u>	<u>842,214</u>	<u>860,525</u>
Operating income (loss)	<u>(580,551)</u>	<u>180,114</u>	<u>(450,470)</u>
Nonoperating revenues and expenses			
Interest income	39,215	27,529	-
Gain on cancellation of debt	-	-	52,886
Interest expense	-	-	(3,909)
Loss on disposal of assets	(2,035)	-	(34,418)
Total nonoperating revenues	<u>37,180</u>	<u>27,529</u>	<u>14,559</u>
Income (loss) before contributions and transfers	<u>(543,371)</u>	<u>207,643</u>	<u>(435,911)</u>
Transfers in	-	-	490,000
Transfers out	-	-	-
Net transfers and contributions	<u>-</u>	<u>-</u>	<u>490,000</u>
Change in net position	<u>(543,371)</u>	<u>207,643</u>	<u>54,089</u>
Total net position - beginning of year, as previously reported	38,098,972	12,573,330	6,337,219
Prior period adjustment	(287,211)	(208,702)	-
Total net position - beginning of year, as restated	<u>37,811,761</u>	<u>12,364,628</u>	<u>6,337,219</u>
Total net position - end of year	<u>\$ 37,268,390</u>	<u>\$ 12,572,271</u>	<u>\$ 6,391,308</u>

See accompanying notes to the financial statements

<u>Business-type Activities - Enterprise Funds</u>		<u>Governmental Activities</u>	
<u>Other Nonmajor Enterprise Fund</u>		<u>Internal Service Fund</u>	
<u>Environmental Service Fund</u>	<u>Totals</u>	<u>Internal Service Fund</u>	
\$ 1,056,532	\$ 4,495,080	\$ 52,379	
4,218	49,594	-	
<u>1,060,750</u>	<u>4,544,674</u>	<u>52,379</u>	
662,289	2,052,069	-	
-	432,151	-	
65,983	337,891	-	
274,469	820,034	56,693	
13,649	69,323	-	
-	22,317	-	
73,250	1,443,447	-	
-	247,239	-	
<u>1,089,640</u>	<u>5,424,471</u>	<u>56,693</u>	
<u>(28,890)</u>	<u>(879,797)</u>	<u>(4,314)</u>	
6,756	73,500	-	
-	52,886	-	
(3,731)	(7,640)	-	
-	(36,453)	-	
<u>3,025</u>	<u>82,293</u>	<u>-</u>	
<u>(25,865)</u>	<u>(797,504)</u>	<u>(4,314)</u>	
340,746	830,746	8,500	
<u>(340,746)</u>	<u>(340,746)</u>	<u>-</u>	
-	490,000	8,500	
<u>(25,865)</u>	<u>(307,504)</u>	<u>4,186</u>	
2,987,766	59,997,287	118,117	
<u>(303,190)</u>	<u>(799,103)</u>	<u>-</u>	
<u>2,684,576</u>	<u>59,198,184</u>	<u>118,117</u>	
<u>\$ 2,658,711</u>	<u>\$ 58,890,680</u>	<u>\$ 122,303</u>	

CITY OF EVANSTON, WYOMING

STATEMENT OF CASH FLOWS
Proprietary Funds
Year Ended June 30, 2015

	<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	\$ 2,092,175	\$ 1,010,603	\$ 410,055
Receipts from other funds	-	-	-
Payments to suppliers for services	(838,526)	(267,687)	(659,679)
Payments to employees for services	(938,661)	(384,781)	-
Net cash and cash equivalents provided (used) by operating activities	<u>314,988</u>	<u>358,135</u>	<u>(249,624)</u>
Cash flows from noncapital financing activities			
Transfers from other funds	-	-	490,000
Repayments on long-term debt	-	-	-
Interest paid on notes	-	-	(3,909)
Net cash and cash equivalents provided (used) by noncapital financing activities	<u>-</u>	<u>-</u>	<u>486,091</u>
Cash flows from capital and related financing activities			
Principal payments	-	-	(35,472)
Proceeds from sales of property and equipment	1,282	-	-
Acquisitions of property and equipment	(1,031,694)	-	-
Net cash and cash equivalents used by capital and related financing activities	<u>(1,030,412)</u>	<u>-</u>	<u>(35,472)</u>
Cash flows from investing activities			
Interest received on advance to general fund	39,085	-	-
Interest received on investments	39,749	27,531	-
Net cash and cash equivalents provided by investing activities	<u>78,834</u>	<u>27,531</u>	<u>-</u>
Net increase in cash and cash equivalents	(636,590)	385,666	200,995
Cash and cash equivalents - beginning of year	<u>13,071,924</u>	<u>10,071,619</u>	<u>1,577,896</u>
Cash and cash equivalents - end of year	<u><u>\$ 12,435,334</u></u>	<u><u>\$ 10,457,285</u></u>	<u><u>\$ 1,778,891</u></u>

See accompanying notes to the financial statements

<u>Business-type Activities - Enterprise Funds</u>			<u>Governmental</u>
<u>Other Nonmajor</u>			<u>Activities</u>
<u>Enterprise fund</u>			
<u>Environmental</u>			<u>Internal</u>
<u>Service</u>			<u>Service</u>
<u>Fund</u>	<u>Totals</u>		<u>Fund</u>
\$ 1,040,613	\$ 4,553,446	\$ -	
-	-	52,499	
(357,108)	(2,123,000)	(56,591)	
(590,001)	(1,913,443)	-	
<u>93,504</u>	<u>517,003</u>	<u>(4,092)</u>	
-	490,000	8,500	
(45,731)	(45,731)	-	
(3,731)	(7,640)	-	
<u>(49,462)</u>	<u>436,629</u>	<u>8,500</u>	
-	(35,472)	-	
-	1,282	-	
-	(1,031,694)	-	
<u>-</u>	<u>(1,065,884)</u>	<u>-</u>	
-	39,085	-	
6,757	74,037	-	
<u>6,757</u>	<u>113,122</u>	<u>-</u>	
50,799	870	4,408	
2,773,262	27,494,701	109,624	
<u>\$ 2,824,061</u>	<u>\$ 27,495,571</u>	<u>\$ 114,032</u>	

(Continued)

CITY OF EVANSTON, WYOMING

STATEMENT OF CASH FLOWS (CONTINUED)

Proprietary Funds

Year Ended June 30, 2015

	Business-type Activities - Enterprise Funds		
	Water Fund	Sewer Fund	Golf Fund
Reconciliation of operating income (loss) to net cash and cash equivalents provided (used) by operating activities			
Operating income (loss)	\$ (580,551)	\$ 180,114	\$ (450,470)
Adjustments to reconcile operating income (loss) to net cash and cash equivalents provided (used) by operating activities			
Depreciation	1,001,477	163,699	205,021
Amortization of differences on pension plan investment earnings	7,523	5,380	-
Increase (decrease) in cash and cash equivalents resulting from changes in operating assets, deferred outflows and liabilities			
Accounts receivable	40,634	(11,725)	-
Inventory	-	-	374
Deferred outflows - pension plan items	(39,663)	(28,046)	-
Accounts payable	(202,452)	(6,520)	(4,549)
Accrued payroll	3,379	(926)	-
Accrued liabilities	17,434	6,670	-
Deposits payable	(1,995)	-	-
Net pension liability	69,202	49,489	-
Net cash and cash equivalents provided (used) by operating activities	\$ 314,988	\$ 358,135	\$ (249,624)
Supplemental Information			
Non-cash investing, capital and related financing activities:			
Net increase in the fair value of investments	\$ 533	\$ -	\$ -
Capital assets acquired with capital lease	\$ -	\$ -	\$ 201,108

