

**Colorado Water Conservation Board**  
**Emergency Funding for Damaged River Diversions/Dams**  
**from the September 2013 Flood Event**



**Emergency Loan Application and Feasibility Study**

Prepared for:

City of Evans  
1100 37th Street  
Evans, Colorado 80620-2036  
(970) 475-1170

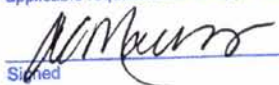
Prepared by:

City of Evans  
1100 37th Street  
Evans, Colorado 80620-2036  
(970) 475-1170

Signature	
 Completed By/Title (Print)	Return a signed hard copy <u>and</u> an electronic copy to: CWCB Finance Section 1580 Logan, Suite 600 Denver, CO 80203 Attn: Anna Mauss Ph. 303.866.3441x 3224 e-mail: <a href="mailto:anna.mauss@state.co.us">anna.mauss@state.co.us</a>
 Signature/Date	

*Application Deadlines:*  
*October 16, 2013(noon)*  
*November 1, 2013(noon)*

**FEASIBILITY STUDY APPROVAL**  
Pursuant to Colorado Revised Statutes 37-60-121 & 122, and  
in accordance with policies adopted by the Board, the  
CWCB staff has determined this Feasibility Study meets all  
applicable requirements for approval.

  
Signed \_\_\_\_\_ Date 11/13/13



Agency/Company Information	
Name: City of Evans	
Address: 1100 37th Street, Evans, CO 80620-2036	
Phone: (970) 339-4081	Email: <a href="mailto:strent@evanscolorado.gov">strent@evanscolorado.gov</a> (Sheryl Trent)
Organization Type: <input type="checkbox"/> Ditch Co, <input type="checkbox"/> Irrigation District, or <u>Municipality</u>	Incorporated: YES
Incorporation Date: 1869	In good standing with the Secretary of State: YES
Number of acres irrigated: 2,000 acres	Number of <input type="checkbox"/> Shares/ <input type="checkbox"/> Taps - The City of Evans is the only shareholder. There are 59 users on the Evans Ditch.
Avg. Water Diverted/Yr <u>8,151</u> acre-feet	
Number of Shareholders? 1 City of Evans	Current Assessment \$ _____ /share – Users pay a rate based upon acres of land watered as follows: One acre lot \$77.25/yr., second acre \$47.38, third acre \$43.25, and each additional acre or fraction above 3 acres is \$30.60.
	Projected Assessment \$ _____ /share - 2014 rates will be adopted in the 2014 budget and are likely to be similar to 2013.
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Phone: (303) 694-0099	Email: <a href="mailto:scott@kroblaw.com">scott@kroblaw.com</a>
Project Location Information	
County: Weld	Water District: Northern Colorado Water District
River Basin: S. Platte	Water Source: Big Thompson
Project Summary	
Project Type: (circle one or more) <u>Diversion Structure</u> / Dam / Well / <u>Ditch Rehabilitation</u> / Other	
Estimated Engineering Costs: \$112,470	Estimated Construction Costs: \$562,350
Other Costs (Describe ): Scada controls \$ 40,000	Estimated Total Project Costs: \$714,820
Requested Loan Amount: \$715,000	Date Funding is Needed? 1/1/2014
Possible other funding sources: FEMA Public Assistance & State Match, Northern Water CWCB Emergency	
Attachments	
<input checked="" type="checkbox"/> [ X ]	1 - Evans Town Ditch Estimated Project Costs Spreadsheet
<input type="checkbox"/> [ X ]	2 - Photographs of damages and debris at headworks
<input type="checkbox"/> [ X ]	3 - Location Map/Service Area - Figure 1: Canal Inventory for Evans Ditch
<input type="checkbox"/> [ X ]	4- Final Report: Canal Modernization Study for the Evans Ditch, June 2006

[ X ]	5 - State of Colorado Structure Summary Report
[ X ]	6 - Last two years Financial Statements – 2011 and 2012 City of Evans Audits
[ X ]	Shareholders List – NA City of Evans is the only Shareholder
[ X ]	7 - - Home Rule Charter (Articles of Incorporation/ By-laws)
[ ]	Shareholder Resolution (submit prior to contracting)
[ ]	Attorney Opinion Letter (submit prior to contracting)

### **Project Background**

During the unprecedented flood of September 2013 in the tributaries to the South Platte River, a significant number of diversion structures and dams along the river corridor were damaged. The Evans Town Ditch Repair Project proposed in this Feasibility Study received significant damage as a result of the flood.

Construction of the Evans Town Ditch, referred to as the Evans Ditch, began in the 1880's and it is currently ranked as the 6<sup>th</sup> oldest ditch system in the State of Colorado with an adjudication date of 5/28/1883. The original purpose of the ditch was to transport water for irrigation purposes to the Town of Evans and adjoining farms. Today, the ditch serves 59 users including providing non-potable water for irrigation to residences, businesses, parks, city buildings, open space and school grounds. The ditch also provides water to two small agricultural irrigation companies for nearby farms. The ditch is a very important source of water that helps reduce the city's reliance on treated surface water. Figure 1, attached, shows the headworks, ditch and diversions as well as the service area irrigated by Evans Ditch.

The Evans Ditch originates from the north bank of the Big Thompson River east of the confluence of the Little Thompson and St. Vrain Rivers and about 1.75 miles upstream of the confluence of the Big Thompson River with the South Platte River. With approximately 20 miles of open ditch as well as various sized pipes and structures, the water is transferred east into and through the city of Evans.

The system consists of an unlined, earthen open channel and pipe distribution system originating at the headworks diversion and runs parallel to the Big Thompson and S. Platter Rivers into town. The ditch divides at 42<sup>nd</sup> Street into two pipe distribution systems. The southern portion parallels 42nd Street, flows under Highway 85 and feeds the southern portion of the pipe distribution system, with the unused water emptying into the South Platte. The northern portion continues to flow north to 31st Street where it is piped under Highway 85. The ditch daylights at Empire Street and eventually flows back into the South Platte just east of the City's sewage lagoons. This northern portion services the north half of the pipe distribution system.

The ditch and all its structures and controls were in very good condition prior to the flood because the city conducted a Canal Modernization Study in 2006, attached, to identify and



design improvements to the ditch. The majority of recommended upgrades have been implemented with the exception of the installation of SCADA controls.

The September flood caused wide-spread flooding to the Big Thompson River upstream of Evans resulting in very high flows and massive amounts of debris and silt which have damaged the Evans Ditch, its diversion structures and controls, and the headworks access road. A large part of the project will be the removal of debris and sediment and the restoration of embankments that were washed out. The attached photos show the large amount of debris that have filled the headworks and ditch channel.

### **Water Rights**

The water rights impacted by this project include:

Name	Water Court Case	Appropriation Date	Adjudication Date	Amount (cfs or AF)	Avg. Annual Yield (AF)
Evans Town Ditch	CA6613	1871-04-20	1883-05-28	29.28 cfs	8,151

### **Project Description**

#### Alternative 1 – Do Nothing:

The alternative to do nothing is considered unacceptable because the failure to complete the repairs, replacements and clean-up needed would prevent the diversion of the city's water rights leading to the abandonment of the water rights and the ditch and significantly increasing the city's water costs to provide treated surface water to the irrigation customers currently supplied by the ditch.

#### Alternative 2 – Rebuilding Collaboratively with Improvements:

Since the ditch is completely owned and operated by the city of Evans, there are minimal opportunities for collaboration with other users. The diversion structures and ditch were in excellent condition prior to the flood and costs are associated with repairing/replacing gates, controls and other equipment, cleaning up debris and sediment, and shoring up berms and embankments washed out by high water.

Since 2006, the city has planned to upgrade the ditch operations by adding SCADA controls to better measure water use and operate the system, but has not yet had funds to budget for these improvements. The 2006 Canal Modernization Study, attached, identified the SCADA control options available to the city. The estimated cost of SCADA controls of \$40,000 is included in the current loan request.

#### Selected Alternative 3 – Evans Town Ditch Repair Project

The City of Evans has been overwhelmed by massive flooding of two mobile home parks, damage to its wastewater treatment plant, and other major flooding problems. Consequently, the Evans Town Ditch Repair Project cost estimates prepared by staff and their engineer, Matt Gough of HDR Engineers, are early estimates which will be refined as access to the headworks and ditch is improved. The primary obstacle to more refined cost estimates is due to the fact that about 1500' of the access road to the headworks was washed away and the only vehicles that can reach the diversion structure are pick-up trucks. Once the access road is repaired, the city will have access for heavy equipment to allow for debris removal at the headworks, so that they can better examine the structure to determine the exact repairs needed. The current estimate for the headworks is a worse-case estimate that assumes replacing all the gates, air bladders and controls.

The repairs/replacements in the preliminary cost estimates include:

- Repairs/replacement to 1500' of the access road to the headworks,
- Channel sediment and debris removal in multiple locations at structures and in the channel,
- Debris removal and access culvert replacement at the Two Rivers Drop Structure,
- Replacement of the gates, bladders, and air controls at the headworks,
- Placement of material to shore up berms and embankments at various locations, and
- Installation of SCADA controls to better operate the system.

### Cost Estimate

Attached is a detailed compilation of Estimated Project Costs for the Evans Town Ditch repairs. The Project cost estimate was provided by Matt Gough of HDR Engineers and is \$714,820 and is further broken down as follows:

Task	Cost
Design & construction engineering	\$112,470
Permitting	0
Construction	\$476,100
Other – SCADA Controls	\$ 40,000
Contingency	\$ 86,250
<b>Total</b>	<b>\$714,820</b>

The City of Evans is applying for a loan not to exceed \$715,000.

### Financial Analysis

The city of Evens has \$3.156 million in existing debt as summarized below:

Lender	Original Balance	Current Balance	Annual Payment	Maturity Date	Collateral
CWRPDA	\$753,214	\$581,000	\$87,944	2019	Wastewater fees
Branch Banking & Trust	\$2,575,000	\$2,575,000	\$288,000	2023	General Obligation Bond

Evans sources of income include:

- Property taxes,
- Sales taxes,
- Non-potable water sales,
- Water and wastewater user fees,
- Building and development impact fees, and
- Miscellaneous fees.

### **Schedule**

Project construction is expected to commence within one month of loan approval. Ideally, the project would start in December but no later than January 1, 2014 for completion by March 1, 2014. While the actual construction work is not expected to take three months, time is needed for bidding and possible weather delays. The ditch begins diverting water on March 1<sup>st</sup> each year so it is extremely important to get the repairs done by that date.

### **Economic, Social, and Environmental Effects**

The loss of use of the Evans Ditch would have significant economic, social and environmental effects. Economically, the greatest impact caused by the failure to repair the headworks and diversion structures would be the loss of the city's senior water rights leading to the abandonment of the water rights and ditch. The loss of ditch operations for delivery of non-potable water for irrigation would significantly increase costs to the city and ditch users, as they switch over to the more expensive, treated surface water for landscape and agricultural needs. Other economic costs would likely include a possible reduction in farm production and revenue to farmers and businesses. Without use of the non-potable irrigation water, the city might need to increase water user fees to all users for the higher costs for water treatment. Higher water fees for both irrigation and domestic use might impact the financial stability of local businesses, farmers and especially low income residents. Additionally, the city already has extensive flood damage to its baseball fields, parks and open space which is currently impacting recreational users. Once the debris and sediment is removed or covered at these recreational sites, there will be a critical need to irrigate new replacement turf and landscaping next summer.

### **Permits**

Evans does not anticipate needing any permits because all work will be done as repairs to existing, and in place, structures, channels and roads.

Estimated Project Costs				
Evans Town Ditch				
Item	Unit	Quantity	Unit Cost	Subtotal
Ditch Take Out				
Access Road - Unclassified Excavation	CY	2000	\$20.00	\$40,000
Access Road - Embankment Material (CIP)	CY	2167	\$10.00	\$21,667
Access Road - Aggregate Base Course (Class 6) (9")	TON	938	\$30.00	\$28,148
Structure Clean Up	LS	1	\$15,000.00	\$15,000
Check Structure Sediment Removal	CY	1088	\$40.00	\$43,500
Channel Sediment Removal	CY	133	\$30.00	\$4,000
Two Rivers Drop Structure				
Gate Access Culvert	LS	1	\$5,000.00	\$5,000
Gate debris removal	CY	1	\$2,000.00	\$2,000
Obermyer Gates and Control Repair/Replacement	LS	1	\$50,000.00	\$50,000
Measurement Flume				
Channel Sediment Removal	CY	107	\$30.00	\$3,200
Berm Material Placement	CY	1	\$2,000.00	\$2,000
Debris and Concrete Clean Up	LS	1	\$2,000.00	\$2,000
Channel Sediment Removal	CY	64	\$30.00	\$1,911
Measurement Weir Repair/Replacement	LS	1	\$15,000.00	\$15,000
Pirnie Drop Structure				
Minor Structure Clean Up	LS	1	\$2,000.00	\$2,000
Fresno Gate Repair/replacement	LS	1	\$110,000.00	\$110,000
(a) Subtotal of Major Construction Items				\$345,000
(b) Temp. Traffic Control (% of a)	0%			\$0
(c) Mobilization, Overhead and Profit (% of a)	20%			\$69,000
(d) Force Account (% of a)	8%			\$27,600
(e) Contingencies (% of a)	25%			\$86,250
(f) Drainage/SWMP	10%			\$34,500
(g) Subtotal of Construction (a+b+c+d+e+f)				\$562,350
(h) Utilities	LS			\$0
(i) ROW Acquisition	LS			\$0
(j) Design Engineering (% of g)	10%			\$56,235
(k) Construction Engineering & Indirect(% of g)	10%			\$56,235
Total Project Cost (g+h+i+j+k)				\$675,000



































# FINAL REPORT



## Canal Modernization Study for the Evans Ditch

Prepared for the City of Evans

June 20, 2006



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## Introduction

The purpose of this study is to provide the City of Evans with an evaluation of improvements and recommendations for the future modernization of the Evans Ditch. Aqua Engineering, Inc. was commissioned by the City of Evans to examine a full spectrum of canal modernization options for the Evans Ditch including:

- Conceptualization of structural improvements including control, regulation, measurement, and sedimentation structures in addition to lining and piping options.
- Conceptualization of a pressurized water delivery system
- Conceptualization of a master plan for Supervisory Control and Data Acquisition (SCADA)

In addition, an inventory of existing structures was also completed and incorporated into mapping format compatible with the City's mapping system.

A majority of the canal modernization options presented in this report were identified in conjunction with City of Evans' staff. The project approach was to first evaluate all aspects of the canal system by touring, inventorying, and mapping structural components. This initial step was important for two reasons: (1) to provide a consistent base level of information for discussing modernization options, and (2) to provide Evans with a working canal structure database for future canal management.

The second step in the project approach was to identify, in conjunction with City staff, the primary structural improvement options for the canal. These ideas are discussed and prioritized in this study. Some general level cost estimates are also provided for these options. One element of work that was originally identified in the scope of this study was to consider options related to canal pressurization. During our discussions with City staff, it became apparent that pressurization is not a preferred option for the Evans Ditch at this time. For reasons that will be further elaborated below, pressurization is not given significant consideration in this study. The primary outcome of this element of the work was a further evaluation of improvements already identified by City staff.