See accompanying notes to the financial statements

<u>Business-type Activities - Enterprise Funds</u>		Governmental
<u>Other Nonmajor Enterprise fund</u>		<u>Activities</u>
<u>Environmental Service Fund</u>	<u>Totals</u>	<u>Internal Service Fund</u>
\$ (28,890)	\$ (879,797)	\$ (4,314)
73,250	1,443,447	-
9,176	22,079	-
(20,137)	8,772	120
-	374	102
(52,927)	(120,636)	-
(3,007)	(216,528)	-
31,634	34,087	-
-	24,104	-
-	(1,995)	-
84,405	203,096	-
<u>\$ 93,504</u>	<u>\$ 517,003</u>	<u>\$ (4,092)</u>

CITY OF EVANSTON, WYOMING

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2015

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 Statements No. 39 and No. 61, 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 Housing Authority of the City of Evanston, Airport Joint Powers Board, and the City of Evanston- Uinta County Human Services Building Joint Powers Board are all related organization to which the City appoints board members but for which the City has no significant financial accountability. All transactions with each of these organizations are conducted in the ordinary course of business. Further financial information is available from each organization.

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

Government-Wide and Fund Financial Statements

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

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

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

CITY OF EVANSTON, WYOMING

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2015

Note 1. Summary of Significant Accounting Policies (Continued)

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

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.

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 *environmental service fund* accounts for the activities of the City's sanitation and storm water.

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.

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

CITY OF EVANSTON, WYOMING

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2015

Note 1. Summary of Significant Accounting Policies (Continued)

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

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

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

Assets, Liabilities, Deferred Inflows and Outflows of Resources, and Net Position or Equity

Cash 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 types of investments in which the City may invest. Among these authorized investments are certificates of deposit, money market funds, commercial paper, obligations of the U.S. Treasury, agencies and instrumentalities of the U.S. Government, mortgage backed securities, guaranteed investment contracts, mutual funds and repurchase agreements with banks with the underlying securities being obligations of the U.S. Treasury or agencies and instrumentalities of the U.S. Government.

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 statement of net position date. A significant portion of the City's investment activity is conducted in a pooled investment account with the State of Wyoming, State Treasurer's office. The WYO-STAR investment pools were established on or after July 1, 1996 according to the Wyoming Statutory Trust Act. Shares of the fund are offered exclusively to Wyoming governmental entities. Separate accounts are maintained for each entity. These pools invest in obligations of the U.S. Treasury and other investments as authorized by the Wyoming Statutes. 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.

CITY OF EVANSTON, WYOMING

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2015

Note 1. Summary of Significant Accounting Policies (Continued)

Assets, Liabilities, Deferred Inflows and Outflows of Resources, and Net Position or Equity (Continued)

Property Taxes

Property taxes attach as an enforceable lien on property as of January 1. 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 the 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.

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, 2015, was 8 mills which mean that the City has levied to the maximum amount available.

Inventories and Prepaid Items

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

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

Compensated Absences Benefits

It is the City's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. All vacation pay and sick leave is accrued when incurred in the government-wide, and proprietary 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 the initial capitalization of general infrastructure assets (i.e., those reported by governmental activities), the City chose to include all such items regardless of their acquisition date or amount. The City was able to estimate the historical cost for the initial reporting of these assets through back trending (i.e., estimating the current replacement cost of the infrastructure to be capitalized and using an appropriate price-level index to deflate the cost to the acquisition year or estimated acquisition year). As the City 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 City values these capital assets at the estimated fair value of the item at the date of its donation.

CITY OF EVANSTON, WYOMING

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2015

Note 1. Summary of Significant Accounting Policies (Continued)

Assets, Liabilities, Deferred Inflows and Outflows of Resources, and Net Position or Equity (Continued)

Capital Assets (Continued)

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
Infrastructure	30-50
Machinery and equipment	5

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Wyoming Retirement System (“WRS”) plans and additions to/deductions from WRS’s fiduciary net position have been determined on the same basis as they are reported by WRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Deferred Outflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The government only has one item that qualifies for reporting in this category. It is the pension plan items reported in the government-wide and proprietary funds statement of net position. The pension plan items are the result of differences between projected and actual earning on pension plan items, as well as, the District’s contributions subsequent to the measurement date used by the Wyoming Retirement System for the pension plan liability.

Deferred Inflows of Resources

In addition to liabilities, the statement of net position and governmental funds balance sheet sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The government has one item that qualifies for reporting in the category. Unavailable revenue is reported in the governmental funds balance sheet. The governmental funds report unavailable revenues from two sources: property taxes and grants. These amounts are deferred and recognized as inflow of resources in the period that the amounts become available. In the government-wide statement of net position, only property taxes are reported as a deferred inflow of resources. Property taxes are recognized as in inflow of resources in the year they are levied.

CITY OF EVANSTON, WYOMING

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2015

Note 1. Summary of Significant Accounting Policies (Continued)

Assets, Liabilities, Deferred Outflows and Deferred Inflows of Resources and Net Position or Equity (Continued)

Long-Term Obligations

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

Fund Balance/Net Position

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

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

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

Use of Estimates

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

Note 2. Stewardship, Compliance, and Accounting

Budgets and Budgetary Accounting

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

1. Prior to May 15, the City Treasurer submits to the City Council a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them.
2. A public hearing is conducted on the third Tuesday in June to obtain public comments.
3. The budget is adopted no later than twenty-four hours after the third Tuesday in June.

CITY OF EVANSTON, WYOMING

NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

Note 2. Stewardship, Compliance, and Accounting (Continued)

Budgets and Budgetary Accounting (Continued)

4. At the request of the City Treasurer or upon its own motion after publication of notice, the City Council may by resolution transfer any unencumbered or unexpended appropriation balance or part thereof from one fund or department to another. Management may amend the budget at the object line item level without seeking Council approval provided the fund or department's total budget is not modified.
5. No officer or employee of the City shall make any expenditure or encumbrance in excess of the total appropriation for any department.
6. All appropriations excluding appropriations for capital projects shall lapse following the close of the budget year to the extent they are not expended.
7. The appropriated budget is prepared by fund, function, and department using the accrual basis of accounting. The government's department heads may make transfers of appropriations within a department. Transfers of appropriations between departments require the approval of the council. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the department level.
8. Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is not employed as an extension of formal budgetary integration.

Note 3. Detailed Notes on all Funds

Deposits and Investments

As of June 30, 2015, 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 - MBS	\$ 21,451	5.00-5.50%	\$ -	\$ -	\$ -	\$ 21,451	Not Rated
FNMA - Notes	9,635,427	1.00-1.25%	-	9,635,427	-	-	AA+/Aaa *
Certificates of deposit	667,467	.55-.75%	667,467	-	-	-	Not Rated
Money market	307	0.01%	307	-	-	-	Not Rated
State Treasurer's investment pool (WYO-STAR)	23,358,371		23,358,371	-	-	-	Not Rated
	<u>\$33,683,023</u>		<u>\$ 24,026,145</u>	<u>\$ 9,635,427</u>	<u>\$ -</u>	<u>\$ 21,451</u>	

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

Reported in the following classifications

Pooled cash and investments	\$ 39,418,122
Less pooled cash	<u>5,735,099</u>
Pooled investments	<u>\$ 33,683,023</u>

CITY OF EVANSTON, WYOMING

NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

Note 3. 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, 2015, the State Treasurer’s Investment Pool (WYO-STAR) did not have a quality service credit rating.

Concentration of credit risk. The City does not have a formal policy that mandates or limits an investment in any one issuer as a specified percentage of the City’s total investments. The composition of the investment portfolio of City at June 30, 2015 is as follows:

Deposit and Investment Types	Fair Value	Percent of Portfolio
GNMA - MBS	\$ 21,451	0.06%
FHLB - Notes	9,635,427	28.61%
Certificate of deposits		
Bank Hapoalim	243,592	0.72%
Bank of Baroda	91,889	0.27%
Bank of North America	91,948	0.27%
Goldman Sachs Bank	240,038	0.71%
Money market	307	0.00%
WYO-STAR Investment Pool	23,358,371	69.35%
	\$ 33,683,023	99.99%

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, 2015, City deposits of \$29,386 were not 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 - Interfund Balances

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.”

CITY OF EVANSTON, WYOMING

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2015

Note 3. Detailed Notes on all Funds (Continued)

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

The following is a detailed reconciliation of the City's individual fund level financial statement balances for the year ended June 30, 2015, to the government-wide statements.

Advances to/from other funds

Governmental activities

 General fund

\$ - \$ 1,572,556

Business-type activities

 Water fund

<u>1,572,556</u>	<u>-</u>
<u><u>\$ 1,572,556</u></u>	<u><u>\$ 1,572,556</u></u>

During 2009, the water fund advanced \$2,000,000 to the general fund for the purpose of paying the construction costs incurred for the Restoration of Section One of the Roundhouse Project. Interest was calculated on the outstanding balance at the rate of .2429%, which was the rate of return on WYO-STAR at June 30, 2015.

Year ending June 30,	Advance Payable Water Fund	
	Principal	Interest
2016	\$ 246,213	\$ 3,915
2017	246,806	3,317
2018	247,400	2,718
2019	247,996	2,117
2020	248,593	1,515
Thereafter	335,548	1,217
	<u>\$ 1,572,556</u>	<u>\$ 14,799</u>

CITY OF EVANSTON, WYOMING

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2015

Note 3. Detailed Notes on all Funds (Continued)

Receivables

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

	General	Water Fund	Sewer Fund	Environmental Service Fund	Nonmajor and Other Funds	Total
Receivables						
Customer	\$ -	\$ 248,037	\$ 109,141	\$ 110,277	\$ -	\$ 467,455
Grants	168,090	-	-	-	-	168,090
Franchise fees	40,581	-	-	-	-	40,581
Sales and use tax	968,372	-	-	-	-	968,372
Pari-mutual	34,971	-	-	-	-	34,971
Municipal court	400,678	-	-	-	-	400,678
Miscellaneous	-	-	-	-	69,502	69,502
Allowance for bad debts	(362,228)	-	-	-	-	(362,228)
	<u>\$ 1,250,464</u>	<u>\$ 248,037</u>	<u>\$ 109,141</u>	<u>\$ 110,277</u>	<u>\$ 69,502</u>	<u>\$ 1,787,421</u>

Interfund Transfers

The following is a detailed reconciliation of the City's interfund transfers for the year ended June 30, 2015.

	Transfers In	Transfers Out
Governmental Activities:		
General Fund	\$ -	\$ 711,500
Special Revenue Fund		
Environmental Services Fund	340,746	340,746
Permanent Fund		
Cemetery Fund	213,000	-
Internal Service Fund		
Motor Vehicle Fund	8,500	-
Total governmental activities	<u>562,246</u>	<u>1,052,246</u>
Business-type Activities:		
Golf Fund	490,000	-
Total business-type activities	<u>490,000</u>	<u>-</u>
Total governmental wide	<u>\$ 1,052,246</u>	<u>\$ 1,052,246</u>

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

CITY OF EVANSTON, WYOMING

NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

Note 3. Detailed Notes on all Funds (Continued)

Capital Assets

Capital asset activity for the year ended June 30, 2015 was as follows:

	Restated Beginning Balance	Additions	Deletions	Transfer	Ending Balance
Governmental activities					
Capital assets not being depreciated					
Land	\$ 11,329,897	\$ -	\$ -	\$ -	\$ 11,329,897
Construction in progress	2,157,740	870,620	-	(2,151,516)	876,844
Total capital assets not being depreciated	<u>13,487,637</u>	<u>870,620</u>	<u>-</u>	<u>(2,151,516)</u>	<u>12,206,741</u>
Capital assets being depreciated					
Buildings and systems	40,289,062	-	-	2,151,516	42,440,578
Machinery and equipment	4,963,597	138,227	182,554	(6,033)	4,913,237
Infrastructure	17,588,070	-	-	-	17,588,070
Total capital assets being depreciated	<u>62,840,729</u>	<u>138,227</u>	<u>182,554</u>	<u>2,145,483</u>	<u>64,941,885</u>
Less accumulated depreciation for					
Buildings and systems	16,797,572	1,124,709	-	-	17,922,281
Machinery and equipment	4,364,544	161,485	182,554	(6,033)	4,337,442
Infrastructure	17,204,130	49,660	-	-	17,253,790
Total accumulated depreciation	<u>38,366,246</u>	<u>1,335,854</u>	<u>182,554</u>	<u>(6,033)</u>	<u>39,513,513</u>
Total capital assets, being depreciated, net	<u>24,474,483</u>	<u>(1,197,627)</u>	<u>-</u>	<u>2,151,516</u>	<u>25,428,372</u>
Governmental activities capital assets, net	<u>\$ 37,962,120</u>	<u>\$ (327,007)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 37,635,113</u>

Machinery and equipment that was purchased through a lease purchase obligation is included in machinery and equipment of the governmental activities. The purchase price of that equipment was \$46,548 with current year depreciation expense of \$306 was expensed in governmental activities.