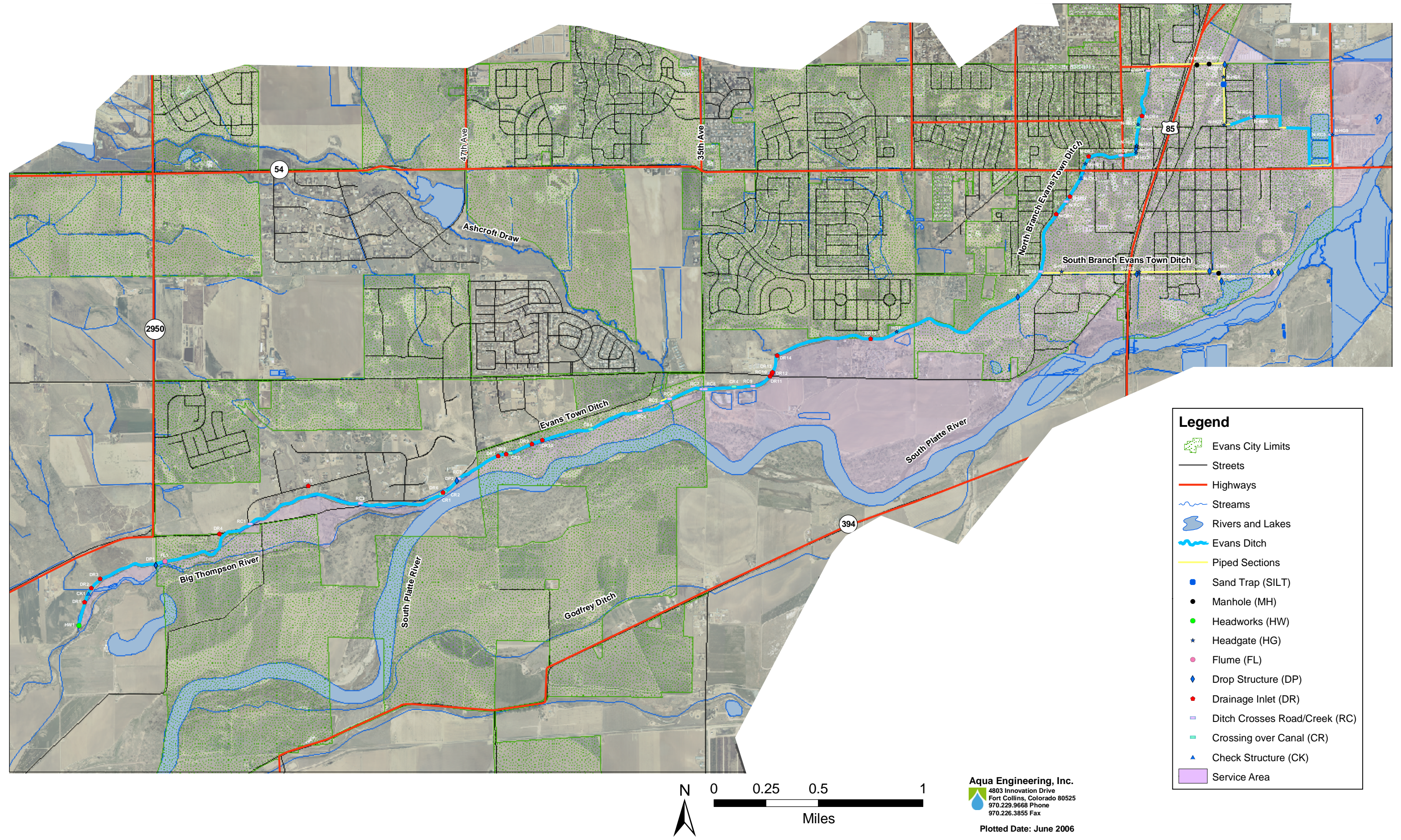
It became apparent through our efforts that the primary canal modernization option of interest to City staff was planning and implementation of SCADA. As such, more detail and discussion is given to this topic in this study. Detailed conceptualization of future SCADA sites, prioritization, phasing and cost estimates are provided. The primary outcome of this element of work was detailed recommendations for implementing SCADA for the Evans Ditch.

## Canal System Overview

The Evans Town Ditch (referred to hereinafter as Evans Ditch) originates from the north bank of the Big Thompson River about 1.75 miles upstream of the confluence with the South Platte River. The ditch is an open, earthen ditch until 42<sup>nd</sup> and Belmont, where it splits into a south branch (which is a piped section that runs east and discharges into Riverside Lake near the South Platte River) and north branch (which is an open ditch that meanders north and east where it discharges into the South Platte River just east of the City of Evans). Refer to Figure 1.



**Figure 1. Canal Inventory for Evans Ditch**  
Canal Modernization Study for the Evans Ditch





The Evans Ditch was historically used to irrigate farm land in and around the City of Evans. Over the last several decades, the City of Evans has made extensive use of the water from the ditch for purposes of landscape irrigation at City facilities, including parks, public buildings, schools, open space, as well as residential developments and traditional irrigated agricultural lands. The Evans Ditch is and has been a primary source of non-potable water supply for the City's extensive non-potable irrigation system. Water use from the canal for urban and suburban landscapes is anticipated into the future as the City of Evans continues to preserve their treated water for domestic demands.

The water rights associated with the Evans Ditch only include direct flow (no storage), but the decree is quite senior in the water rights priority system. Even during the severe drought in 2002, the Evans Ditch did not experience a significant reduction in the amount of water diverted and delivered.

For the most part, water supply availability from the ditch is not a significant concern for the City. Because the area in and around the ditch is urbanizing, storm water runoff is of most concern to the City (urbanization tends to increase the magnitude and timing of runoff during storm events). In addition to urbanization, the western half of the Evans Ditch transverses a naturally steep slope. During significant storm events, and in the future as some of the open space areas to the north of the ditch are urbanized, the Evans Ditch serves as a flood water catchment. In some sense, the ditch is a concern for the City because it is the catchment of flood water and there is concern regarding the ability of the ditch to safely convey and discharge this water.

## **Canal System Inventory**

An inventory of the existing structures along the Evans Ditch system was completed as a component of this work. Locations of existing structures were mapped using a handheld GPS device. Appendix A includes Geographical Information System (GIS) based maps, associated inventory database, and a data CD including all electronic GIS files, database files, and structure photos.

The data collected and inventoried in the GIS database include the following:

- Structure Name
- Improvement Priority
  - Rank 1: immediate
  - Rank 2: soon
  - Rank 3: not a priority
- Condition
  - Rank 1: excellent
  - Rank 2: adequate
  - Rank 3: minor repairs
  - Rank 4: not used / not applicable
- Critical Dimension (e.g. diameter, width)
- Function Description
- General Notes
- Problem Description
- SCADA Priority
- Site photos
- GPS location (longitude and latitude)

Inventory development is a mechanism that can be used to better manage all aspects of an irrigation system: from an inventory of the historical construction upgrades to accounting for water deliveries to users. Inventories can be as complex as an interactive GIS database with spatial links to a multitude of irrigation system attributes, or as simple as a paper database and map that will hang in the office.

Because the City of Evans has access to GIS, we recommend that the information collected in this inventory be used as the base for an interactive GIS database inventory system. Under this approach, a user would “click” on a structure point on the map and an associated database with information about that structure would display on the screen. Because the data fields in the database can be edited and updated over time, GIS can be a very useful information and data warehouse tool.

Another advantage to using an inventory database is that a user can quickly query data to find particular information, such as all structures that are in need of prioritized improvements. The database can also be used as a planning tool because it is an easy way to keep track of when each of the structures are slated for improvement or construction.

Figure 2 shows an example of how the Evans Ditch inventory can be used to query structures so prioritization can be determined. The query shows there are three structures that have a Rank 2 (soon) in the *Improvement Priority* category and a Rank 3 (minor repairs needed) in the *Condition* category. Appendix A includes a copy of the database that has the structures ordered from top of the canal to the bottom. The electronic version of the database (included in Appendix A) can be queried directly in Microsoft Excel by using filter commands.

	A	B	C	D	E	F	G	H	I
	Structure ID	Latitude	Longitude	Structure Name	SCADA	Improvement Priority	Condition Priority	Dimension	Function
39	DP3	40.36	-104.7	17th Ave Drop	yes	2	3	4' rectangular/radial control	flush weeds/debris, flood control, main storm drainage for this basin 17th ave to 37th street
76	N-PC2	40.38	-104.68		no	2	3	18" DIA	Start and end of concrete pipe section
77	N-PC3	40.38	-104.68		no	2	3	18" DIA	start and end of concrete pipe section
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**Figure 2.** Example of query performed in structure inventory database

The data collected during this work effort should only be used as the base for future database upgrades. Our work effort was intended to take the base level GPS locations for each structure. This information is the root of the GIS database and will only need to be updated as structures are removed or relocated. The detailed information that is linked to these structural points is the information that Evans should update and use on a regular basis.

## **Canal Structural Improvements**

A multitude of canal structural improvements were discussed with City of Evans' staff during this study including regulation structures, measurement structures, sedimentation structures, and canal lining and piping. These improvement ideas were primarily identified by staff and are discussed in detail in this section.

### **Regulation Structures**

#### General Overview

Regulation structures are used to control the conveyance of water through an irrigation canal system, starting with the control of inflow to the canal through a diversion dam for example, and ending with the discharge from the canal into laterals or individual headgates. The primary function of regulation structures is to control water. For example, check structures are used to raise the water surface higher than would normally exist in the canal to provide adequate head for delivery to headgates and water users. Spillways are also used to control water in a canal, but they are more commonly referred to as a protective structure because their primary function is to discharge excess water from the canal when needed, such as during a storm event.

Spillway structures are of most interest in this study because there are very few check structures in the Evans Ditch system and the structural integrity of the diversion headworks and individual headgates is adequate. For this reason, the emphasis of discussion in this section is on the application of overshot gates at spillways and at points of bifurcation in the Evans Ditch.

There are many types of gates that can be used for spillways, including radial gates, sluice or slide gates, and overshot gates. We recommend using overshot gates for a spillway application. These gates are likened to a draw bridge – the canal is fully open when the gate is horizontal and the canal is fully closed when the gate sits at 60 degrees from the ground. The following describes several advantages to using an overshot gate in a spillway application:

- Overshot gates can be used to effectively achieve a target upstream water level. The adjustments needed to achieve a desired change in direction and amount of flow are intuitive and predictable. In contrast, adjustments made to an underflow gate depend on the water level on both sides of the gate, thus control of these structures is less intuitive<sup>1</sup>.

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<sup>1</sup> Underflow gates or orifices are more sensitive than rectangular or weir type gates. A structure with lower sensitivity is better able to resolve small differences in flow, as is the case with an overshot gate.

- The precision of adjustment is very high in overshoot gates - small changes can be made to allow for exact position and flow conditions.
- Overshoot gates more effectively pass floating debris and high water flows. This is very important for a flood spillway because debris and high surges of water flow can damage the canal if not easily passed through the spillway gate.
- Compared to other gate types, the overshoot gate does not submerge as easily (upstream control only).
- Measurement capabilities are easier and more accurate with this type of gate than with other gates.

Rubicon Global Pty. Ltd. offers overshoot design gates that incorporate control, regulation, SCADA integration, and measurement into a single, convenient package. These gates can be installed in existing concrete check structures or at new locations (Figures 3 and 4)<sup>2</sup>. Each gate includes a robust remote terminal unit (RTU) and four pressure transducers (two on the upstream side of the gate and two downstream of the gate). The advantage of having four pressure transducers is to provide redundancy and increased accuracy. A  $\pm 2\%$  accuracy has been reported by a third party group. Additional advantages to the Rubicon solution come from its flexibility. For example, it can be installed in both wet and dry conditions and can be powered either by AC or 12 volt DC (solar panel). For locations where both control and flow measurement are desired, a Rubicon gate may be the most feasible and lowest cost structure rather than installing a separate long-throated flume and a separate check and gate structure.

#### Recommendations for Evans Ditch

The City of Evans currently has two Armtec overshoot gates at the primary diversion and the Measurement Adjustment. The controller in these Armtec gates is not a SCADA compatible unit. In order to make these gates SCADA compatible, it will be necessary to remove and replace the gate controller with a suitable RTU compatible with the RTUs used throughout the SCADA system. If SCADA is desirable throughout the system, we recommend using a SCADA compatible overshoot gate for all future installations and possibly retrofitting or replacing existing overshoot gates that are not SCADA compatible (i.e., the Armtec gates).

The Evans Ditch staff would like to install overshoot gates at all major spillway locations on the ditch. These sites include, in order from highest to lowest priority: Flume at Ashcroft Draw, Purneys, 17<sup>th</sup> Drop, North-South Split, 31<sup>st</sup>/Empire Box, 42<sup>nd</sup>/Golden Box, and 36<sup>th</sup> Ave Drop. The details of these improvements are summarized in Table 1.

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<sup>2</sup> The Greeley #2 Canal north of Evans has Rubicon gates and the site with these gates could be toured.



**Figure 3.** Rubicon gate installation with SCADA



**Figure 4.** Rubicon gate installation near Lucerne, CO

Table 1. Regulation Structure Recommendations for Evans Ditch

Site Name	Project Priority	Condition Rank	Current Condition	Recommended Approach	Notable Cost Elements
Flume at Ashcroft Draw	1	3	Site was recently reconstructed but did not include an emergency spillway gate to Ashcroft Draw. This is a logical location to spill water because there are no spillway capabilities between Purneys and 17th Drop.	An overshoot gate is recommended for purposes of control and measurement. This gate will be used to flush debris from the canal during the spring and waste water during a flood.	Cast-in-place concrete structure with floor and wingwalls, riprap, 1-96 inch Rubicon gate, site preparation. \$73,500 - 80,000
Purneys	2	3	The primary function of the current structure is an emergency spillway to the river. The current gate consists of two manual control sluice gates that are difficult to operate and often catch debris where the two gates interface.	An overshoot gate is recommended for purposes of control and measurement. This gate will primarily be used as an emergency spill way. The current location (at a low point in the canal) is desirable to drain the ditch when it is turned off. It may be desirable to increase the overall width of the gate.	Cast-in-place concrete structure with floor and wingwalls, riprap, 1-60 inch Rubicon gate, site preparation. \$86,000 - 92,000
17 <sup>th</sup> Drop	3	3	The primary function of the current structure is an emergency spillway to the river and a head and flow adjustment for downstream delivery. The current sluice gate is manual control and releases water from below the sluice gate which tends to decrease the flexibility to adjust head for downstream use.	An overshoot gate is recommended for purposes of control and measurement. This structure will primarily be used to adjust the amount of flow delivered to the rest of the canal. The next location on the ditch that flow can be adjusted is the North-South Branch.	Cast-in-place concrete structure with floor and wingwalls, riprap, 1-48 inch Rubicon gate, site preparation. \$64,500 - 71,000
North-South Split	4	2	Currently there is no easy way to adjust the amount of flow that is allocated between the North and South Branch (boards at the entrance to the South Branch are currently used to make manual adjustments). Major concern is the amount of water that is allocated to the South Branch because there is a significant elevation drop between head of branch and the 31st/Empire Box - this is the only point of release for the South Branch aside from delivery directly to users.	An overshoot gate is recommended on the South Branch for purposes of control. Measurement is not necessarily needed at the location, but the overshoot gate is also capable of providing this. The overshoot gate could be placed at the entrance of the South Branch and could route water into the existing pipeline.	Cast-in-place concrete structure with floor and wingwalls, riprap, 1-24 inch Rubicon gate, site preparation. \$52,000 - \$67,600
31 <sup>st</sup> /Empire Box	5	2	Provided a control structure is placed at the North-South Split and improvements are made to the 17th Drop, it will probably not be necessary to control the amount of water discharged from this box to river. However, measurement is desirable at this location and the ability to better control and distribute water is desired. Function and condition of structure is mostly adequate.	Because this structure is old, it may be necessary to make improvements or rebuild the structure in the near term.  It will not be possible to retrofit the existing diversion box to include overshoot gates. If overshoot gates are desirable for water control, structure should be redesigned and reconstructed.	For reconstruction and incorporation of slide gates: cast-in-place concrete structure, 3-18 inch diameter slide gates. \$26,000 - 31,500  For reconstruction and incorporation of Rubicon overshoot gates: cast-in-place concrete structure, 3-24 inch Rubicon gates. \$78,000 - 98,800
42nd/Golden Box	6	2	Provided a control structure is placed at the North-South Split, it will not be necessary to control the amount of water discharged from this box to the Riverside Pond at the tailend of the South Branch. However, measurement is desirable at this location and the ability to better control and distribute water is desired. Function and condition of structure is mostly adequate.	Because this structure is old, it may be necessary to make improvements or rebuild the structure in the near term.  It will not be possible to retrofit the existing diversion box to include overshoot gates. If overshoot gates are desirable for water control, structure should be redesigned and reconstructed.	For reconstruction and incorporation of slide gates: cast-in-place concrete structure, 3-18 inch diameter slide gates. \$26,000 - 31,500  For reconstruction and incorporation of Rubicon overshoot gates: cast-in-place concrete structure, 3-24 inch Rubicon gates. \$88,500 - 109,500
36 <sup>th</sup> Ave. Drop	7	2	This manual control sluice gate is rarely used, but has been used in the past occasionally for an emergency spillway to a neighborhood wastewater pond. Improvement to this structure is not a high priority.	An overshoot gate is recommended at this location to control and measure spills during flood events and emergencies.	Cast-in-place concrete structure with floor and wingwalls, riprap, 1-48 inch Rubicon gate, site preparation. \$64,500 - 71,000

Condition Rank:  
1 - excellent  
2 - adequate  
3 - minor repairs  
4 - not used/not applicable



## Measurement Structures

### General Overview

Water measurement is an important component to consider when evaluating the potential for canal modernization. External and internal pressures on irrigation systems are increasing the need for better water measurement, including:

- Shortage and competition of water supplies
- Increased number of smaller water users in urban areas
- Urban storm water runoff
- Environmental problems or impositions
- Accountability
- Increased desire for operation and customer service flexibility

Fortunately, increased pressure to measure is accompanied by the increased accuracy and affordability of water measurement options. Water measurement also has many direct benefits and incentives for irrigation, including:

- Improved canal management
- Improved water use management
- Establishment of historical patterns of water use
- Reporting and accountability
- Securing the water right and decree
- Alarm conditions (example: storm inflows)

### Selection

The selection of flow measurement devices is based on several factors:

- accuracy
- cost
- flow range
- head loss
- adaptability to site conditions
- ability to pass sediment
- maintenance requirements
- construction and installation requirements

These many different considerations must be factored into the selection and design of a measurement device to achieve an effective and economical installation. Consideration should be given to the operational demands of each device and how it will fit with the existing operation of the canal. Some of the different devices that can be used for water measurement are:

- weirs
- flumes
- submerged orifices
- current meters
- acoustic flow meters

Each one of these devices has advantages and disadvantages that must be considered when choosing a device that is most appropriate for the Evans Ditch. For purposes of

this report, we only discuss flumes since these are the most common measurement structures currently installed in the Evans Ditch.