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

Governmental activities

General government	\$ 1,111,817
Public safety	107,760
Public works, including depreciation of general infrastructure assets	85,523
Capital assets held in the permanent fund	<u>30,754</u>
Total depreciation expense for governmental activities	<u>\$ 1,335,854</u>

CITY OF EVANSTON, WYOMING

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2015

Note 3. Detailed Notes on All Funds (Continued)

Capital Assets (Continued)

	Beginning Balance	Additions	Deletions	Transfer	Ending Balance
Business-type activities					
Capital assets not being depreciated					
Land	\$ 733,694	\$ -	\$ -	\$ -	\$ 733,694
Construction in progress	291,945	943,265	-	(1,235,210)	-
Total capital assets not being depreciated	1,025,639	943,265	-	(1,235,210)	733,694
Capital assets being depreciated					
Buildings and systems	66,135,209	-	-	1,235,210	67,370,419
Machinery and equipment	2,615,375	289,537	311,955	6,033	2,598,990
Total capital assets being depreciated	68,750,584	289,537	311,955	1,241,243	69,969,409
Less accumulated depreciation for					
Buildings and systems	36,590,011	1,301,279	-	-	37,891,290
Machinery and equipment	1,931,268	142,168	274,220	6,033	1,805,249
Total accumulated depreciation	38,521,279	1,443,447	274,220	6,033	39,696,539
Total capital assets, being depreciated, net	30,229,305	(1,153,910)	37,735	1,235,210	30,272,870
Business-type activities capital assets, net	\$ 31,254,944	\$ (210,645)	\$ 37,735	\$ -	\$ 31,006,564

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 \$201,108 with accumulated depreciation of \$12,750; current year depreciation of \$28,543 was expensed in business-type activities.

CITY OF EVANSTON, WYOMING

NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

Note 3. Detailed Notes on All Funds (Continued)

Long-Term Debt

The changes on long-term debt for the year ended June 30, 2015 were as follows:

	Balance July 1, 2014	Additions	Reductions	Balance June 30, 2015	Due Within One Year
Governmental activities					
Compensated absences	\$ 665,571	\$ -	\$ 26,746	\$ 638,825	\$ 31,941
Lease purchase obligations	-	46,548	-	46,548	7,861
Pension obligation	1,126,116	318,563	-	1,444,679	-
	<u>1,791,687</u>	<u>365,111</u>	<u>26,746</u>	<u>2,130,052</u>	<u>39,802</u>
Governmental activities long-term liabilities	<u>\$ 1,791,687</u>	<u>\$ 365,111</u>	<u>\$ 26,746</u>	<u>\$ 2,130,052</u>	<u>\$ 39,802</u>
For the governmental activities, compensated absences are generally liquidated by the general fund.					
Business-type activities					
Compensated absences	\$ 238,695	\$ 46,137	\$ -	\$ 284,832	\$ 14,242
Lease purchase obligation	271,445	201,108	134,088	338,465	79,363
Pension obligation	876,280	203,097	-	1,079,377	-
	<u>1,386,420</u>	<u>450,342</u>	<u>134,088</u>	<u>1,702,674</u>	<u>93,605</u>
Business-type activities long-term liabilities	<u>\$ 1,386,420</u>	<u>\$ 450,342</u>	<u>\$ 134,088</u>	<u>\$ 1,702,674</u>	<u>\$ 93,605</u>

Debt outstanding, (excluding accrued compensated absences) at June 30, 2015 is comprised of the following issues:

Governmental Activities:

\$46,548 lease purchase obligation, interest rate 5.517%, payable monthly, principal and interest payments of \$853 through September 2020, serviced by the General Fund. \$ 46,548

Future minimum lease payments under all debt except compensated absences outstanding as of June 30, 2015 are as follows:

Year ending June 30,	
2016	\$ 10,232
2017	10,232
2018	10,232
2019	10,232
2020	10,232
Thereafter	2,558
	<u>53,718</u>
Less amount representing interest	(7,170)
Net present value of minimum lease payment	<u>\$ 46,548</u>

CITY OF EVANSTON, WYOMING

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2015

Note 3. Detailed Notes on All Funds (Continued)

Long-Term Debt (Continued)

Long-Term Debt – Business-type Activities

Debt outstanding, (excluding accrued compensated absences) at June 30, 2015 is comprised of the following issues:

Business-type Activities:

\$201,108 lease purchase obligation, interest rate 3.8%, payable monthly, principal and interest payments of \$3,282 through June 2019, serviced by the Golf Fund.	\$ 195,769
\$237,430 lease purchase obligation, interest rate 1.98%, payable annually, principal and interest payments of \$49,461 through February 2018, serviced by the Environmental Service Fund.	142,695
	338,464
	\$ 338,464

Future minimum lease payments under all debt except compensated absences outstanding as of June 30, 2015 are as follows:

Year ending June 30,		
2016	\$	88,842
2017		88,842
2018		88,842
2019		96,705
		363,231
Less amount representing interest		(24,767)
Net present value of minimum lease payment	\$	338,464

CITY OF EVANSTON, WYOMING

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2015

Note 3. Detailed Notes on All Funds (Continued)

Long-Term Debt (Continued)

Assigned Fund Balances

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

As of June 30, 2015 the City Council had established plans for 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
	<hr/>
	\$ 5,500,000
	<hr/> <hr/>

Construction Commitments

The City has several outstanding construction projects as of June 30, 2015. 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:

<u>Project Name</u>	<u>Original Contract Amount</u>	<u>Expended To Date</u>	<u>Remaining Commitment</u>
Governmental activities			
General Fund			
Bear Meadow Enhancement Phase I	\$ 498,655	\$ 46,621	\$ 452,034
Early Childhood Building Expansion	832,817	830,223	2,594
Total governmental activities	<hr/> 1,331,472	<hr/> 876,844	<hr/> 454,628
Total primary government	<hr/> \$ 1,331,472	<hr/> \$ 876,844	<hr/> \$ 454,628

Contingencies

There are several lawsuits pending against the City for various reasons. The outcome and eventual liability to the City, if any, in these cases is not known at this time; however, management and legal counsel estimate the potential claims against the City, not covered by insurance, resulting from such litigation would not materially affect the basis financial statements of the City.

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, 2015 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 in any of the past three fiscal years. The government has had no significant reductions in insurance coverage from coverage in the prior years.

CITY OF EVANSTON, WYOMING

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2015

Note 3. Detailed Notes on All Funds (Continued)

Risk Management (Continued)

The City also participates in two other risk management programs: Workers' Compensation Act and Unemployment Compensation Act.

Wyoming Statute 27-14-101 created the Wyoming Workers' Compensation Act, which is administered as an enterprise fund by the State of Wyoming. All employers within the State of Wyoming are participants of this plan unless the employer elects not to be covered under the plan. This Act requires the City to obtain liability coverage for payment of benefits to employees for job-related injuries and diseases through the Workers' Compensation Fund. This Act provides general protection from suits filed by employees against the City. The City makes monthly payments to the Department of Employment, State of Wyoming. This amount is based on salaries and a split rate between hazardous and non-hazardous positions. Amounts paid by the City to the State for Workers' Compensation during fiscal year 2015 were approximately \$124,000.

Wyoming Statute 27-3-101 created the Unemployment Compensation Act. This Act requires the City to pay the cost of actual claims incurred. Changes in the balances of claims liabilities during fiscal year 2015 and 2014 were as follows for the City's participation in the Unemployment Compensation Act Program:

	Fiscal Year Ended 2015	Fiscal Year Ended 2014
Unpaid claims, beginning of year	\$ -	\$ -
Incurred claims	1,663	1,564
Claim payments	(1,663)	(1,564)
Unpaid claims, end of year	\$ -	\$ -

Pension Plan Fiduciary Net Position

The Wyoming Retirement System issues a publicly available financial report which includes audited financial statements and required supplementary information for each plan. Detailed information about the pension plans' fiduciary net position is available in separately issued Wyoming Retirement System financial report. The report may be obtained from the Wyoming Retirement System website at <http://retirement.state.wy.us>.

All eligible City employees are covered under one of the two following retirement plans:

Public Employees' Pension Plan

The City participates in the Public Employees' Pension Plan ("PEPP"), a statewide cost-sharing multiple-employer public employee retirement system administered by the State of Wyoming Retirement System Board. Substantially all city full-time employees are eligible to participate. The PEPP provides retirement, disability and death benefits according to predetermined formulas. Benefits are established by Title 9, Chapter 3 of the Wyoming Statutes.

PEPP members are required to contribute 8.25% of their annual covered salary and the City is required to contribute 7.62% of the annual covered payroll. Legislation enacted in 1979 allows the employer to pay any or all of the employees' contribution in addition to the matching contribution. The City currently pays 11.94% of the required total contributions and the employees contribute the remaining portion, 3.38% of the required total contribution. Contribution rates are established by Title 9, Chapter 3 of the Wyoming Statutes.

The City's contributions to the PEPP for the years ended June 30, 2015, 2014, and 2013, were \$273,488 and \$245,762 and \$239,740 respectively and the employees' contributions were \$90,018 and \$66,330 and \$59,568, respectively, equal to the required contribution for the year. July 1, 2015, the employer contribution rate will increase by 0.75% from 7.625% to 8.375%.

CITY OF EVANSTON, WYOMING

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2015

Note 3. Detailed Notes on All Funds (Continued)

Wyoming Law Enforcement Retirement Plan

The City participates in the Wyoming Law Enforcement Retirement Plan ("WLERP"), a state-wide, cost-sharing, multiple-employer public employee retirement plan administered by the State of Wyoming Retirement System Board. The WLERP is a defined benefit, contributory plan covering any county sheriff, deputy county sheriff, municipal police officer, Wyoming correctional officer, Wyoming law enforcement academy instructor, University of Wyoming campus police officer, detention officer or dispatcher for law enforcement agencies and certain investigators of the Wyoming Livestock Board.

The WLERP statutorily provides retirement, disability and death benefits according to predetermined amounts primarily determined by salary, age and years of service of the participant. The WLERP also statutorily provides for a percentage increase in the benefit amounts beginning July 1, after two full years of retirement by 2% each year. State statutes provide for future annual percent increases in the benefit amount to be the greater of the cost of living as determined by the Board or the percentage determined actuarially sound by the System's actuary, up to 2% each year. Participants may withdraw from the WLERP at any time and receive refunds of participant contributions plus accumulated interest.

The WLERP 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, 2015, the percentages to be contributed on compensation were 8.60% for the employees and the same for the City. The City currently pays 11.94% of the required total contributions and the police officers contribute the remaining portion, 5.26% of the required total contribution.

For the years ended June 30, 2015, 2014, and 2013 the contributions to the Wyoming Law Enforcement Retirement Plan were \$226,679, \$229,649 and \$219,395 respectively. The City's portion of these contributions were \$157,357, \$152,716 and \$145,923, respectively, and the employees' contributions were \$69,322, \$73,472 and \$77,869, respectively, equal to the required contributions for each year.

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

At June 30, 2015, the City reported a total liability of \$2,524,056 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation January 1, 2014. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plans relative to the projected contributions of all participating governmental entities, actuarially determined. At December 31, 2014, the City's liability as well as their proportion and increase from its proportion measured at December 31, 2013 was as follows for each plan in which the City participates:

	Pension liability at December 31, 2014	Proportion at December 31, 2014	Increase (decrease) from December 31, 2013
Public Employees' Pension Plan	\$ 2,272,616	0.128782567%	0.007490475%
Wyoming Law Enforcement Retirement Plan	251,440	0.853389620%	-0.013406582%
	<u>\$ 2,524,056</u>		

CITY OF EVANSTON, WYOMING

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2015

Note 3. Detailed Notes on All Funds (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

For the year ended June 30, 2015, the City recognized pension expense of \$257,241. At June 30, 2015, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>
Net difference between projected and actual earnings on pension plan investments	\$ 285,637
City contributions subsequent to the measurement date	297,093
Total	<u>\$ 582,730</u>

The City reported \$297,093 as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows or resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	<u>Deferred Outflows</u>
Year ended June 30:	
2016	\$ 71,409
2017	71,409
2018	71,409
2019	71,410
	<u>\$ 285,637</u>

Actuarial Assumptions

The total pension liability in the December 31, 2014 measurement date was determined using the following actuarial assumptions, applied to all periods included in the measurement:

<u>Actuarial Assumptions and Methods</u>	
Valuation date	1/1/2014
Actuarial cost method	Individual Entry Age Normal
Amortization method	Level percent open
Remaining amortization period	30 years
Asset valuation method	5-year
Actuarial assumptions:	
Projected salary increases	4.25% to 8.00%
Assumed inflation rate	3.25%
Mortality	RP-2000 Combined Mortality Table, fully generational

The current actuarial assumptions and methods used in the January 1, 2014 valuation were based upon an experience study that covered a five-year period ending December 31, 2011. Differences between assumptions and actual experience since the prior valuation are identified as actuarial gains and losses.

CITY OF EVANSTON, WYOMING

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2015

Note 3. Detailed Notes on All Funds (Continued)

Actuarial Assumptions (Continued)

These gains and losses impact the unfunded actuarial liability and future funding requirements determined in subsequent valuations.

The long term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and adding expected inflation.

For each major asset class that is included in the pension plans' target allocation as of January 1, 2014, these best estimates are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	2.50%	0.50%
Fixed income	15.00%	0.98%
Equity	55.00%	6.66%
Marketable alternatives	15.50%	4.19%
Private markets	12.00%	7.13%
Total	100.00%	

Discount Rate

The discount rate used to measure the total pension liability was 7.75 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions for participating governmental entities will be made at contractually required rates, actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following table presents the City's proportionate share of the net pension liability calculated using the discount rate of 7.75 percent, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.75 percent) or 1-percentage-point higher (8.75 percent) than the current rate.

Pension Plan	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
Public Employees' Pension Plan	\$ 3,551,409	\$ 2,272,616	\$ 1,198,724
Wyoming Law Enforcement Retirement Plan	877,949	251,440	(265,577)

Payables to the pension plan – At June 30, 2015, the City reported no payables to the pension plans.