First, the desired accuracy must be determined because it may limit the type of devices that are available. In open channel flow of canals, it is common and acceptable practice to target an accuracy between  $\pm 5\%$  and  $\pm 10\%$  in the field. Some devices have accuracies as great as  $\pm 1\%$  in laboratory conditions. The  $\pm 1\%$  accuracies can also be achieved in the field, but with additional cost and effort due to special construction, recalibration, and maintenance. The site for the measurement must be scrutinized since the site could require a non-standard design and installation of the device, causing the accuracy to approach  $\pm 10\%$  or more. The most accurate installed open channel flow device is the long-throated flume at  $\pm 2\%$ .

Cost is often the most important factor in choosing a device. The total costs to consider include the measurement device, the construction installation, and the long-term maintenance and operations. In addition to the initial capital cost of the structure, the life span, durability of the device, and desired accuracy should also be considered.

The flow range is an important consideration since certain devices require specific flow conditions in the calibration and measurement of water. If the flow is outside of the requirements of the structure, then the accuracy of measurement could be significantly affected. One example given by the U.S. Bureau of Reclamation in the *Water Measurement Manual* (1997) states that “sharp-edged devices typically do not give good results with large flows, which are better measured with large flumes or broad-crested weirs”. The device should be chosen to cover the entire flow range of the canal, understanding that different levels of accuracy may be achieved for the high flow and low flow scenarios.

Another consideration is the amount of head loss that results from the measurement device. Canal sections that are relatively flat may not permit a structure that requires significant head loss. The combination of the cost and amount of head loss should be considered. It is possible to have very little head loss, but the cost of installation and construction is usually much higher.

The ability of a structure to pass sediment is often a critical component in the selection process since many irrigation canals carry a significant amount of sediment. Sediment is typically deposited in areas of lower velocities, which is often around flow measurement structures. Whether this sediment causes problems is dependent on the amount of sediment in the system and the type of measurement device used. In some cases the deposition of sediment means routine maintenance to remove the buildup. In other instances the sediment buildup can change the approach conditions and cause the device to be inoperative. In addition, floating debris such as plants, trees, branches, leaves, and trash can plug some flow measurement devices, which causes them to be inaccurate. The debris caught in the device could also block the flow in the canal.

Another important issue is the amount of maintenance required to keep the flow measurement device working at the desired accuracy and to extend the lifetime of the structure. For example, the sharp crested weirs might require more maintenance to remove sediment and debris than the long-throated flume. It is also recommended that maintenance programs be developed for each structure to ensure prolonged measurement quality.

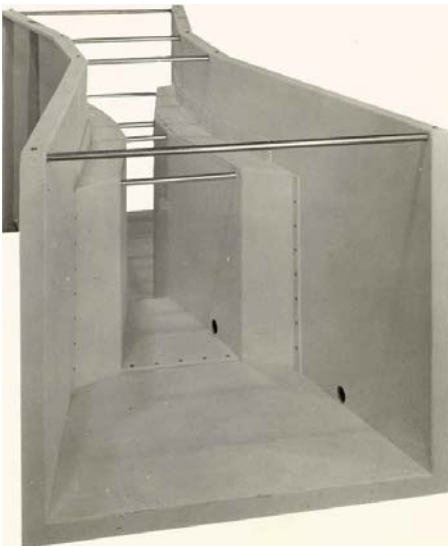
Some final considerations are the construction and installation requirements of the selected flow measurement device. This consideration must include the difficulty of installation and how many components must be modified to fit the existing canal. If the device is easily retrofitted to the existing canal, there will be less time for installation, less down time for the canal, and fewer unforeseen problems.

### Parshall Flumes

Parshall flumes can be purchased pre-fabricated (Figure 5) in several sizes or can be constructed in the field (Figure 6). However, this flume must be constructed within very stringent tolerances in order for the laboratory generated and empirical rating curves to be correct. Accuracies are typically between  $\pm 3\%$  and  $\pm 5\%$  assuming proper installation. Many ditch companies are familiar with and standardize using the Parshall flume.

The Parshall flume controls the flow in an angled section to create a three dimensional curvilinear flow. Although this type of flume is called a short throated flume, they usually have a large overall length. Some of the advantages to this type of structure are its ability to “self clean” since it can pass sediment and debris. Therefore, the reduced maintenance concerns are an advantage. It requires about the same head loss as long-throated flumes, discussed later in this section. The approach velocity of the channel has little effect on the structure’s accuracy of measurement. Parshall flumes can have large flow regimes with a trapezoidal design and can measure super critical flows.

These structures can be difficult and expensive to construct since they must be built to specific dimensions and angles of the floor. The structure may have to be larger or smaller than the existing channel which may result in higher installation costs and reworking of the canal section. They also have a tendency to be insensitive to low flows. Similar to other types of flumes, Parshall flumes must be constructed in channel sections that are without turbulence, surging, unbalanced flow, or poor distributed velocity patterns. Increased bank depth may be required to accommodate the backwater associated with the installation of this flume.



**Figure 5.** Prefabricated Parshall flume



**Figure 6.** Concrete Parshall flume constructed in field

### Long-Throated Flume

Long-throated flumes have many advantages over more traditional water measurement structures, as discussed below.

The long-throated flume controls the discharge over the structure throat or a sufficient length to create uniform and parallel flow lines. The flume forces the flow to pass through critical depth. This allows for accurate ratings based on hydraulic theory. The long-throated flume can be adapted for any desired cross section shape and custom fit into any channel geometry.

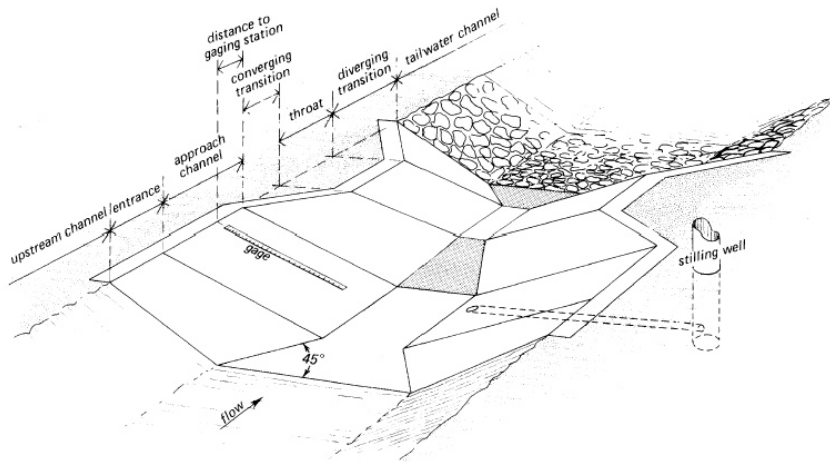
Due to the flexibility to match to existing channel conditions, these flumes usually have simplified construction techniques and are economical. The accuracy of long-throated flumes can be assumed to be  $\pm 2\%$  due to the capability for computer calibration. This accuracy also includes submergence up to 95% (higher allowable submergence than the Parshall flume) with only one upstream head measurement.

Some additional advantages of long-throated flumes are that they are also self cleaning and have the ability to pass sediment and debris through the structure. This means less maintenance for canal staff. They require little head loss across the control section to achieve accurate flow measurement and may even allow a reduction in the number of checks in the canal. They may be constructed in-situ within the canal.

Like Parshall flumes, these flumes must be constructed in channel sections that have little turbulence, surging, unbalanced flow, and poor distributed velocity patterns. They require the upstream banks to be high enough to contain the backwater from the flume installation.

For new installations, the long-throated flume is recommended by the USBR over the Parshall flume. Where the Parshall flume has been established as standard, new installations could be Parshall flumes; however, the long-throated flume is the preferred

measuring device for open channel flows in similar situations. See Figure 7 for a concept drawing of a long-throated flume. See Figure 8 for a photograph of a flume under construction and Figure 9 for a photograph of an operating long-throated flume.



**Figure 7.** Conceptual layout of a long-throated flume



**Figure 8.** Long-throated flume under construction





**Figure 9.** Long-throated flume in operation

Another advantage to using a long-throated flume approach is that they can easily be incorporated into a gravity pipe for flow measurement. Where it may not be practical to have an open channel section for installing the flume, a long-throated flume approach can be highly cost effective. Figure 10 shows a typical installation of a long-throated flume in a pipe.



**Figure 10.** Long-throated flume installed in a pipe section, with stilling well included for measurement capabilities

## Manhole Flumes

Manhole flumes are another flow measurement device alternative when flow measurement is needed at a location that is not open for other types of flumes to be installed. In the case of the existing Evans Ditch system, much of the distribution system is conveyed in pipes and manholes exist throughout the system already. Rather than day-lighting the existing pipe and flow, a manhole flume can be used to measure flow in the pipelines. Staff gages or ultrasonic flow meters can be used to read the flow through these types of devices.

Several types of manhole flumes are available. Eastech Badger manufactures the Manhole Flume™ which is an insert measurement device that is a variation of the Parshall flume and can be installed in standard manholes. This is a low headloss, self-cleaning flow measurement device. Flumes from 4-inch through 12-inch are available and correspond to maximum flow rates of 90 GPM to 1,500 GPM, respectively. The maximum head rise of the 12-inch flume is 18-inches.



**Figure 11.** Eastech Badger Manhole Flume™

Rather than installing an insert device such as the Eastech Badger flume described above, a complete package could be installed. These packaged systems include a variety of flow measurement devices installed in a fiberglass manhole. For instance, TRACOM offers several fiberglass Packaged Metering Manholes (PPM). These “packaged metering manholes are lightweight, corrosion resistant, watertight, structurally strong, and built to meet the stringent ANSI / ASTM D-3753-99 “Standard Specifications for Fiber-Reinforced Manholes”.” The package includes the integral flume, pipe adapters, fiberglass manhole and cover, and access ladder. Several types and sizes of flumes can be included in the packaged system, including: Parshall, Palmer-Bowlus, and Trapezoidal.



**Figure 12.** TRACOM Packaged Metering Manhole with a Palmer-Bowlus flume

Plasti-Fab is another manufacturer of the Packaged Metering Manhole. Their product is similar to the TRACOM package described above. They advertise that their system is watertight, one piece construction that eliminates infiltration, lightweight, corrosion resistant, and strong and very durable.



**Figure 13.** Plasti-Fab Packaged Metering Manhole: 48-inch diameter manhole with 6-inch Parshall Flume



## Recommendations for Evans Ditch

Table 2 summarizes the specific measurement improvements for the Evans Ditch.

The only point of measurement on the Evans Ditch currently is the measurement or gaging station, which is located near the head of the ditch and is used to record and measure the amount of water diverted under the Evans Ditch decree (Figure 14). This gaging station consists of a Steven's recorder and on what is commonly referred to as a "rated section."

A rated section is a clearly defined canal cross section area (in this case of Evans Ditch a concrete rectangular opening) that is used to estimate the flow in the canal by multiplying an approximate flow velocity by the canal cross section (width of canal multiplied by water depth). The rated section is calibrated and includes a chart that relates water depth to flow rate. These structures are quite common in ditch systems in northern Colorado, but they are definitely less preferred than flumes and weirs because they are substantially less accurate. A rated section may have an accuracy of  $\pm 10\%$ , compared to a Parshall flume with an accuracy of  $\pm 5\%$  or a long-throated flume with an accuracy of  $\pm 2\%$ .



**Figure 14.** Rated section measurement structure for the Evans Ditch

Table 2. Measurement Structure Recommendations for Evans Ditch

Site Name	Project Priority	Condition Rank	Current Condition	Recommended Approach	Notable Cost Elements
Flume at Ashcroft Draw	1	4	No current measurement capability.	Install an overshot gate that is capable of providing for desired control and measurement.	If an overshot gate and SCADA are installed at this location, no additional cost will be required to measure flow.
Measurement Adjustment	2	4	This site includes an Armtec overshot gate that is currently used for control only (flow not measured).	Install a pressure transducer in the existing wet well and use the existing overshot gate to measure flow.	Install pressure transducer for water level measurement, data logger, solar panel, and installation. \$1,750 - \$3,500
Purneys	3	4	No current measurement capability.	Install an overshot gate that is capable of providing for desired control and measurement.	If an overshot gate and SCADA are installed at this location, no additional cost will be required to measure flow.
17th Drop	4	4	No current measurement capability.	Install an overshot gate that is capable of providing for desired control and measurement.	If an overshot gate and SCADA are installed at this location, no additional cost will be required to measure flow.
31 <sup>st</sup> /Empire Box	5	4	No current measurement capability. Spillway from box currently discharges through a pipe, under 31st Street, and into an open ditch on the north side of 31st Street and Empire.	(1) Install a long-throated flume in the open ditch just north of the diversion box.  (2) Install a long-throated flume in the end of the pipe as it discharges to the open ditch.	Includes tree removal, upstream and downstream channel rehabilitation and stabilization, structure, and wet well. \$8,000 - 8,500  Pipe access might be a problem if pipe diameter is less than 24-inch. \$1,300 - 1,600
42nd/Golden Box	6	4	No current measurement capability. Spillway from box currently discharges through a pipe, under 42nd Street and into Riverside Pond.	Install a long-throated flume in the discharge pipe at a location where pipe is accessible via a manhole. Alternatively, install a pre-fabricated manhole flume.	Pipe access might be a problem if pipe diameter is less than 24-inch. \$1,300 - 1,600
Rated Measurement Section	7	2	Current station consists of Steven's recorder and rated section. Measurement at this site is currently adequate, but not likely to be highly accurate.	Design and calibrate a long-throated flume by placing a sill in the current rated section.	Includes installing concrete sill within existing rated section a placement of new wet well for water level reading. \$1,750 - 2,000
North-South Split	8	4	Flow is not currently measured at this location and is not a major concern at this point.	If overshot control structure is installed at the South Branch, flow into the South Branch can easily be measured if necessary.	If an overshot gate and SCADA are installed at this location, no additional cost will be required to measure flow.

Condition Rank:  
1 - excellent  
2 - adequate  
3 - minor repairs

Because the Division of Water Resources accepts the use of rated sections, it is probably not a priority for the City of Evans to replace this structure. However, if the structure is measuring water inaccurately, the water right and decree could be impacted because this structure provides the only historical record of water diversions for the ditch.

If the City is interested in improving the accuracy of this structure, we recommend installing a sill in the bottom of the existing rated section. A computer program called WinFlume, which was created by the U.S. Bureau of Reclamation for the design of long-throated flumes, can be used to design the sill within the existing rated section and the rated section in essence becomes a much more accurate flume. This approach to measuring will be far more accurate than the rated section and is highly affordable because it will not require that the existing structure be removed nor an additional structure be purchased.

The City of Evans staff would like to measure the five major discharge points from the Evans Ditch to the river (Measurement Adjustment, Purneys, 17<sup>th</sup> Drop, 31<sup>st</sup> Box, 42<sup>nd</sup> Box). The City would also like to construct another discharge point from the ditch to the river at the Flume Site at Ashcroft Draw. Because the City is pleased with the overshoot gate that was recently installed at the Measurement Adjustment structure, we recommend incorporating overshoot gates at these discharge locations for reasons discussed in the previous section, but also because they can be used to measure flow without construction of additional structures.

Water that discharges from the 31<sup>st</sup> and 42<sup>nd</sup> boxes does so through pipes. In the case of the 31<sup>st</sup> Box, the pipe conveys water just north under 31<sup>st</sup> Street to an open ditch. If flow measurement is desired at this location, the simplest approach would be to install a measurement structure on the north side of the road in the open ditch. Another solution, which is probably more cumbersome, but that also applies to the situation at the 42<sup>nd</sup> Box, is to install a long-throated flume in the pipe that carries the discharge back to the river. WinFlume can be used to design the flume that would be needed to accurately measure flow through these pipes.

## **Sedimentation Structures**

### General Overview

Excessive canal sedimentation can affect the performance of an irrigation system. There are several causes of canal sedimentation including:

- Excessive sediment intake at the canal entrance or other inflow points
- Re-entry of sediment from storms and wind
- Haphazard sediment excavation
- Incorrect channel regulation
- Constrictions, and thus slow water velocities at control points
- Shallow slopes and thus slow water velocities

Excess sedimentation can be caused by poor water quality, defective canal design, insufficient maintenance, or improper channel operation. For example, in shallow sloped canals, water velocities tend to decrease to the point that sediment drops out. If it is not possible to increase the velocity of flow, a sediment structure may need to be designed

or sediment must be removed on a continual basis. Sediment structures are often used to slow water flow and collect sediment particles at an accessible location so sediment may be removed on a continual basis. Proper maintenance and operation may also be used to reduce sedimentation. As a rule of thumb, canals that carry a significant amount of sediment should not be operated at less than three-quarters of their capacity to maintain adequate velocities and thus sediment transport. Similarly, control structures in earthen canals should be operated so that rapid changes in water velocity do not increase canal erosion and thus the sediment load in the irrigation water.