CITY OF EVANSTON, WYOMING

NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

Note 3. Detailed Notes on All Funds (Continued)

Prior Period Adjustment

As part of implementing the requirements of Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27* and Governmental Accounting Standards Board Statement No. 71, *Pensions Transition for Contributions Made Subsequent to the Measurement Date (an amendment of GASB Statement No. 68)*, the City adjusted its statements of net position for the portion of the pension liability attributable to periods before the year ended June 30, 2014. In the prior year, certain planning expenditures were recorded as construction in progress, however, it was subsequently determined the project was not going to continue and therefore the expenditure should have been expensed. The table below illustrates the construction in progress, deferred outflows, net pension liability, and net position as originally stated and restated:

	Governmental Activities		
	As Originally Stated	Adjustments	As Restated
	June 30, 2014		June 30, 2014
Construction in progress	\$ -	\$ (524,905)	\$ (524,905)
Deferred outflows	-	199,851	199,851
Net pension liability	-	1,126,116	1,126,116
Net position	47,309,124	(1,451,170)	45,857,954
	Business-type Activities		
	As Originally Stated	Adjustments	As Restated
	June 30, 2014		June 30, 2014
Deferred outflows	\$ -	\$ 77,177	\$ 77,177
Net pension liability	-	876,280	876,280
Net position	59,997,287	(799,103)	59,198,184

Operating Lease – Lessor

Under a month to month agreement, the City leased a building to a tenant at the rate of \$8,000 per month for the first year and increasing \$1,000 per month for each subsequent year. As of June 30, 2015, the monthly rate was \$10,000 per month. The cost of the leased property is \$3,617,843 with accumulated depreciation of \$542,924. Rental income from this lease was \$110,000 for the year ending June 30, 2015.

During 2014, the City entered into an agreement with a non-profit organization to lease certain real estate to the entity for one dollar per square foot (\$7,647 per month) for a term of five years at which time the organization has the option to purchase the property for its fair market value. The fair market value is to be modified by reducing the price by \$1,000,000 which the non-profit paid as an investment towards the construction of the subject property and by the rental payments made through the date the purchase option is executed. Since the non-profit organization currently provides out-patient mental health services pursuant to an annual contract awarded by the State of Wyoming, Department of Health, and their ability to continue operations without the State contract would be difficult, the non-profit organization has the right to terminate the lease should the State discontinue its funding. In the event the lease is terminated due to the lack of funding from the State, the City must return the organization’s initial investment of \$1,000,000 by making four payments of \$250,000 each, with

CITY OF EVANSTON, WYOMING

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2015

Note 3. Detailed Notes on All Funds (Continued)

Operating Lease – Lessor (Continued)

the first payment due 120 days after the date of termination of the lease and the subsequent payments due every 120 days thereafter until the entire amount is paid in full.

The City received \$84,564 for rent in the current fiscal year under the terms of the lease.

Implementation of Governmental Accounting Standards Board Statements 68 and 71

Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27* and Governmental Accounting Standards Board Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date (an amendment of GASB Statement No. 68)* were issued to improve accounting and financial reporting by state and local governments for pensions. They also improve information provided by state and local governmental employers about financial support for pensions that is provided by other entities. These Statements result from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency.

Accounting Standards Issued, But Not Implemented

As of June 30, 2015, the Governmental Accounting Standards Board has issued the following standards which the City may implement in its next fiscal year.

Governmental Accounting Standards Board Statement No. 72, *Fair Value Measurement and Application*, defines fair value and describes how fair value should be measured, what assets and liabilities should be measured at fair value, and what information about fair value should be disclosed in the notes to the financial statements.

Management has not concluded its assessment of the effect of implementing this guidance.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF EVANSTON, WYOMING

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

General Fund

Year Ended June 30, 2015

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
PROPERTY TAXES AND OTHER TAXES				
Property taxes	\$ 536,000	\$ 536,000	\$ 642,842	\$ 106,842
Motor vehicle tax	250,000	250,000	287,016	37,016
Sales and use taxes	4,375,000	4,375,000	5,098,631	723,631
Franchise fees	161,500	161,500	185,045	23,545
Car company tax	500	500	518	18
	<u>5,323,000</u>	<u>5,323,000</u>	<u>6,214,052</u>	<u>891,034</u>
LICENSES AND PERMITS	<u>106,100</u>	<u>106,100</u>	<u>388,319</u>	<u>282,219</u>
INTERGOVERNMENTAL REVENUES				
State gasoline tax	475,000	475,000	555,193	80,193
Severance tax	460,300	460,300	455,393	(4,907)
Cigarette tax	107,000	107,000	94,030	(12,970)
State funding	932,488	932,488	932,764	276
Grants	2,991,972	2,994,972	2,213,177	(781,795)
Mineral royalties	641,821	641,821	647,449	5,628
Pari-Mutual Tax	25,000	25,000	75,938	50,938
	<u>5,633,581</u>	<u>5,636,581</u>	<u>4,973,944</u>	<u>(662,637)</u>
CHARGES FOR SERVICES				
Public safety fees	25,700	25,700	83,115	57,415
	<u>25,700</u>	<u>25,700</u>	<u>83,115</u>	<u>57,415</u>
FINES AND FORFEITURES	<u>149,200</u>	<u>149,200</u>	<u>151,153</u>	<u>1,953</u>
MISCELLANEOUS REVENUES				
Interest earnings	135,000	135,000	210,655	75,655
Miscellaneous revenues	31,400	31,400	56,570	25,170
Gain on sale of fixed assets	1,000	1,000	6,682	5,682
	<u>167,400</u>	<u>167,400</u>	<u>273,907</u>	<u>106,507</u>
Total revenues	<u>11,404,981</u>	<u>11,407,981</u>	<u>12,084,490</u>	<u>676,491</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, 2015

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
GENERAL GOVERNMENT				
City Council				
Salaries and benefits	\$ 140,271	\$ 140,271	\$ (6,468)	\$ 146,739
Contractual	<u>101,653</u>	<u>117,653</u>	<u>99,126</u>	<u>18,527</u>
	<u>241,924</u>	<u>257,924</u>	<u>92,658</u>	<u>165,266</u>
Attorney				
Contractual	<u>157,000</u>	<u>157,000</u>	<u>125,706</u>	<u>31,294</u>
	<u>157,000</u>	<u>157,000</u>	<u>125,706</u>	<u>31,294</u>
Judicial				
Salaries and benefits	67,094	67,094	64,194	2,900
Contractual	<u>74,827</u>	<u>74,827</u>	<u>106,927</u>	<u>(32,100)</u>
	<u>141,921</u>	<u>141,921</u>	<u>171,121</u>	<u>(29,200)</u>
Mayor				
Contractual	<u>6,100</u>	<u>6,100</u>	<u>110</u>	<u>5,990</u>
	<u>6,100</u>	<u>6,100</u>	<u>110</u>	<u>5,990</u>
Community Development				
Salaries and benefits	253,640	253,640	225,813	27,827
Contractual	<u>55,554</u>	<u>55,554</u>	<u>34,971</u>	<u>20,583</u>
	<u>309,194</u>	<u>309,194</u>	<u>260,784</u>	<u>48,410</u>
Administrative				
Salaries and benefits	150,728	150,728	137,449	13,279
Contractual	<u>138,906</u>	<u>138,906</u>	<u>67,104</u>	<u>71,802</u>
	<u>289,634</u>	<u>289,634</u>	<u>204,553</u>	<u>85,081</u>
Treasury				
Salaries and benefits	252,185	311,126	301,303	9,823
Contractual	<u>117,325</u>	<u>117,325</u>	<u>91,055</u>	<u>26,270</u>
	<u>369,510</u>	<u>428,451</u>	<u>392,358</u>	<u>36,093</u>
Clerk				
Salaries and benefits	253,156	253,156	240,658	12,498
Contractual	<u>80,084</u>	<u>80,084</u>	<u>44,037</u>	<u>36,047</u>
	<u>333,240</u>	<u>333,240</u>	<u>284,695</u>	<u>48,545</u>
Emergency Reserve				
Contractual	<u>93,000</u>	<u>93,000</u>	<u>22,690</u>	<u>70,310</u>
	<u>93,000</u>	<u>93,000</u>	<u>22,690</u>	<u>70,310</u>
Urban Renewal				
Salaries and benefits	68,361	68,361	65,505	2,856
Contractual	<u>43,735</u>	<u>43,735</u>	<u>12,181</u>	<u>31,554</u>
	<u>112,096</u>	<u>112,096</u>	<u>77,686</u>	<u>34,410</u>
Economic Development				
Contractual	<u>21,250</u>	<u>21,250</u>	<u>12,293</u>	<u>8,957</u>
	<u>21,250</u>	<u>21,250</u>	<u>12,293</u>	<u>8,957</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, 2015

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
GENERAL GOVERNMENT (Continued)				
Youth Services				
Contractual	\$ 75,000	\$ 75,000	\$ 63,697	\$ 11,303
	<u>75,000</u>	<u>75,000</u>	<u>63,697</u>	<u>11,303</u>
General Services				
Salaries and benefits	529,008	529,008	461,932	67,076
Contractual	443,513	443,513	327,372	116,141
	<u>972,521</u>	<u>972,521</u>	<u>789,304</u>	<u>183,217</u>
Total general government	<u>3,122,390</u>	<u>3,197,331</u>	<u>2,497,655</u>	<u>699,676</u>
PUBLIC SAFETY AND TRANSPORTATION				
Police Administrative				
Salaries and benefits	120,500	120,500	113,068	7,432
Contractual	296,834	296,834	167,543	129,291
	<u>417,334</u>	<u>417,334</u>	<u>280,611</u>	<u>136,723</u>
Police Detective				
Salaries and benefits	848,395	848,395	546,978	301,417
Contractual	32,810	32,810	21,872	10,938
	<u>881,205</u>	<u>881,205</u>	<u>568,850</u>	<u>312,355</u>
Police Patrol				
Salaries and benefits	1,570,709	1,585,709	1,469,251	116,458
Contractual	97,200	97,200	82,596	14,604
	<u>1,667,909</u>	<u>1,682,909</u>	<u>1,551,847</u>	<u>131,062</u>
Support				
Salaries and benefits	441,790	441,790	417,427	24,363
Contractual	22,358	22,358	14,306	8,052
	<u>464,148</u>	<u>464,148</u>	<u>431,733</u>	<u>32,415</u>
Police Grants				
Salaries and benefits	42,481	42,481	41,291	1,190
Contractual	58,003	58,003	27,676	30,327
	<u>100,484</u>	<u>100,484</u>	<u>68,967</u>	<u>31,517</u>
Total public safety and transportation	<u>3,531,080</u>	<u>3,546,080</u>	<u>2,902,008</u>	<u>644,072</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, 2015

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
HEALTH, WELFARE AND RECREATION				
Administrative				
Contractual	\$ 1,259,266	\$ 1,259,266	\$ 1,057,017	\$ 202,249
	<u>1,259,266</u>	<u>1,259,266</u>	<u>1,057,017</u>	<u>202,249</u>
Total health, welfare and recreation	<u>1,259,266</u>	<u>1,259,266</u>	<u>1,057,017</u>	<u>202,249</u>
PUBLIC WORKS				
Administrative				
Salaries and benefits	129,669	165,669	135,172	30,497
Contractual	53,266	53,266	23,588	29,678
	<u>182,935</u>	<u>218,935</u>	<u>158,760</u>	<u>60,175</u>
Engineering				
Salaries and benefits	62,782	62,782	57,748	5,034
Contractual	37,717	37,717	9,875	27,842
	<u>100,499</u>	<u>100,499</u>	<u>67,623</u>	<u>32,876</u>
Streets				
Salaries and benefits	151,430	261,095	180,696	80,399
Contractual	1,148,162	1,148,160	609,666	538,494
	<u>1,299,592</u>	<u>1,409,255</u>	<u>790,362</u>	<u>618,893</u>
Total public works	<u>1,583,026</u>	<u>1,728,689</u>	<u>1,016,745</u>	<u>711,944</u>
INTERGOVERNMENTAL EXPENDITURES	<u>863,960</u>	<u>863,960</u>	<u>776,731</u>	<u>87,229</u>
CAPITAL OUTLAY	<u>3,612,412</u>	<u>3,681,822</u>	<u>1,814,143</u>	<u>1,867,679</u>
Total expenditures	<u>13,972,134</u>	<u>14,277,148</u>	<u>10,064,299</u>	<u>4,212,849</u>
Excess (deficiency) of revenues over expenditures	<u>(2,567,153)</u>	<u>(2,869,167)</u>	<u>2,020,191</u>	<u>4,889,358</u>
Other financing sources (uses)				
Proceeds from lease purchase obligation	-	-	46,548	46,548
Transfers (out)	(1,138,824)	(1,138,824)	(711,500)	427,324
Total other financing (uses)	<u>(1,138,824)</u>	<u>(1,138,824)</u>	<u>(664,952)</u>	<u>473,872</u>
Net change in fund balance	<u>(3,705,977)</u>	<u>(4,007,991)</u>	<u>1,355,239</u>	<u>5,363,230</u>
Fund balance - beginning of year	<u>7,574,159</u>	<u>7,574,159</u>	<u>7,574,159</u>	<u>-</u>
Fund balance - end of year	<u>\$ 3,868,182</u>	<u>\$ 3,566,168</u>	<u>\$ 8,929,398</u>	<u>\$ 5,363,230</u>

CITY OF EVANSTON, WYOMING

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

Last 10 fiscal years
(Unaudited)

	2015	2014	2013	2012
Public Employees Pension Plan				
City's proportion of the net pension liability (asset)	0.128782567%	*	*	*
City's proportionate share of the net pension liability (asset)	\$ 2,272,616	*	*	*
City's covered-employee payroll	\$ 2,201,425	*	*	*
City's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	103.23%	*	*	*
Plan fiduciary net position as a percentage of the total pensionliability	79.08%	*	*	*
Wyoming Law Enforcement Retirement Plan				
City's proportion of the net pension liability (asset)	0.853389620%	*	*	*
City's proportionate share of the net pension liability (asset)	\$ 251,440	*	*	*
City's covered-employee payroll	\$ 1,261,232	*	*	*
City's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	19.94%	*	*	*
Plan fiduciary net position as a percentage of the total pensionliability	94.76%	*	*	*

The amounts presented for each fiscal year were determined as of 12/31.