#### Recommendations for Evans Ditch

The Evans Ditch currently has one sediment trap on the Empire Street tube (Figure 15). This trap is designed so that the water velocity slows enough to allow sediment particles to drop in an open basin. The basin is highly accessible so that Evans staff can easily remove accumulated sediment. Table 3 indicates the sedimentation structural improvements that Evans would like to incorporate. We recommend installing a protective cover on the Empire trap to prohibit easy access by the public. Evans would also like to develop three additional sedimentation structures just north of the diversion structure to the Chappelow Pond, west of the 17<sup>th</sup> Drop, and north of 42<sup>nd</sup> Street and east of Belmont. These structures should be designed to a capacity that will allow water to slow and drop unwanted sediment.

A typical design of a sediment trap includes a concrete lined basin that is larger than the earthen ditch (to slow flow and allow sediment to drop out). The structure should be designed to be accessible by machinery that will periodically clean accumulated sediment in the structure. An earthen basin may also be used, and preferred in some cases, because it is less likely to be damaged by cleaning machinery.



**Figure 15.** Sand trap on Evans Ditch at the Empire Street tube



**Table 3. Sedimentation Structure Recommendations for Evans Ditch**

Site Name	Improvement Priority	Condition Rank	Current Condition	Recommended Approach	Notable Cost Elements
Empire Sand Trap	1	3	The current structure is used to slow the velocity of the water so sediment can be removed from irrigation water. Sediment collected in the trap is routinely removed by City staff. There is currently no cover or fencing around the sand trap which is of concern because it is in a residential neighborhood. Access for routine cleaning must be possible.	A protective cover (such as a fabricated steel rack or mesh) on top of the sand trap is recommended to protect the structure. The cover should be designed in a way so it can lock, but also be opened easily for routine maintenance.	For 4 - 5FT x 5FT aluminum grating planks installed with hinges and locks to cover the entire sand trap. <b>\$5,000 - 6,000</b>
West of 17th Drop	2	4	There is currently no sand trap at this location.	Install a concrete sand trap to the west of the 17th Drop structure.	For a 5FT x 5FT x 18FT concrete structure with riprap and aluminum cover. <b>\$7,750- 8,250</b>
Chappelow Pond Sand Trap	2	4	There is currently no sand trap at this location.	Install a concrete sand trap near the diversion structure that provides water to the Chappelow Pond.	For a 5FT x 5FT x 18FT concrete structure with riprap and aluminum cover. <b>\$7,750- 8,250</b>
North of 42nd Street and East of Belmont	2	4	There is currently no sand trap at this location.	Install a concrete sand trap north of 42nd St and east of Belmont.	For a 5FT x 5FT x 18FT concrete structure with riprap and aluminum cover. <b>\$7,250- 8,250</b>

**Improvement Priority:**

- 1 - immediate
- 2 - soon
- 3 - not a priority

**Condition Rank:**

- 1 - excellent
- 2 - adequate
- 3 - minor repairs
- 4 - not used/not applicable

## Canal Lining and Piping Options

### General Overview

Under certain circumstances, it may be beneficial to line or pipe the sections of the canal that do not efficiently convey water. Such circumstances may include long stretches of canal that do not service water users or sections of canal in highly permeable soils. It is not always cost effective or desirable to line or pipe entire canal systems so significant consideration should be given to proposed locations. Following are several key considerations for lining and piping canal:

- Piping canals that have historically intercepted overland flow and runoff may create a safety issue because the pipe will no longer intercept this water.
- Use of heavy equipment for maintenance on lined canals may be limited to insure the lining material is not damaged.
- Earthen canals, particularly in urban areas, are considered to be an aesthetic amenity to the community. Piping will eliminate this amenity. However, lining options may help to maintain this amenity while simultaneously decreasing seepage.
- Canal lining and piping can be expensive. Many canals have effectively opted to phase in lining and piping costs to help eliminate cost burden.

This section discusses several options for improving canal conveyance systems. The advantages and disadvantages of five types of lining systems are discussed in this section. The general types of lining discussed are: (1) soil sealants, (2) buried impermeable membrane, (3) exposed impermeable membrane, (4) concrete hard surface, and (5) and pipe. Many factors should be considered when choosing a liner system including: climate (freeze and thaw cycles), terrain, water velocity, side slopes, drainage, soil stability, periods of operation, and canal capacity.

### Soil Sealants

Polyacrylamide (PAM) has traditionally been used to decrease soil erosion in furrow irrigation systems. The anionic version of PAM is an environmentally safe flocculent and is available in dry granular, tablet, or liquid form. PAM increases soil cohesion and aggregation, which causes sediment to drop out of the water, thereby reducing erosion. In addition to reducing erosion, some studies have shown that the inflow rates can be doubled with the application of PAM thus achieving greater overall field uniformity while still reducing sediment loss.

More recently, PAM has been shown to reduce seepage losses in earthen canals. In a U.S. Bureau of Reclamation study on Colorado's western slope, adding PAM reduced canal seepage by as much as 60% (studies conducted by Jim Valliant, 1999). PAM causes sediment aggregates to precipitate out of the water and coat the bottom of the canal, thereby reducing seepage. The longevity of a single application is highly variable among canal systems and is often applied up to several times during an irrigation season. However, it has been very feasible for many canal companies, including the Grand Valley Irrigation Company in Grand Junction.

### Buried Impermeable Membranes

Buried impermeable membranes include PVC and geotextile fabric. PVC is not rated for exposure to UV light from the sun and therefore needs a geotextile fabric installed above it for protection. The geotextile fabric not only provides UV protection for the liner, it also provides a surface for the soil backfill to adhere to. Typically a 12-inch layer of soil is recommended to cover this type of lining system. The liner can be attached to concrete structures such as headwalls with batten strips, and pipe boots are available for installations around pipe. A concrete cover can also be used on top of the impermeable membrane to protect the membrane from damage and weathering – the membrane serves as an added water barrier protection.

A 20 mil (millimeter thickness) PVC liner and 8-ounce geotextile fabric system is not recommended for slopes greater than 3:1 because the soil cover may not be maintained on the side slopes of the canal. Additionally, the PVC liner may tend to creep down the slope.

In order to install the lining system without reducing the existing capacity of the canal, excavation may be required. The excavated material should be placed above the liner after installation and should be compacted. It should be noted that even with compaction, erosion of the newly placed soil may occur.

### Exposed Impermeable Membranes

Reinforced polypropylene includes a nylon scrim that provides dimensional stability and strength to the liner. The seams are heat welded for watertight connections between panels. However, because heat fusion welding requires special machinery, alternative installations may be preferred for economic reasons. One manufacturer of this material has seen successful polypropylene installation in canal systems with overlapping panels instead of heat welding. Although overlapping on the down gradient can be effective, heat welding is the recommended installation technique.

There is no sag or creep associated with this liner on 1:1 slopes. The liner can be attached to concrete structures such as headwalls with batten strips, and pipe boots are available for installations around pipe. Again, heat fusion welding would be used to join the liner panels around the pipes. A 45 mil polypropylene liner would be recommended for this particular application.

### Concrete Hard Surface

Soil cement is a compacted mixture of native soil, Portland cement, and water. It has many construction applications including canal or stream lining for reduced seepage and bank stability. Typical installation includes preparing the bottom of the canal with a 6-inch layer of sand to allow for drainage and prevent trapped water from pushing up on the soil cement liner. A 12-inch thick layer of soil cement is then poured in place. Slopes of 3:1 are the maximum recommended slope with soil cement because it is hard to compact the mixture properly at greater slopes. Canals are often lined on the bottom only because of the difficulty in lining the slopes. This method of lining may be most economical when native soils are available near the project. If material has to be imported, the costs can increase significantly. Freeze and thaw cycles do not typically

affect soil cement. Soil cement is delivered in concrete dump trucks and then spread with a bull dozer.

Traditional concrete canal lining systems are more costly than soil cement. To line the canal system with 4 to 6-inch thick concrete, a slip form must be created. Vegetation along the canal banks would have to be removed in order to make a road adjacent to the canal for construction purposes. The entire canal would essentially be reconstructed because the bottom and side slopes have to be properly compacted prior to pouring the concrete slip form (Figure 16). The life expectancy of concrete lining is about 20 years.



**Figure 16.** Preparation of site and completed concrete ditch

### Pipe

Pipe can also be used to reduce seepage losses in a canal system. In a pressurized system, the pipe size is based on acceptable velocity ranges and friction losses rather than flow rate and slope because the pump can “push” the water through the pipe. However, in a gravity flow scenario, the pipe has to be sized based on the capacity of the system and the given slope of the existing canal system.

An advantage of piped systems over other canal lining options is that the enclosed pipe would also eliminate evaporation losses. The decision to either line or pipe canals will most likely depend on which provides the lowest cost solution; however, advantages and disadvantages of each may also influence the final choice. Lined canals are a convenient and economical means for conveying large quantities of water. However, water flow velocity can be much higher in pipes because there is no risk of erosion. A partially flowing pipe will behave like an open channel but a full flowing pipe comes under a pressure head which increases flow velocity and capacity.



Another approach to repairing or upgrading existing pipelines is to slip line the existing pipe in place rather than completely removing and replacing pipe. Some pipe manufacturers make liner systems that can be pulled into an existing pipe to seal leaks and cracks. This type of application is typical for sewer and municipal pipeline applications, but can also be used in agricultural settings. One advantage of slip lining is that repairs to existing pipe can be made relatively quickly because the pipe does not necessarily have to be excavated.

#### Recommendations for Evans Ditch

Table 4 summarizes several areas in the Evans Ditch system that the City of Evans would like to line or pipe.

If it is desirable for the City of Evans to pipe a significant portion of the ditch, a concept that might be considered is pressurization. There are many canal systems that have converted to or are considering converting to complete pressurized water delivery. There are many water users, including the City of Evans, on the ditch that currently pressurize water with individual pump systems for landscape irrigation purposes. Because the City of Evans and other users have already invested financially in pressurizing the individual uses of water, they are not currently interested in piping and pressurizing the entire canal system. Therefore the piped locations that are listed in Table 4 refer to gravity pipe only. Table 5 includes unit costs for typical pipe and lining applications.

#### 31<sup>st</sup> Street Manhole Repair

Two existing manholes on the Evans Ditch piped section that crosses Highway 85 in 31<sup>st</sup> Street experience pressure and air problems which cause the lids to detach. Both manholes are located east of Highway 85 in 31<sup>st</sup> Street. The City has bolted these lids down and installed plugs that can manually be loosened to release the air. However, a long term air release system is desired to prevent future problems.

Two possible solutions come to mind for this problem. First, a pipe could be inserted into the manhole, by way of core drilling the concrete section, and routed south out of the street where a vent tube, approximately 3 or 4-ft tall would be installed. Air would exit through the tube; however, if water in the manhole exceeded the pressure equal to the height of the vent tube, water would also exit the tube. Pressure readings in the manhole should be taken to determine the maximum pressure which would allow the height of the vent tubes to be set.

A second option is to install a pipe in the manhole and route it to the south side of the street where an air-vacuum release valve would be located below grade. This type of valve is designed to be open to the atmosphere to prevent air buildup or vacuum situations in the pipe and when the air is gone and the pipe is full of water, the valve will shut, so no water exits the valve. Again, the pressure and elevation of the water in the manhole should be determined prior to designing this system to be sure that the elevation of the valve will allow for proper operation.

Table 4. Lining and Piping Recommendations for Evans Ditch

Site Name	Improvement Priority	Condition Rank	Current Condition	Recommended Approach
31st Street Manholes	1	3	Two existing manholes east of Highway 85 and 31st Street experience pressure and air problems that cause lids to detach. A long term air release system is desired to prevent future problems and to eliminate the need for manual adjustment of existing air plugs.	(1) Insert pipe in manhole and route air through an air vent. \$2,500 (per manhole)  (2) Insert pipe in manhole and route air to an air vacuum release valve. \$3,800 (per manhole)
Central: 40th to 39th Street (both sides of street)	2	4	Earthen open ditch	New construction of pipeline
Idaho: 42nd to 40th Street (west side of street)	2	4	Earthen open ditch	New construction of pipeline
Golden Street: 40th to 37th Street (both sides of street)	3	4	24 inch non-reinforced concrete pipe	Replace and enlarge piping with options discussed in study
North of 2675 49th Street	3	4	Earthen open ditch	Replace open ditch with lining or piping options discussed in study
North of 35th Street: Empire to Trinidad	3	4	Earthen open ditch	Replace open ditch with lining or piping options discussed in study
East of Pueblo (Parkers): Pueblo to Structure	3	4	Earthen open ditch	Replace open ditch with lining or piping options discussed in study
Empire Street: Sand Trap to 35th Street	3	4	30-inch reinforced concrete pipe	Slip lining desired
Boulder between 38th and alley to the south	3	4	Currently there is a broken pipe with root intrusion.	Repair or replace pipe
East of 11th Ave: 36th to 32nd Street	3	4	Earthen open ditch	Replace open ditch with lining or piping options discussed in study
North of 37th St: 37th Street to 11th Ave	3	4	Earthen open ditch	Replace open ditch with lining or piping options discussed in study
North of 37th St: 11th Ave to 36th Street	3	4	Earthen open ditch	Replace open ditch with lining or piping options discussed in study
East of Belmont: 42nd Street to Burlington	3	4	Earthen open ditch	Replace open ditch with lining or piping options discussed in study

Improvement Priority:

- 1 - immediate
- 2 - soon
- 3 - not a priority

Condition Rank:

- 1 - excellent
- 2 - adequate
- 3 - minor repairs
- 4 - not used/not applicable

**Table 5. Typical cost for pipe and lining applications***Cost per linear foot of application*

Type of Pipe	Pipe Diameter					
	36-inch	42-inch	48-inch	54-inch	60-inch	72-inch
PVC Low Head Irrigation Pipe - 50 PSI	\$106	\$146	\$195	\$249	\$288	NA
Corrugated Metal Pipe - Aluminized Type 2 UltraFlow	\$52	\$61	\$69	\$108	\$117	\$161
HDPE - Class 50 DR 32.5	\$110	\$150	\$216	\$258	N/A	N/A
Circular Concrete Pipe - Class 3 Reinforcement	\$51	\$78	\$95	\$125	\$161	\$228

Type of Lining	Unit Cost Installed
PAM	\$63 / acre (not applied)
Buried Impermeable Membrane (concrete cover)	\$63
Exposed Impermeable Membrane	\$40
Concrete	\$125
Sliplining	
24-inch	\$74
30-inch	\$102
36-inch	\$150

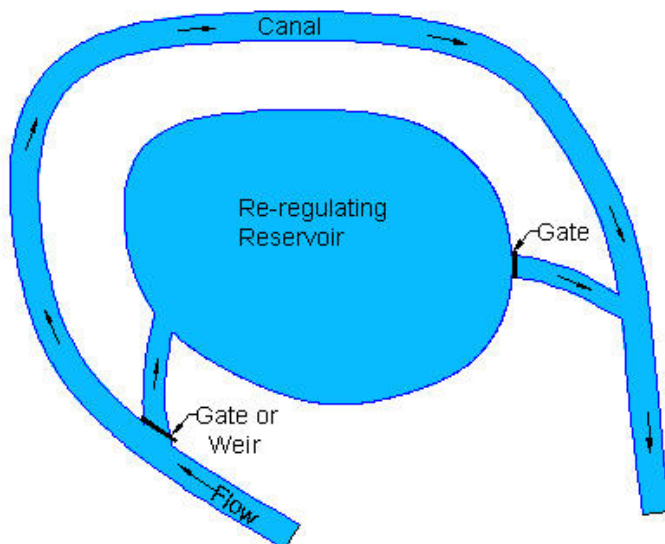
## Storage and Equalizer Reservoirs

The concept of an equalizer (often called re-regulating) reservoir is rather simple; the intent is to capture excess canal flows in the reservoir and hold water for subsequent release when canal flows drop below downstream water orders. This type of reservoir is generally not intended to hold water for long periods or to capture early season water for late season release, but some reservoirs can serve both purposes.

Canal flows fluctuate due to diurnal variations in river flows and river diversions, day-to-day changes in total water orders, significant changes to orders in a specific canal reach, dramatic on-off headgate or lateral delivery variations, and storm inflows. The primary benefit of an equalizer reservoir is to improve the consistency of flows at the headgate, thereby allowing an individual irrigator to improve on-farm application efficiency.

Many canals are managed by diverting more water than required by orders and then releasing excess flows back to the river at points tending to be at or near the end of the canal. This approach is functional but it may also be desirable to capture as much of the excess as possible within the canal's service area to improve canal operational efficiency and increase beneficial use of the decree under the prior appropriation system.

Figure 17 shows the concept of an equalizer reservoir. Using the slope of the canal to advantage, water is gravity fed into the reservoir and gravity fed back out. The inflow can be controlled by a gate or a long crested weir. The outflow is best controlled by a gate or gates suitable to both small and large outflows. Remote control of actuated gates with SCADA allows for the greatest reservoir use potential and operational flexibility; however, gates can also be controlled manually.