* Information for years prior to 2015 is not available; the schedule will be completed as information becomes available.

CITY OF EVANSTON, WYOMING

SCHEDULE OF CITY CONTRIBUTIONS

Last 10 fiscal years
(Unaudited)

	2015	2014	2013	2012
Public Employees Pension Plan				
Contractually required contribution	\$ 341,370	*	*	*
Contributions in relation to the contractually required contribution	(341,370)	*	*	*
Contribution deficiency (excess)	\$ -	*	*	*
City's covered-employee payroll	\$ 2,201,425	*	*	*
Contributions as a percentage of covered-employee payroll	15.51%	*	*	*
Wyoming Law Enforcement Retirement Plan				
Contractually required contribution	\$ 227,193	*	*	*
Contributions in relation to the contractually required contribution	(227,193)	*	*	*
Contribution deficiency (excess)	\$ -	*	*	*
City's covered-employee payroll	\$ 1,261,232	*	*	*
Contributions as a percentage of covered-employee payroll	18.01%	*	*	*

* Information for years prior to 2015 is not available; the schedule will be completed as information becomes available.

2011	2010	2009	2008	2007	2006
*	*	*	*	*	*
*	*	*	*	*	*
*	*	*	*	*	*
*	*	*	*	*	*
*	*	*	*	*	*
*	*	*	*	*	*
*	*	*	*	*	*
*	*	*	*	*	*
*	*	*	*	*	*
*	*	*	*	*	*
*	*	*	*	*	*

**COMBINING FUND INFORMATION AND
OTHER SUPPLEMENTARY INFORMATION**

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

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

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

PERMANENT FUND

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

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

CITY OF EVANSTON, WYOMING

**COMBINING BALANCE SHEET
Nonmajor Governmental Funds
June 30, 2015**

	<u>Special Revenue Funds</u>			<u>Permanent Fund</u>	<u>Total Nonmajor Governmental Funds</u>
	<u>Lodging Tax Fund</u>	<u>Economic Development Fund</u>	<u>Total</u>	<u>Cemetery Fund</u>	
ASSETS					
Pooled cash and investments	\$ 936,909	\$ 467,591	\$ 1,404,500	\$ 556,589	\$ 1,961,089
Accounts receivable	55,152	10,000	65,152	4,350	69,502
Total assets	<u>\$ 992,061</u>	<u>\$ 477,591</u>	<u>\$ 1,469,652</u>	<u>\$ 560,939</u>	<u>\$ 2,030,591</u>
LIABILITIES					
Accounts payable	\$ 35,494	\$ -	\$ 35,494	\$ 623	\$ 36,117
Deferred rent revenue	-	7,647	7,647	-	7,647
Total liabilities	<u>35,494</u>	<u>7,647</u>	<u>43,141</u>	<u>623</u>	<u>43,764</u>
FUND BALANCES					
Nonspendable					
Permanent fund principal	-	-	-	100,000	100,000
Restricted	956,567	469,944	1,426,511	105,847	1,532,358
Unassigned	-	-	-	354,469	354,469
Total fund balances	<u>956,567</u>	<u>469,944</u>	<u>1,426,511</u>	<u>560,316</u>	<u>1,986,827</u>
Total liabilities and fund balances	<u>\$ 992,061</u>	<u>\$ 477,591</u>	<u>\$ 1,469,652</u>	<u>\$ 560,939</u>	<u>\$ 2,030,591</u>

CITY OF EVANSTON, WYOMING

**COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
Nonmajor Governmental Funds
Year Ended June 30, 2015**

	Special Revenue Funds			Permanent Fund	Total Nonmajor Governmental Funds
	Lodging Tax Fund	Economic Development Fund	Total	Cemetery Fund	
Revenues					
Lodging tax	\$ 267,757	\$ -	\$ 267,757	\$ -	\$ 267,757
Charges for services	-	-	-	34,087	34,087
Rental income	-	204,564	204,564	-	204,564
Interest and miscellaneous	73	-	73	1,155	1,228
Total revenues	267,830	204,564	472,394	35,242	507,636
Expenditures					
Current					
Health, welfare and recreation	236,878	58,308	295,186	220,151	515,337
Total expenditures	236,878	58,308	295,186	220,151	515,337
Excess (deficiency) of revenues over expenditures	30,952	146,256	177,208	(184,909)	(7,701)
Other Financing Sources					
Transfers in	-	-	-	213,000	213,000
Total other financing sources	-	-	-	213,000	213,000
Net change in fund balances	30,952	146,256	177,208	28,091	205,299
Fund balances - beginning of year	925,615	323,688	1,249,303	532,225	1,781,528
Fund balances - end of year	\$ 956,567	\$ 469,944	\$ 1,426,511	\$ 560,316	\$ 1,986,827

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, 2015

	Budgeted Amounts		Actual	Variance with final Budget Positive (Negative)
	Original	Final		
Revenues				
Rental income	\$ 225,000	\$ 225,000	\$ 267,757	\$ 42,757
Contributions of surplus	-	50,000	-	(50,000)
Interest	50	50	73	23
Total revenues	225,050	275,050	267,830	(7,220)
Expenditures				
General expenses	650	500	78	422
Marketing and promotion	183,350	233,350	200,636	32,714
Matching fund/grants	22,000	19,200	14,164	5,036
Contractual services	19,050	22,000	22,000	-
Total expenditures	225,050	275,050	236,878	38,172
Excess of revenues over expenditures	-	-	30,952	30,952
Fund balance - beginning of year	925,615	925,615	925,615	-
Fund balance - end of year	<u>\$ 925,615</u>	<u>\$ 925,615</u>	<u>\$ 956,567</u>	<u>\$ 30,952</u>

CITY OF EVANSTON, WYOMING

SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND
BALANCE - BUDGET AND ACTUAL
Special Revenue Fund - Economic Development
Year Ended June 30, 2015

	Budgeted Amounts		Actual	Variance with final Budget Positive (Negative)
	Original	Final		
Revenues				
Rental income	\$ 205,000	\$ 205,000	\$ 204,564	\$ (436)
Total revenues	205,000	205,000	204,564	(436)
Expenditures				
General expenses	205,000	205,000	58,308	146,692
Total expenditures	205,000	205,000	58,308	146,692
Excess of revenues over expenditures	-	-	146,256	146,256
Fund balance - beginning of year	323,688	323,688	323,688	-
Fund balance - end of year	\$ 323,688	\$ 323,688	\$ 469,944	\$ 146,256

COMPLIANCE SECTION



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

INDEPENDENT AUDITOR'S REPORT

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Evanston, Wyoming, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the City of Evanston's basic financial statements and have issued our report thereon dated December 14, 2015.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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



Porter, Muirhead, Cornia & Howard

Certified Public Accountants

Casper, Wyoming

December 14, 2015