**Figure 17.** An equalizer (re-regulating) reservoir captures excess flows for subsequent release to make up shortages



It should be noted that SCADA and remotely actuated gates can provide some of the benefits of an equalizer reservoir by using excess capacity in the canal itself for short term water storage. Assuming the canal has adequate freeboard, a downstream check can be used to bring the canal water surface level up, while still maintaining a minimum freeboard, and thereby hold a proportional amount of water at the surface. This approach can be thought of as treating the excess capacity in the canal as a pencil-thin reservoir and might be most appropriate for the short term capture of flow variations due to the more minor delivery changes and diurnal fluctuations.

Pumps can be used to pump water into or out of the reservoir or both. The primary disadvantages of pumping are the costs -- initial and annual operating costs -- but pumps can also provide for a suitably high outflow delivery rate which can be highly varied as required and accurately measured. Pumping systems may have dual purposes as well. For example, a pump station may be used for outflow makeup water at one time of the year and pumping into a storage reservoir at another time of the year (see Figure 18).



**Figure 18.** Example pump station that transfers water from an equalizer reservoir

Reservoir depth should be as large as possible in order to decrease surface area, for a given storage volume, and thereby minimize evaporative losses. Some equalizer reservoirs are lined to prevent loss due to seepage while the seepage in other situations is viewed positively as contributing to ground water storage and potentially credited to a well augmentation plan.

Equalizer reservoir design issues are:

- Discrepancy (prediction of the volume discrepancy).
- Transient time under normal operational conditions.
- Land area available.
- Operational strategy considering gravity flows, pumped flows, or a combination.
- Implementation budget.

The volume of a re-regulation reservoir is most likely budget driven. Otherwise, the reservoir size generally wants to be as large as is practical and possible.

### **Pressurized Secondary Supply**

A secondary supply or dual system is basically a utility that provides raw water for irrigation purposes. A secondary water supply system can be a good water management strategy for canal companies in urbanizing areas because it has the potential to mutually benefit ditch companies in the form of continued operation as well as the state, municipalities, and residential water users in the form of more strategic water use.

Under a typical secondary water supply scenario, a ditch company becomes the primary raw water provider for urban development in the historical service area of the canal. The canal company would acquire the water shares associated with the lands under development, and retain these shares as treasury stock in the company. Through the continuation of the beneficial use of water rights within the canal service area, a change in use and subsequent devaluation of the rights would not occur. Therefore water rights and their associated value would not be impacted through the secondary supply process.

The City of Evans is in essence already acting as a secondary water company by providing raw water from the Evans Ditch directly to residential developments and City facilities and common spaces. The Evans Ditch is quite unique as far as canal companies in the region are concerned because the City has and continues to deliver raw water to residences and agriculture alike. The institutional base for a secondary supply system in the Evans Ditch is presently in place.

Secondary supply systems can vary in design and operational advancement. They can be as simple as the maintenance of the existing irrigation system with improvements in basic canal infrastructure to as complex as the complete replacement of the canal with pressurized piping. Key design elements for the former may include the maintenance of the existing canal (i.e. open ditch) with water pressurization at each point of delivery such as a park or residential development. Key design elements for that latter may include a consolidated storage facility and pump station as well as transmission and distribution pipeline to deliver pressurized water to each point-of-connection. Although these two approaches essentially accomplish the same task, pressurized water supply at the point of use, the engineering design approaches are quite different. There are real implications to selecting one approach over the other.

# **Supervisory Control and Data Acquisition (SCADA)**

The primary emphasis of this study was to develop a conceptual SCADA plan for the Evans Ditch. The City of Evans staff identified several sites, primarily spillways, during the course of this study where they would like to incorporate SCADA. In this section of the report, we discuss the general SCADA concept including an historical overview, a general description of operation, discussion regarding communication, field and office equipment, and water level sensors.

## **General SCADA Concept**

### Overview

The term SCADA stands for Supervisory Control and Data Acquisition. SCADA is a technology that can be used for both monitoring and control of canal operations from a centralized location. Some of the primary benefits to using SCADA systems include:

- Centralized monitoring and/or control of real-time canal operations.
- Sharing and access to real-time data via the Internet.
- Because of decreasing hardware costs, this technology is becoming more affordable for use in agricultural situations.
- Canal automation, both remote manual operation and full canal automation, is possible under SCADA.

SCADA costs are reasonable for canal systems and the costs have decreased in recent years. The payback of the system is achieved through labor savings, water conservation, improved operations, and reduced operational liability. Irrigation, for many years, was not an industry that warranted the hardware and software costs until some irrigation manufacturers began to adapt their own proprietary hardware, and software, into a specialized type of SCADA. For example, in the mid 1980's we began to see adapted SCADA systems that were specifically made for irrigation projects that could afford this technology, such as golf course irrigation. In landscape irrigation, these systems are generally referred to as "centralized irrigation control." These early control systems were further adapted to accommodate distributed sites such as school districts or municipal park departments. In 1986, the City of Pueblo became the first city in the country to have centralized irrigation control for distributed park sites.

There were very few irrigation central control systems to be found in irrigated agriculture at the time this technology was being developed for landscape uses. Agriculture could not afford the rather steep cost of SCADA. During the early 1990's, the cost of implementing SCADA on a per site basis was generally in the range of \$5,000 to \$10,000 per site without gate actuation hardware. This cost was simply too high in comparison to the cost of a chart recorder installation on a weir or flume, or for that matter, the cost of manual actuation of gates by canal staff. The current cost of SCADA implementation has come down in recent years to a point where SCADA is affordable to irrigated agriculture. For instance, the Central Arizona Irrigation and Drainage District upgraded 108 sites for a hardware cost of only \$150,000 a few years ago. SCADA can provide smaller canals cost effective improvements to canal operations.

SCADA can also be phased in over time. For example, a smaller canal may justify SCADA for the primary river diversion or for a particular flume that needs to be read often. A decrease in driving time alone may justify SCADA at that particular site. After implementation on one site, it is easy to imagine additional sites that will benefit the canal and overall operations. Once the computer and interface are in place, the addition of more sites is understandable and cost predictable.

SCADA systems may also be phased per the primary need for the system based on “monitoring” versus “control”. If data acquisition is the overriding goal for SCADA, then sensors such as liquid level sensors (pressure transducers) are used to simply allow flow measurement structures to be monitored and a database created. Later, gate actuators may be added to adjust checks or gates from a central location.



**Figure 19.** Example of a remotely monitored rated section using a SCADA system. Equipment is 12-volt DC powered from a solar panel that maintains a charge on a battery. Communication with the site is via radio.

### Operation

SCADA systems are operated from a microcomputer installation which is usually located at a centralized location relative to the canal system (for example the City’s Operations Facilities). A computer chip at a remote location is programmed for sensor interrogation, process and calculation, and communication. The remote location hardware is called a Remote Terminal Unit or RTU. Communication can be by telephone, cell phone, or radio, whichever is most convenient, cost effective, or reliable.

SCADA can be described in terms of four differentiating levels of implementation: (1) remote monitoring, (2) remote manual operations, (3) local control operations, and (4) fully automated operations.



Monitoring with a SCADA system allows an operator at the office to see the status of selected elements from a remote location. For example, using a monitoring SCADA system, an operator can see what the water level is behind a specific check structure, what the flow rate is in a metered pipeline, or what pump is on or off. With a monitoring system, if something doesn't look right or needs to be changed, the operator must send someone to the site to investigate or to make adjustments.

When structures are operated under remote manual control, the operator can see all the key values like water level upstream of the check and can use this to make an immediate operational decision. With this information, the operator can remotely make adjustments to the position of the gates or other control device to correct or change conditions as necessary. At a flow rate control structure, if the downstream flow rate is too low or too high, the operator can lift and lower the gate to increase and decrease the flow rate. The change that the operator makes would be displayed on the SCADA office computer immediately so that additional, fine tune adjustments can be made.

With local control, the RTU at a particular site is programmed to maintain a set point for upstream water surface elevation. This set point is maintained at that site for an indeterminate period until the set point is changed.

Finally, a canal component like a check structure can be operated under fully automatic control. Instead of an operator viewing the parameters and making changes, an algorithm residing at the central computer is used to analyze gate positions, canal reach storage, and water surface elevations in order to make the anticipated deliveries. Of course, the operator still has complete oversight control. The operator can still see all the information to make evaluations, can change set points and can even override the automatic control if necessary. For example, the Maricopa Stanfield Irrigation and Drainage District (MSIDD) near Phoenix operates 12 miles of their canal system using software that was developed by the Agricultural Research Service, Water Conservation Laboratory (Figure 9). When SCADA systems are fully implemented and fully operational, some have argued that ditch operations can be just as fully automated as piped and pressurized water distribution systems. The advantages in full monitoring and full automation are enormous.

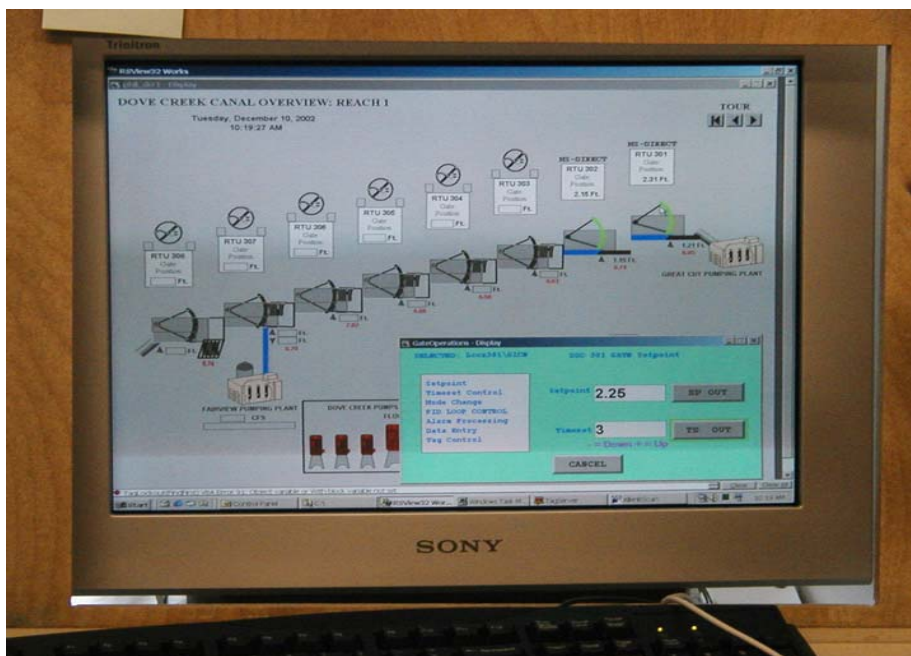
### Communications

Communications is the backbone of every SCADA system. Communications used for SCADA must be reliable, free from interference, inexpensive, and easily maintained. Communications options include radio, "dial-up" telephone lines, leased telephone lines, dedicated cables, and satellite. At remote locations, radio is a logical communication choice. The newest radio systems, such as spread spectrum radios, can "store and forward" which means that several radios are "daisy chained" along the length of the ditch to reach a remote location. A 900 MHz spread-spectrum radio solution is recommended for sites that are in close proximity to each other because this approach is inexpensive and low maintenance and does not require FAA licensing. However, a radio check is typically needed to determine whether repeaters are necessary between selected sites.

Many sites of interest for SCADA do not have power available. RTUs at these sites are easily powered by solar panels and 12-volt DC equipment. Gate actuators (12-volt DC) can reliably power even sluice and radial gates on the canal or ditch.



**Figure 20.** An operator at the Central Arizona Irrigation and Drainage District near Phoenix monitors primary flows and water surface elevations in the 60 mile canal. This SCADA system was implemented at very low cost using affordable RTU equipment and spread spectrum radios for communication.



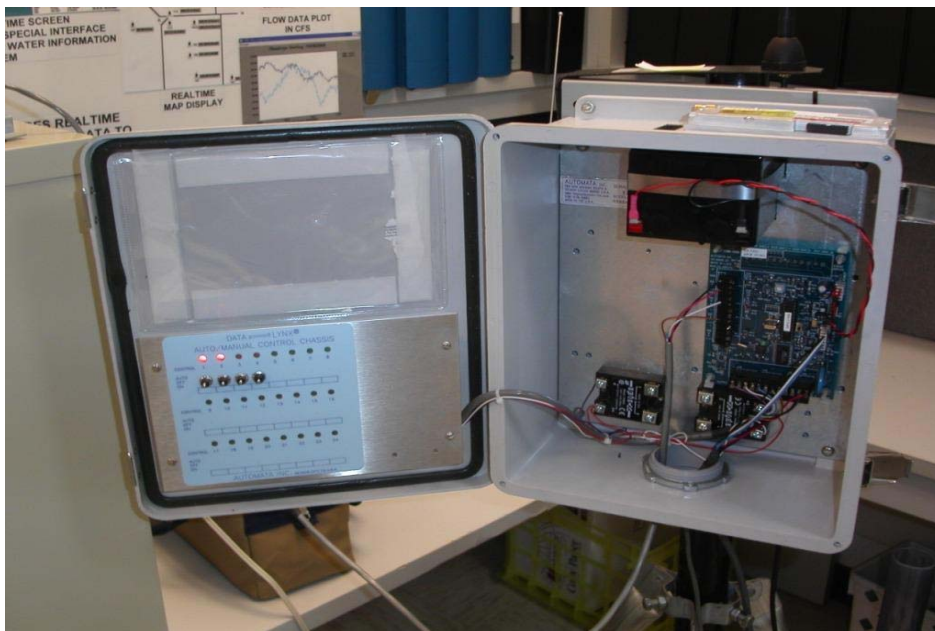
**Figure 21.** Example of SCADA computer interface used by the Dolores Project

## SCADA Field Equipment

The RTUs used for monitoring and remote manual control are nearly identical packages. The only difference is that an RTU used for remote manual control has more extensive programming, as well as relay hardware, to implement the control functions.

The SCADA equipment located at a remote manual control includes sensors to measure the necessary parameters, an RTU, a gate actuator, the radio and antenna to communicate with the office SCADA system, and provision of power.

The SCADA equipment located at a monitoring site is identical to the SCADA equipment used for remote manual control except that the hardware required to move gates or make other adjustments necessary for control are not required. A typical RTU is shown in the photo below. The RTU is contained in a vandalism resistant enclosure.



**Figure 22.** Automata RTU complete with Auto/Manual control panel

## Office SCADA Equipment

The office needs to be equipped to receive the communications from the remote terminal units, display the necessary information to the operator, and provide a way for operators to make adjustments and change set points. This is accomplished using a desktop computer running specialized Human-Machine-Interface (HMI) software. This software is all available off-the-shelf, but needs to be configured to display and communicate the needed information to the user. Example brands of software commonly used by irrigation districts are SCADAConnect®, Lookout®, and Intellution®.

The HMI software presents the information in both graphic and numeric formats to the operator. The operator can make changes to any control component in the system by changing appropriate values on the computer screen.

Finally, the operator's computer is used to display and archive operational data. The data can be flow rates, accumulated flow volume, water levels, or any of the other parameters measured by the SCADA system or that can be calculated from the measured values. The data can be presented in graphical form (trend charts) or in numerical form. Data files compatible with spreadsheets or other software can be created through the HMI software. The archived (stored) data can be used to study system operations, for billing purposes, or for reporting to interested parties.

The office computer should be a contemporary desktop computer with a high speed processor, 256 MB of RAM, two serial ports, one parallel port, a large hard drive (larger than 10 GB), a compact disk recording drive, and a large screen (19" minimum) monitor. Dual monitors are often quite helpful and functional for the operator. The computer should be equipped with appropriate HMI, and a complete office software suite (MS-Office is highly recommended) that includes a word processor, spreadsheet software, and database software. A good quality color printer is also recommended to generate reports and facilitate operations.

### Water Surface Level Sensors

Water surface level sensors are required at every level of SCADA implementation including monitoring, control, and automation. There are three basic sensors to consider: ultrasonic flow sensors, float sensors, and submersible pressure transducers. Monitoring water surface levels is critical to the successful operation of a SCADA system, so proper consideration should be given to the type of sensor used.

#### *Ultrasonic Sensors*

Ultrasonic sensors transmit a series of cone-shaped sound waves through the air. These sound pulses reflect off of the liquid surface and are in turn received by the sensor, which measures the time interval between the transmitted and received signal. Electronics then convert the time interval into a distance measurement using the speed of sound. No part of the sensor ever touches the water, a distinct advantage of this sensor type.

General ultrasonic advantages:

- Non-contacting, so they are not affected by dirty water, floating debris, or aquatic wildlife
- Not affected by fluctuating water temperatures
- Not affected by high flow rates
- Easy to calibrate
- Low maintenance
- Can withstand freezing temperatures
- Long term reliability

General ultrasonic disadvantages:

- Affected by temperature fluctuations (air)
- May reflect off floating foam or debris
- Must be aligned precisely
- May be affected by turbulent water (a stilling well may be required)
- If echo is lost, may display a misleading reading

- Large beam angles cannot be used in restricted spaces
- Some sensors can be damaged by flooding (if they are not waterproof)
- Some sensors delay between the time when power is first applied and the first output

### *Float Sensors*

There are two basic types of float sensors, one which involves a pulley and a counterweight, and the other which utilizes a spring to produce an upward force on the float cable.

#### General Float Device Advantages:

- Not affected by dirty water
- Not affected by water temperature
- Not affected by foam
- Low affect of changing air temperatures
- Low maintenance
- Low cost
- Can withstand freezing temperatures
- No delay between the time when power is first applied and the first output

#### General Float Device Disadvantages:

- Stilling well required
- Cable may slip (pulley and counterweight type only)
- Easily vandalized unless enclosed
- May wear if the water level remains at one position for extended periods
- Salt build-up may freeze the pulley

### *Submersible Pressure Sensors*

At any given water level, both liquids and gases exert an equal pressure in all directions. Water pressure increases linearly with depth of submergence. For every 70 cm (2.31 ft) of water, pressure increases by 1 PSI. The pressure difference between the atmosphere and the water around the sensor head produces a force on a flexible diaphragm. Electronics convert the force on the diaphragm into a proportional electric signal, which is then produces a water level.

#### General pressure sensor advantages:

- Easy to install
- Electronics are hidden from view
- Low power draw
- Not usually affected by air temperature fluctuations
- Not affected by foam
- Almost no time lag
- No delay between the time when power is first applied and the first output

#### General pressure sensor disadvantages:

- Damaged by ice
- Can clog in dirty water



- Susceptible to malfunction if allowed to dry (some sensors)
- May hang up debris
- Adversely affected by water temperature fluctuations
- Range is not adjustable
- Desiccant must be periodically replaced
- Stilling well often required
- Lightning protection recommended
- Damaged if submerged beyond its range
- Easily damaged by aquatic life

## **Evans Ditch Conceptual SCADA Plan**

Table 6 summarizes the recommendations for each of the primary SCADA sites of interest for the Evans Ditch. These elements will be discussed in detail below. Figure 23 includes a map that shows the potential locations for SCADA implementation. The following sites were identified by Evans staff for potential SCADA implementation, in the order of highest to lowest priority:

- Flume at Ashcroft Draw
- Head of Ditch
- Purneys
- 17<sup>th</sup> Drop
- North-South Split
- 31<sup>st</sup>/Empire Box
- 42<sup>nd</sup>/Golden Diversion Box

Three basic solutions or approaches to implementing SCADA within the Evans Ditch were identified in this study. These approaches are as follows:

- Approach #1: Remote Monitor Only
- Approach #2: Remote Monitor and Control – Existing gate solution
- Approach #3: Remote Monitor and Control – New gate solution

SCADA can be as simple as monitoring water levels from a remote location. Using this approach (Approach #1), manual operation of canal structures are still necessary; the monitoring only serves as an indicator for what changes must be made manually.

As previously discussed, the Evans Ditch has two Armtec overshot gates at the primary diversion and the Measurement Adjustment. Because the controller in these gates is not SCADA compatible unit, it will be necessary to remove and replace the gate controller with an RTU that is compatible with a SCADA system. Under Approach #2, we present a recommended SCADA approach that would involve replacing the Armtec gate controllers and actuating all existing manual gates, as opposed to purchasing new gates.

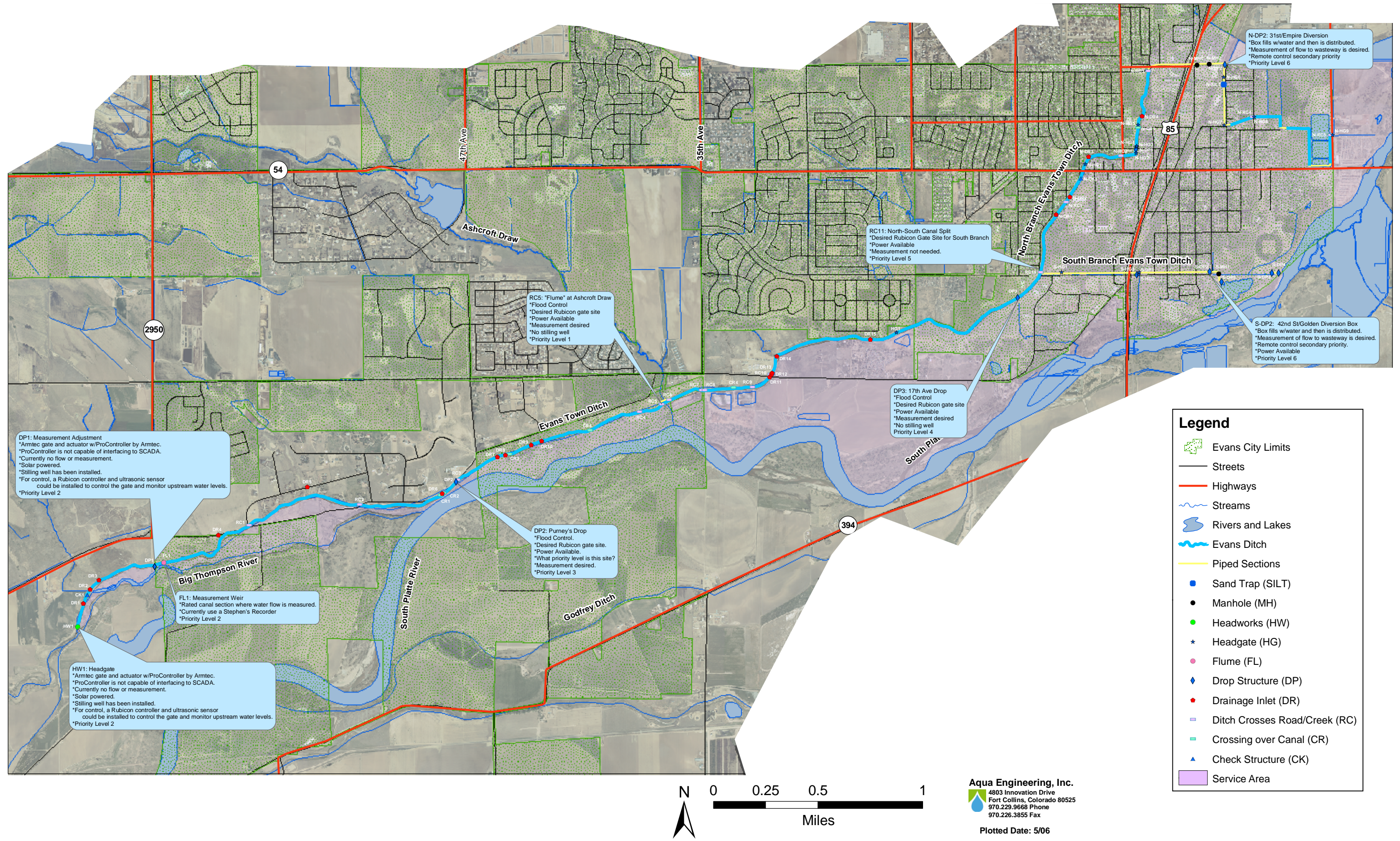
Under Approach #3, we recommend installing the Rubicon FlumeGate at all locations, including those sites that currently have Armtec gates and manual gates installed.

**Table 6. SCADA Recommendations/Costs for Evans Ditch**  
*This table reflects costs for SCADA equipment only - see other tables for additional cost elements*

Site Name	Project Priority	Current Condition	Approach #1 (remote monitor only)	Approach #2 (remote monitor & control)	Approach #3 (remote monitor & control)
			Monitor water levels: manual control still necessary on all existing structures.	Monitor and control: Existing Gate Solution*	Monitor and control: New Gate Solution**
Flume at Ashcroft Draw	1	There is currently no spillway capabilities at the Flume site. An overshot gate with SCADA is desired at the site for future spill capabilities.	Install pressure transducer in wet well. Install RTU/radio for monitoring flows/levels at site from office. <b>\$6,500</b>	There is no existing spillway gate at this location so an existing gate SCADA solution is not applicable.	Install a Rubicon overshot gate. Install radio for communications, adjusting flows/levels by controlling gate at site from office. <b>\$32,750</b>
Head of Ditch	2	(2) Obermeyer gates & (1) Armtec overshot gate. Controller on Armtec is <u>not</u> SCADA compatible. Used to make large adjustments at the river (Obermeyer) and to control the water directly diverted into ditch (overshot).	Install pressure transducer in wet well. Install RTU/radio for monitoring flows/levels at site from office. <b>\$6,500</b>	Replace controller on Armtec gate. Install RTU. Install pressure transducer in wet well. Install radio for communications, adjusting flows/levels by controlling gate at site from office. <b>\$8,000</b>	Remove Armtec gate and replace with Rubicon overshot gate. Control levels/flows remotely from office. <b>\$32,750</b>
Measurement Adjustment / Rated Section	3	Measurement Adjustment structure is an Armtec overshot gate that is used to make fine tuned adjustments to flow in the canal before it is measured at the rated section. The overshot gate serves as a spillway to the river.	Install pressure transducer in wet well. Install RTU/radio for monitoring flows/levels at site from office. <b>\$6,500</b>	Replace controller on Armtec gate. Install RTU. Install pressure transducer in wet well. Install radio for communications, adjusting flows/levels by controlling gate at site from office. <b>\$8,000</b>	Remove Armtec gate and replace with Rubicon overshot gate. Control levels/flows remotely from office. <b>\$32,750</b>
Purneys	4	Manual controlled gate used for emergency spillway to river.	Install pressure transducer in wet well. Install RTU/radio for monitoring flows/levels at site from office. <b>\$6,500</b>	Add actuator to existing manual gate. Install RTU. Install pressure transducer in wet well. Install radio for communications, adjusting flows/levels by controlling gate at site from office. <b>\$13,500</b>	Remove manual gate and replace with Rubicon overshot gate. Control levels/flows remotely from office. <b>\$32,750</b>
17 <sup>th</sup> Drop	5	Sluice gate used for emergency spillway to river and head adjustment for downstream users. This site is currently used to monitor the amount of water delivered to rest of canal.	Install pressure transducer in wet well. Install RTU/radio for monitoring flows/levels at site from office. <b>\$6,500</b>	Add actuator to existing manual gate. Install RTU. Install pressure transducer in wet well. Install radio for communications, adjusting flows/levels by controlling gate at site from office. <b>\$13,500</b>	Remove sluice gate and replace with Rubicon overshot gate. Control levels/flows remotely from office. <b>\$32,750</b>
North-South Split	6	Site used to divert water to North and South Branches of ditch. Check boards at the entrance to the South Branch are currently used to make manual adjustments.	Install pressure transducer in wet well (South Branch only). Install RTU/radio for monitoring flows/levels at site from office. <b>\$6,500</b>	N/A	(1) Replace with Rubicon overshot gate. Control levels/flows remotely from office.  (2) Replace with single Rubicon gate and compare levels at gate with a gate upstream to determine level of non-gated structure (north or south)
31 <sup>st</sup> /Empire Box	7	Diversion box that is used to divert water in several directions for several uses including an open ditch spillway to the river and delivery to water users via laterals and headgates. Water measurement and SCADA are desirable for spillway water only.	Install ultrasonic or pressure transducer in box. Install RTU/radio for monitoring water level in box from office. <b>\$6,250</b> for pressure transducer or <b>\$6,500</b> for Ultrasonic sensor. (See Table 2 for additional flume costs).	Install actuators on all existing gates. Install flow meters in all outlet pipes. One RTU/radio for monitoring flows at site from office. <b>\$17,000</b>	N/A
42nd/Golden Box	8	Diversion box that is used to divert water in several directions for several uses including spillway to a pond (end of south branch) and delivery to water users via laterals and headgates. Water measurement and SCADA are desirable for spillway water.	Install ultrasonic or pressure transducer in box. Install RTU/radio for monitoring water level in box from office. <b>\$6,250</b> for pressure transducer or <b>\$6,500</b> for Ultrasonic sensor. (See Table 2 for additional flume costs).	Install actuators on all existing gates. Install flow meters in all outlet pipes. One RTU/radio for monitoring flows at site from office. <b>\$17,000</b>	N/A



Figure 23. Recommended SCADA Locations for Evans Ditch  
Canal Modernization Study for the Evans Ditch





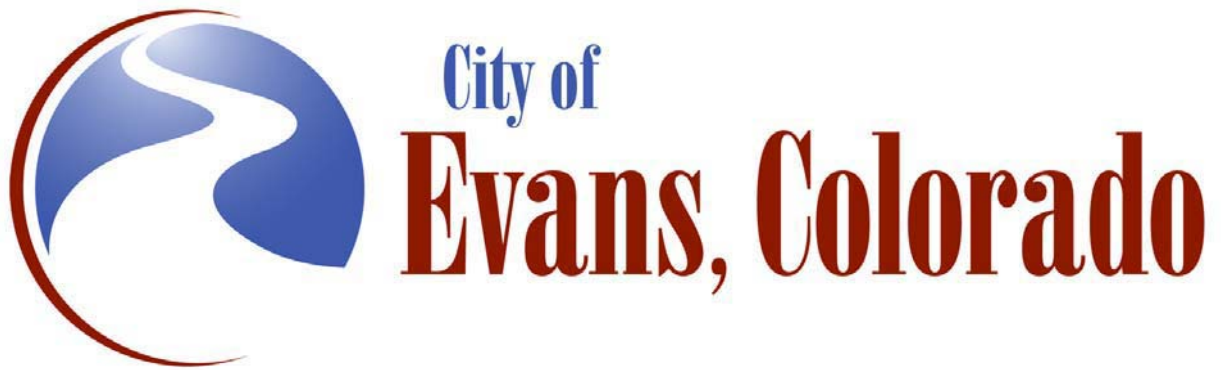
## Summary

The purpose of this study was to provide a general overview of canal modernization elements the City of Evans may consider for future improvements in their ditch system. The GIS inventory provided the City with a tool that can be used to prioritize and plan for improvements over the next several years. The report has also provided recommendations for upgrading control and regulation structures, measurement structures, sedimentation structures, and canal sections of interest for either piping or lining. A general discussion on equalizer reservoirs and secondary supply systems was also included.

Of particular interest to the City was the conceptualization of a SCADA system for several key structures. Recent improvements made on the canal system include the incorporation of control gates that do not come equipped with SCADA compatible controllers from the manufacturer. As such, these structures will require some sort of retrofit or replacement. Control gates that are SCADA compatible are discussed in detail in the report and may be more desirable to the City for future improvements.

## **Appendix A**





**Financial Statements  
and Supplementary Information**  
For the Year Ended December 31, 2011

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May 2, 2012

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

State Law requires that all general-purpose local governments publish within 240 days of the close of each fiscal year a complete set of financial statements presented in conformity with accounting principles generally accepted in the United States (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the comprehensive annual financial report of the City of Evans for the fiscal year ended December 31, 2011.

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

The City of Evans financial statements have been audited by Anton Collins Mitchell LLP, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of Evans for the fiscal year ended December 31, 2011, are free of material misstatement. The independent auditor concluded based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the City of Evans' financial statements for the fiscal year ended December 31, 2011 are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

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

Respectfully submitted,

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

Aden Hogan, Jr.  
City Manager

A blue ink signature of Jessica Gonifas, appearing to read 'Jessica H. Gonifas'.

Jessica Gonifas, CPA  
Finance Director

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



## INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Evans, Colorado (the "City") as of and for the year ended December 31, 2011, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of December 31, 2011, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 14, the budgetary comparison information on page 46 and Volunteer Firefighters' Pension Plan-Analysis of Funding Progress on page 47 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.





Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's financial statements as a whole. The introductory section, combining and individual nonmajor fund financial statements, budgetary comparison schedules on pages 52 to 64, and Local Highway Finance Report are presented for purposes of additional analysis and are not a required part of the financial statements. The combining and individual nonmajor fund financial statements, budgetary comparison schedules, and Local Highway Finance Report are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

*Anton Collins Mitchell LLP*

Greeley, Colorado  
May 2, 2012

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

To serve the citizens of the City of Evans (the "City"), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended December 31, 2011. Please read the information presented here in conjunction with the City's financial statements beginning on page 15.

### **FINANCIAL HIGHLIGHTS**

- The assets of the City exceeded its liabilities at the close of 2011 by \$99.3 million (net assets). Of this amount, \$8.7 million (unrestricted net assets) may be used to meet the City's ongoing obligations to citizens and creditors. Of the remaining balance, \$87.6 million is investments in capital assets and \$3.0 million is restricted for other purposes.
- The City's total net assets increased by \$1.7 million. The governmental activities drove this change with an increase of \$2.5 million due to an increase in revenue and reduction in expenditures.
- Sales and use tax collections increased by \$847 thousand, a 17 percent increase over the prior year. Economic condition improvements coupled with the transition to self-collection contributed to this increase.
- At the end of 2011, the City's governmental funds reported combined ending fund balances of \$7.8 million, an increase of \$1.3 million in comparison to the ending balances of 2010. Of this total amount, \$3.3 million or 42 percent is available for spending at the City's discretion (unassigned fund balance).
- At the end of 2011, the unassigned fund balance for the general fund was \$3.3 million, which was 32 percent of total general fund 2011 expenditures. In addition, the City Charter requires the Emergency Contingency Fund to maintain a balance of 25 percent of the preceding fiscal year's (2010) audited General Fund expenditures. The resulting 2011 fund balance related to the Emergency Contingency Fund (shown as combined with the General Fund) amounts to \$2.2 million in reserve for emergencies. Fund balances at 2011 year end for the General Fund, including the Emergency Contingency Fund, amount to \$5.9 million.

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

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

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

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

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

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

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

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

The government-wide financial statements can be found on Pages 15-17 of this report.

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

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

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

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

The City maintains nine individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the general fund which is designated as a major fund. Data from the remaining eight 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 adopts an annual budget for all of its funds. To demonstrate compliance, a budgetary comparison is provided for each of the funds.

The basic governmental fund financial statements are found on Pages 18-21 of this report.

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

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

The basic proprietary fund financial statements can be found on Pages 22-24 of this report.

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

The basic fiduciary fund financial statements can be found on Pages 25-26 of this report.



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

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements are found on Pages 27-45 of this report.

### **Other information**

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

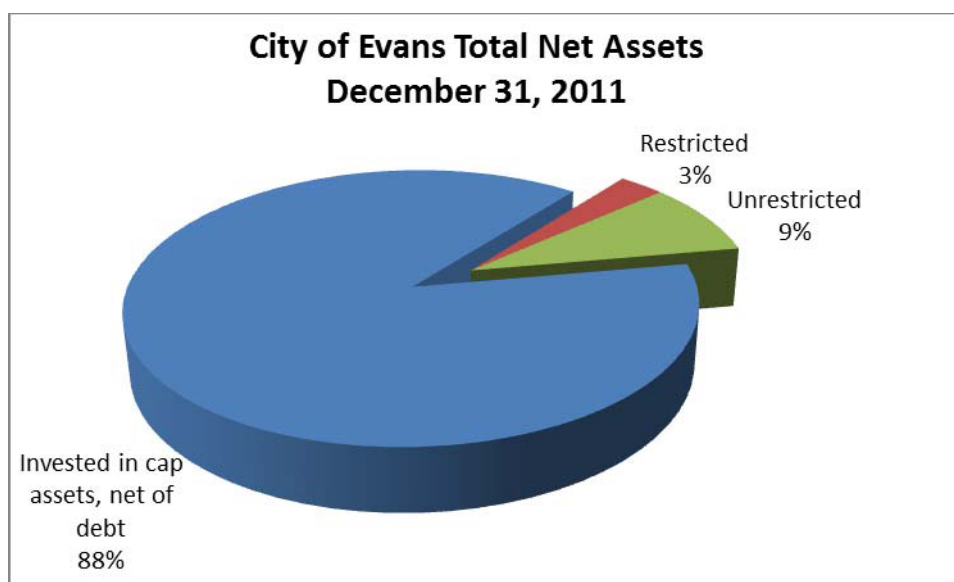
## **GOVERNMENT-WIDE FINANCIAL ANALYSIS – City of Evans as a Whole**

As noted earlier, net assets may serve as a useful indicator of a government's financial position. In the case of the City, assets exceeded liabilities by \$99.3 million at the close of 2011.

By far the largest portion (88 percent) of the City's net assets reflects its investment in capital assets (e.g., land, buildings, machinery and equipment and infrastructure) less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net assets (3 percent) represents resources that are subjected to external and internal restrictions on how they may be used. The remaining balance of unrestricted net assets (\$8.7 million) may be used to meet the City's ongoing obligations to citizens and creditors. Table 1 provides a summary of the City's net assets for 2011 as compared to 2010.

<b>Table 1</b> <b>City of Evans</b> <b>Net Assets (\$000's)</b>						
	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total</b>	
	<b>2011</b>	<b>2010</b>	<b>2011</b>	<b>2010</b>	<b>2011</b>	<b>2010</b>
<b>Assets:</b>						
Current and other assets	\$10,539	\$9,013	\$4,601	\$4,831	\$15,140	\$13,844
Capital Assets	25,453	25,002	65,973	66,529	91,426	91,531
Total assets	35,992	34,015	70,574	71,360	106,566	105,375
<b>Liabilities:</b>						
Current liabilities	2,715	2,465	350	255	3,065	2,720
Long-term liabilities	3,427	4,182	753	829	4,180	5,011
Total liabilities	6,142	6,647	1,103	1,084	7,245	7,731
<b>Net Assets:</b>						
Invested in capital assets, net of related debt	22,298	21,244	65,311	65,786	87,609	87,030
Restricted	2,753	2,948	252	238	3,005	3,186
Unrestricted	4,799	3,176	3,908	4,252	8,707	7,428
Total net assets	\$29,850	\$27,368	\$69,471	\$70,276	\$99,321	\$97,644



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

Table 2 shows the changes in net assets for the fiscal 2011 compared to the fiscal year 2010.

**Table 2**  
**City of Evans**  
**Changes in Net Assets (\$000's)**

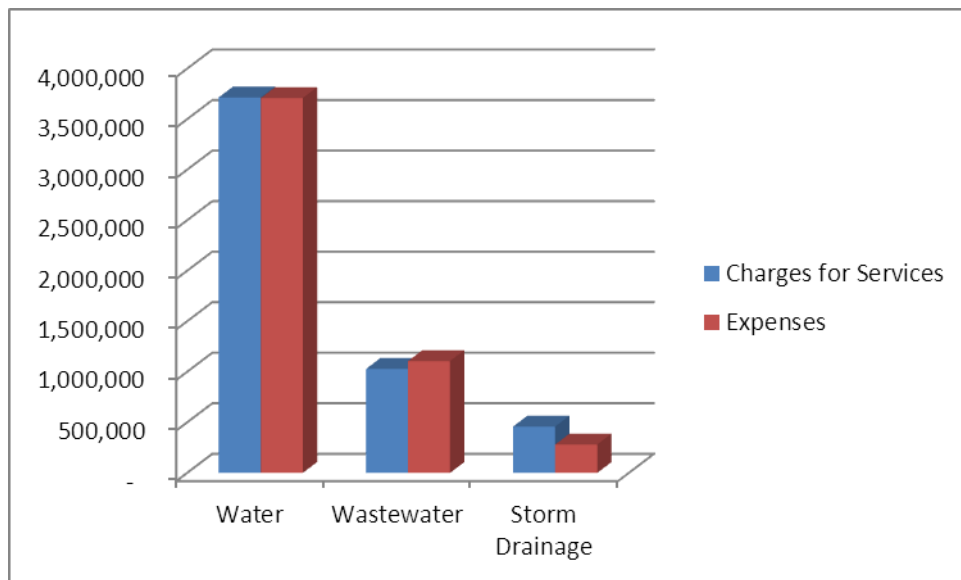
	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total</b>	
	<b>2011</b>	<b>2010</b>	<b>2011</b>	<b>2010</b>	<b>2011</b>	<b>2010</b>
<b>Revenues:</b>						
<i>Program revenues:</i>						
Charges for services	\$1,080	\$1,108	\$5,201	\$4,805	\$6,281	\$5,913
Operating grants and contributions	207	627	-	-	207	627
Capital grants and contributions	48	-	233	119	281	119
<i>General revenues:</i>						
Sales and use taxes	5,876	5,029	-	-	5,876	5,029
Property taxes	1,501	1,701	-	-	1,501	1,701
Specific Ownership	110	107	-	-	110	107
Franchise taxes	470	224	-	-	470	224
Other taxes	104	87	-	-	104	87
Intergovernmental	1,906	1,919	-	-	1,906	1,919
Unrestricted investment earnings	70	82	28	35	98	117
Other general revenue	1,605	1,385	-	-	1,605	1,385
Gain (Loss) on disposition of capital assets	(32)	(172)	(7)	-	(39)	(172)
Total revenues	12,945	12,097	5,455	4,959	18,400	17,056
<b>Expenses:</b>						
General government	2,791	2,434	-	-	2,790	2,434
Public safety	4,629	4,450	-	-	4,628	4,450
Public works	2,605	2,610	-	-	2,605	2,610
Culture, parks and recreation	853	1,076	-	-	854	1,076
Community Development	520	590	-	-	521	590
Water enterprise	-	-	3,702	3,103	3,702	3,103
Wastewater enterprise	-	-	1,106	1,108	1,106	1,108
Storm Drainage enterprises	-	-	281	244	281	244
Interest on Long Term Debt	156	166	-	-	156	166
Total expenses	11,554	11,326	5,089	4,455	16,643	15,781
Excess before transfers	1,391	771	366	504	1,757	1,275
Transfers in (out)	1,091	925	(1,171)	(1,010)	(80)	(85)
Increase (decrease) in net assets	2,482	1,696	(805)	(506)	1,677	1,190
Net assets – Beginning	27,368	25,672	70,276	70,782	97,644	96,454
Net assets – Ending	\$ 29,850	\$ 27,368	\$ 69,471	\$ 70,276	\$ 99,321	\$ 97,644

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

**Business-type Activities** - Business-type activities decreased the City's net assets by \$805 thousand. The key element of this decrease is capital projects in the business-type activity funds reduced the net assets of the City in the current year as they are not usually completely funded with current year revenues.

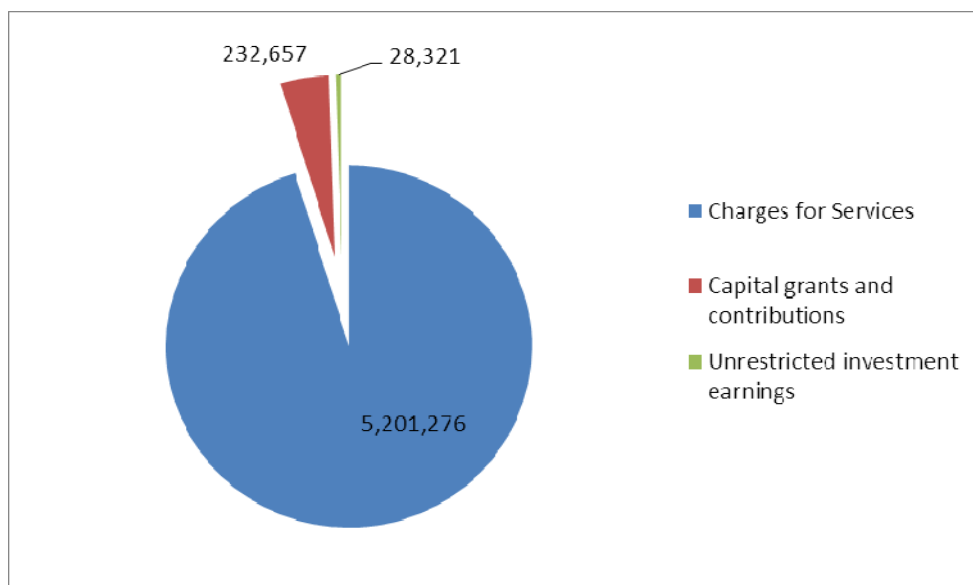
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### Business-Type Activities - Charges for Services and Expenses



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### Business-type Activities Revenues by Source





## FINANCIAL ANALYSIS OF THE CITY'S FUNDS

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

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

As of December 31, 2011, the City's governmental funds reported ending fund balances of \$7.8 million, an increase of \$1.3 million from the prior year. Approximately 43 percent of this total amount (\$3.3 million) constitutes unassigned fund balance, which is available for spending at the City's discretion. The remainder of fund balance (\$4.5 million), is reserved to indicate that it is not available for new spending because it has been committed to: 1) provide a reserve fund for the benefit of the holders of certain City debt instruments 2) provide an emergency reserve as required by the City Charter and the State Constitution (amendment to Article X, Section 20) and 3) fund balance which was accumulated due to revenues which were assigned to a specific function (for example, impact fee revenues).

The General Fund is the chief operating fund of the City. As of December 31, 2011, the unassigned fund balance of the general fund was \$3.3 million. As a measure of the General Fund's liquidity, it may be useful to compare total fund balance to total fund expenditures. Total fund balance represents 57 percent of total General Fund expenditures. The increase in the fund balance of the General Fund was \$1.3 million during 2011. The contributing factor to the increase was the increase in fund revenues of \$977 thousand during the year.

In 2011, taxes were the General Fund's largest source of revenue at 76 percent, or \$8.1 million.

The Emergency Contingency Fund ended the 2011 fiscal year with a total fund balance of \$2.2 million, all of which is reserved for emergencies and not available for spending, except at the City Council's discretion in accordance with City Charter direction. The fund balance decreased by \$77 thousand due to a transfer back to the General Fund. The fund had accumulated more than the funding requirement of 25 percent of the City's prior year General Fund expenditures. For financial reporting purposes, this fund is reported within the General Fund.

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

Net assets of the Water, Wastewater and Storm Drainage funds as of December 31, 2011 amounted to \$49.5 million, \$11.1 million, and \$8.8 million, respectively. The total growth (decline) in net assets for the three funds during 2011 was \$(488) thousand, \$(394) thousand, and \$76 thousand, respectively. Other factors concerning the finances

of these funds have already been addressed in the discussion of the City's business-type activities.

## **GENERAL FUND BUDGETARY HIGHLIGHTS**

The difference between the 2011 original budget and the final revised expenditure budget was \$1.3 million. The major appropriations approved during the year were:

- \$161 thousand for an employee appreciation stipend (the City's pay was frozen for both 2010 and 2011),
- \$167 thousand for the early payoff of a lease for the HVAC system in the Jack Meakin's Community Resource Center,
- \$603 thousand for one-time supplies, services, and equipment purchases from excess 2010 ending fund balance,
- \$77 thousand for the transfer to the Cemetery Perpetual Care fund,

During the year, actual revenues were \$10.6 million, which exceeded original budgetary estimates by \$1.4 million. The additional revenues are primarily due to sales tax, state severance tax, federal mineral lease tax, and building permit revenue.

Actual expenditures and other financing uses totaled \$10.6 million which was \$1.3 million under actual revenues and other financing sources. The fund balance as of December 31, 2011 is \$5.9 million. Of this amount, 1) \$217 thousand is unspendable and related to 2012 expenditures prepaid in 2011, 2) \$2.2 million is restricted for emergencies 3) \$105 thousand is committed for functions related to designate revenue, and 4) \$3.3 million is unassigned and available for appropriations as the City Council sees fit.

## **CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital Assets** - The City's investment in capital assets for its governmental and business-type activities as of December 31, 2011 amounted to \$86.2 million (net of accumulated depreciation). This investment includes land; buildings and system; improvements; machinery and equipment; park facilities; sidewalks; roads; highways and bridges; and water, wastewater and storm drainage installations and systems. The City's investment in capital assets was essentially unchanged (a slight increase for governmental activities and a slight decrease for business-type activities).

Major capital asset events during the year included the following:

- US 85 Bike Path (\$725,748)
- Street Resurfacing (\$406,503)

- Waste Water Facility Plan & Rate Study (\$260,663)
- Street Sweeper (\$153,584)

<b>City of Evans Capital Assets (net of depreciation)</b>						
	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total</b>	
	<b>2011</b>	<b>2010</b>	<b>2011</b>	<b>2010</b>	<b>2011</b>	<b>2010</b>
Land and water shares	\$4,484	\$4,484	\$25,829	\$25,829	\$30,313	\$30,313
Construction in progress	1,151	1,367	2,175	1,708	3,326	3,075
Intangible assets	47	54	15	17	62	71
Land improvements	2,348	2,303	-	-	2,348	2,303
Building & improvements	8,352	8,570	407	448	8,759	9,018
System improvements	-	-	31,712	32,569	31,712	32,569
Machinery & equipment	533	404	307	418	840	822
Transportation equipment	380	243	-	-	380	243
Infrastructure	8,158	7,577	271	282	8,429	7,859
<b>Total</b>	<b>\$25,453</b>	<b>\$25,002</b>	<b>\$60,716</b>	<b>\$61,271</b>	<b>\$86,169</b>	<b>\$86,273</b>

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

**Debt** - As of December 31, 2011, the City had total bonded debt outstanding of \$2.3 million. This entire amount comprises debt backed by the full faith and credit of the City of Evans. In addition, the City has \$662 thousand in Colorado Water Resources and Power Development Authority notes payable and \$862 thousand in capital leases outstanding.

<b>City of Evans Outstanding Debt</b>						
	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total</b>	
	<b>2011</b>	<b>2010</b>	<b>2011</b>	<b>2010</b>	<b>2011</b>	<b>2010</b>
General obligation bonds	\$2,293	\$2,710	\$ -	\$ -	\$2,293	\$2,710
Wastewater loans	-	-	662	743	662	743
Capital Leases	862	1,049	-	-	862	1,049
Compensated Absences	272	424	91	86	363	509
<b>Total</b>	<b>\$3,427</b>	<b>\$4,182</b>	<b>\$753</b>	<b>\$829</b>	<b>\$4,180</b>	<b>\$5,011</b>

The City's total debt was decreased by \$684 thousand (15 percent) during 2011, due to scheduled principal payments on the remaining debt and an early payoff of a capital lease.

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

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

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

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

- The 2011 revenue picture (from a sales tax perspective) was improved from the recessionary years of 2009 & 2010. This was due in part to positive economic conditions and the City's transition to self – collection of sales tax which took place in January of 2011.
- The City Council project, which asked the citizens for permission to create a Fire District within the City limits; was successfully passed in November of 2011, resulting in the creation of the Evans Fire Protection District (the "District"). The additional 5.5 property tax mills dedicated to the District was also approved by the citizens. The final phase in the transition of the City's fire services to the newly formed District involves another ballot question in May of 2012, asking the voters for permission to transfer 10 property tax mills from the City to the District.
- Population has remained relatively unchanged over the past several years with the 2010 census reporting 18,537. It is expected to remain relatively unchanged in 2011.
- The City's sales tax collections increased by 16 percent in 2011, in large part due to an increase in revenue from the industrial sector and motor vehicle use taxes of the City. The industrial category of taxes is considered volatile and the majority of revenues received are treated as "one-time" revenues and are not added to the long term revenue projections. Sales tax revenues are projected to decrease 17 percent for 2012. This projected decrease is related to the uncertainty in the industrial and motor vehicle sectors along with the slow economic recovery, including the relatively high unemployment rate in the Evans/Greeley area.
- Building use tax increased by 2 percent from 2010 to 2011 and is projected to remain flat for 2012.
- Property tax decreased by 12 percent in 2011 and is projected to increase by 2 percent for 2012. The decrease is due to the significant loss in property values in the area.
- The intergovernmental sales tax revenue sharing agreement with the City of Greeley increased by 4 percent for 2011 as compared to 2010. This revenue source is projected to remain unchanged for 2012.

All of these factors were considered in preparing the City's budget for the 2012 fiscal year.

## **Requests for Information**

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



## **BASIC FINANCIAL STATEMENTS**

**City of Evans**  
**Statement of Net Assets**  
**December 31, 2011**

	Governmental Activities	Business-Type Activities	Total
<b><u>ASSETS</u></b>			
Equity in pooled cash, cash equivalents and investments	\$ 4,953,707	\$ 3,881,014	\$ 8,834,721
Receivables	2,677,892	462,061	3,139,953
Prepaid expenses	216,671	-	216,671
Deferred charges	45,193	5,539	50,732
Restricted assets:			
Cash, cash equivalents, and investments	2,645,369	252,108	2,897,477
Investment in Greeley water	-	5,257,421	5,257,421
Capital assets - net			
Land and water shares	4,483,721	25,829,157	30,312,878
Construction in progress	1,150,961	2,174,755	3,325,716
Land improvements	2,348,106	-	2,348,106
Buildings and improvements	8,351,976	406,891	8,758,867
System improvements	-	31,711,628	31,711,628
Intangible assets	47,196	15,363	62,559
Machinery and equipment	532,972	307,150	840,122
Transportation equipment	379,975	-	379,975
Infrastructure	8,158,190	271,230	8,429,420
<b><u>Total assets</u></b>	<b>35,991,929</b>	<b>70,574,317</b>	<b>106,566,246</b>
<b><u>LIABILITIES</u></b>			
Accounts payable	486,324	247,065	733,389
Accrued payroll	203,605	11,850	215,455
Deposits and escrows	35,089	74,959	110,048
Unearned revenue	1,553,777	-	1,553,777
Claims payable	62,169	3,397	65,566
Other liabilities	374,597	12,675	387,272
Noncurrent liabilities:			
Due within one year	410,000	81,533	491,533
Due in more than one year	3,016,708	671,681	3,688,389
<b><u>Total liabilities</u></b>	<b>6,142,269</b>	<b>1,103,160</b>	<b>7,245,429</b>
<b><u>NET ASSETS</u></b>			
Invested in capital assets, net of related debt	22,298,138	65,311,189	87,609,327
Restricted for:			
Emergencies	2,247,031	-	2,247,031
Debt service	505,610	252,108	757,718
Unrestricted	4,798,881	3,907,860	8,706,741
<b><u>Total net assets</u></b>	<b>\$ 29,849,660</b>	<b>\$ 69,471,157</b>	<b>\$ 99,320,817</b>

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

**City of Evans**  
**Statement of Activities**  
**Year Ended December 31, 2011**

<u>Functions/programs</u>	<u>Expenses</u>	<u>Program Revenues</u>	
		<u>Charges for Service</u>	<u>Operating Grants and Contributions</u> <u>Capital Grants and Contributions</u>
Governmental activities:			
General government	\$ 2,791,200	\$ 5,448	\$ -
Public safety	4,628,696	12,347	106,067
Public works	2,605,037	616,183	-
Culture, parks and recreation	853,615	446,054	-
Community development	520,211	-	101,004
Interest on long term debt	156,085	-	-
<u>Total government activities</u>	<u>11,554,843</u>	<u>1,080,032</u>	<u>207,071</u> <u>47,737</u>
Business-type activities:			
Water	3,701,744	3,714,444	-
Wastewater	1,105,876	1,027,800	-
Storm drainage	281,378	459,032	-
<u>Total business-type activities</u>	<u>5,088,998</u>	<u>5,201,276</u>	<u>-</u> <u>232,657</u>
<u>Total primary government</u>	<u>\$ 16,643,841</u>	<u>\$ 6,281,308</u>	<u>\$ 207,071</u> <u>\$ 280,394</u>

General revenues

Taxes:

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

Intergovernmental  
Earnings on investments  
Other revenues  
Loss on sale of capital assets

Subtotal general revenues

Transfers in (out)

Total general revenues and transfers

Changes in net assets

Net assets at beginning of year

Net assets at ending of year

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

Net (Expense) Revenue  
and Changes in Net Assets

Governmental Activities	Business-Type Activities	Total
\$ (2,785,752)	\$ -	\$ (2,785,752)
(4,510,282)	-	(4,510,282)
(1,941,117)	-	(1,941,117)
(407,561)	-	(407,561)
(419,207)	-	(419,207)
(156,085)	-	(156,085)
(10,220,003)	-	(10,220,003)
-	126,629	126,629
-	10,449	10,449
-	207,857	207,857
-	344,935	344,935
(10,220,003)	344,935	(9,875,068)
1,501,411	-	1,501,411
109,888	-	109,888
5,875,706	-	5,875,706
470,398	-	470,398
104,437	-	104,437
1,906,395	-	1,906,395
69,684	28,321	98,005
1,604,855	-	1,604,855
(32,057)	(7,053)	(39,110)
11,610,717	21,268	11,631,985
1,091,056	(1,171,056)	(80,000)
12,701,773	(1,149,788)	11,551,985
2,481,770	(804,853)	1,676,917
27,367,890	70,276,010	97,643,900
\$ 29,849,660	\$ 69,471,157	\$ 99,320,817

**City of Evans  
Balance Sheet  
Governmental Funds  
December 31, 2011**

	General	Other Governmental Funds	Total Governmental Funds
<u>ASSETS</u>			
Equity in pooled cash, cash equivalents and investments	\$ 3,322,046	\$ 1,631,661	\$ 4,953,707
Restricted cash, cash equivalents and investments	2,247,031	398,338	2,645,369
Receivables	2,336,499	341,393	2,677,892
Prepaid expenses	216,671	-	216,671
<u>Totals assets</u>	<u>\$ 8,122,247</u>	<u>\$ 2,371,392</u>	<u>\$ 10,493,639</u>
<u>LIABILITIES AND FUND BALANCES</u>			
<u>Liabilities</u>			
Accounts payable	\$ 368,525	\$ 117,799	\$ 486,324
Deferred revenue	1,553,777	-	1,553,777
Accrued payroll	203,605	-	203,605
Deposits and escrows	35,089	-	35,089
Claims payable	62,169	-	62,169
Other liabilities	-	321,844	321,844
<u>Total liabilities</u>	<u>2,223,165</u>	<u>439,643</u>	<u>2,662,808</u>
<u>Fund balances</u>			
Unspendable	216,671	-	216,671
Restricted	2,247,031	505,610	2,752,641
Committed	105,224	-	105,224
Assigned	-	1,426,139	1,426,139
Unassigned	3,330,156	-	3,330,156
<u>Total fund balances</u>	<u>5,899,082</u>	<u>1,931,749</u>	<u>7,830,831</u>
<u>Total liabilities and fund balances</u>	<u>\$ 8,122,247</u>	<u>\$ 2,371,392</u>	<u>\$ 10,493,639</u>

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



**City of Evans**  
**Reconciliation of the Governmental Funds Balance Sheet**  
**with the Government-wide Statement of Net Assets**  
**December 31, 2011**

Amounts reported for governmental activities in the Statement of Net Assets are different because:

Total fund balances - governmental funds	\$	7,830,831
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Capital assets used in governmental activities are not current financial resources, and therefore, are not reported in the fund financial statements.

Capital assets	\$	35,450,256	
Less: accumulated depreciation		(9,997,159)	25,453,097

Debt issuance costs are written off on the fund financial statements and amortized over the life of the debt on the government-wide financial statements.		45,193
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Long-term liabilities are not due and payable from current financial resources and therefore are not reported as liabilities on the fund financial statements. Long-term liabilities and related accounts at December 31, 2011 consist of:

Bonds payable	\$	2,250,000	
Deferred bond premium		42,616	
Capital leases payable		862,343	
Compensated absences		271,749	
Accrued interest payable		52,753	(3,479,461)

Total net assets of governmental activities	\$	29,849,660
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**City of Evans**  
**Statement of Revenues, Expenditures and**  
**Changes in Fund Balances**  
**Governmental Funds**  
**Year Ended December 31, 2011**

	General	Other Governmental Funds	Total Governmental Funds
<u>Revenues</u>			
Taxes and fees	\$ 8,061,840	\$ -	\$ 8,061,840
Licenses and permits	759,574	400	759,974
Intergovernmental	585,070	1,321,325	1,906,395
Grants and contributions	106,067	101,004	207,071
Charges for services	485,143	594,889	1,080,032
Fines and forfeitures	471,120	-	471,120
Earnings on investments	38,139	31,545	69,684
Assessments	-	251,480	251,480
Miscellaneous	122,281	-	122,281
<u>Total revenues</u>	<u>10,629,234</u>	<u>2,300,643</u>	<u>12,929,877</u>
<u>Expenditures</u>			
General government	2,362,773	150	2,362,923
Public safety	4,544,429	89,030	4,633,459
Public works	1,397,727	679,130	2,076,857
Culture, parks and recreation	849,257	-	849,257
Community development	492,734	-	492,734
Debt service			
Principal	186,346	400,000	586,346
Interest	61,210	104,610	165,820
Capital outlay	513,380	1,075,886	1,589,266
<u>Total expenditures</u>	<u>10,407,856</u>	<u>2,348,806</u>	<u>12,756,662</u>
<u>Excess (deficiency) of revenues over expenditures</u>	<u>221,378</u>	<u>(48,163)</u>	<u>173,215</u>
<u>Other financing sources (uses)</u>			
Proceeds from the sale of capital assets	17,828	-	17,828
Transfers in	1,209,506	76,944	1,286,450
Transfers out	(164,944)	(30,450)	(195,394)
<u>Total other financing sources (uses)</u>	<u>1,062,390</u>	<u>46,494</u>	<u>1,108,884</u>
<u>Net changes in fund balances</u>	<u>1,283,768</u>	<u>(1,669)</u>	<u>1,282,099</u>
<u>Fund balance at beginning of year</u>	<u>4,615,314</u>	<u>1,933,418</u>	<u>6,548,732</u>
<u>Fund balance at end of year</u>	<u>\$ 5,899,082</u>	<u>\$ 1,931,749</u>	<u>\$ 7,830,831</u>

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

**City of Evans**  
**Reconciliation of the Governmental Funds Statement of**  
**Revenues, Expenditures and Changes in Fund Balances**  
**with the Government-wide Statement of Activities**  
**Year Ended December 31, 2011**

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

Total net change in fund balances - governmental funds.	\$	1,282,099
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Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are shown in the Statement of Net Assets and allocated over their estimated useful lives as annual depreciation expense in the Statement of Activities:

Capital outlay	\$	1,589,266	
Donated assets		47,737	
Depreciation expense		<u>(1,135,884)</u>	501,119

Proceeds from sale of capital assets are shown as an other financing source but are reduced by the book value of the asset to calculate the loss on sale or disposal of capital assets on the Statement of Activities.		(49,885)
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The repayment of the principal of long-term debt consumes the current financial resources of governmental funds.		586,346
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Some expenses reported in the Statement of Activities do not require the use of current financial resources, and therefore are not reported as expenditures in governmental funds.

Amortization of bond issuance costs	\$	9,038	
Accretion of bond premium		(17,079)	
Change in accrued compensated absences		(152,356)	
Change in accrued interest payable		<u>(1,694)</u>	<u>162,091</u>

Change in net assets of governmental activities	\$	<u><u>2,481,770</u></u>
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**City of Evans**  
**Statement of Net Assets**  
**Proprietary Funds**  
**December 31, 2011**

	Water	Wastewater	Storm Drainage	Total
<b><u>ASSETS</u></b>				
<b><u>Current assets</u></b>				
Equity in pooled cash, cash equivalents and investments	\$ 2,206,612	\$ 1,066,627	\$ 607,775	\$ 3,881,014
Receivables	313,329	105,681	43,051	462,061
<b><u>Total current assets</u></b>	<b>2,519,941</b>	<b>1,172,308</b>	<b>650,826</b>	<b>4,343,075</b>
<b><u>Noncurrent assets</u></b>				
Restricted cash, cash equivalents and investments	-	252,108	-	252,108
Investment in Greeley water	5,257,421	-	-	5,257,421
Capital assets, not being depreciated	27,014,548	81,406	907,958	28,003,912
Capital assets, being depreciated	14,969,787	10,408,384	7,334,091	32,712,262
Debt issuance costs, net	-	5,539	-	5,539
<b><u>Total noncurrent assets</u></b>	<b>47,241,756</b>	<b>10,747,437</b>	<b>8,242,049</b>	<b>66,231,242</b>
<b><u>Total assets</u></b>	<b>49,761,697</b>	<b>11,919,745</b>	<b>8,892,875</b>	<b>70,574,317</b>
<b><u>LIABILITIES</u></b>				
<b><u>Current liabilities</u></b>				
Accounts payable	168,882	25,863	52,320	247,065
Accrued expenses	3,563	20,962	-	24,525
Claims payable	677	2,720	-	3,397
Deposits and escrows	33,603	36,205	5,151	74,959
Accrued compensated absences	40,909	43,259	6,640	90,808
Current portion of note payable	-	81,533	-	81,533
<b><u>Total current liabilities</u></b>	<b>247,634</b>	<b>210,542</b>	<b>64,111</b>	<b>522,287</b>
<b><u>Noncurrent liabilities</u></b>				
Note payable	-	580,873	-	580,873
<b><u>Total noncurrent liabilities</u></b>	<b>-</b>	<b>580,873</b>	<b>-</b>	<b>580,873</b>
<b><u>Total liabilities</u></b>	<b>247,634</b>	<b>791,415</b>	<b>64,111</b>	<b>1,103,160</b>
<b><u>Net assets</u></b>				
Invested in capital assets, net of related debt	47,241,756	9,827,384	8,242,049	65,311,189
Restricted	-	252,108	-	252,108
Unrestricted	2,272,307	1,048,838	586,715	3,907,860
<b><u>Total net assets</u></b>	<b>\$ 49,514,063</b>	<b>\$ 11,128,330</b>	<b>\$ 8,828,764</b>	<b>\$ 69,471,157</b>

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

**City of Evans**  
**Statement of Revenues, Expenses and Changes in Net Assets**  
**Proprietary Funds**  
**Year Ended December 31, 2011**

	Water	Wastewater	Storm Drainage	Total
<u>Operating revenues</u>				
Water/sewer/storm drainage sales	\$ 3,538,938	\$ 1,027,800	\$ 459,032	\$ 5,025,770
Non-potable water sales	146,935	-	-	146,935
Water meters	5,272	-	-	5,272
Other sales	23,299	-	-	23,299
<u>Total operating revenues</u>	<u>3,714,444</u>	<u>1,027,800</u>	<u>459,032</u>	<u>5,201,276</u>
<u>Operating expenses</u>				
Water supply and administrative	2,975,801	-	-	2,975,801
Wastewater and administrative	-	595,096	-	595,096
Storm drainage and administrative	-	-	10,920	10,920
Depreciation expense	725,943	478,286	270,458	1,474,687
<u>Total operating expenses</u>	<u>3,701,744</u>	<u>1,073,382</u>	<u>281,378</u>	<u>5,056,504</u>
<u>Operating income (loss)</u>	<u>12,700</u>	<u>(45,582)</u>	<u>177,654</u>	<u>144,772</u>
<u>Nonoperating revenues (expenses)</u>				
Earnings on investments	14,117	8,729	5,475	28,321
Loss on disposal of capital assets	(7,053)	-	-	(7,053)
Interest expense	-	(32,494)	-	(32,494)
<u>Total nonoperating revenues (expenses)</u>	<u>7,064</u>	<u>(23,765)</u>	<u>5,475</u>	<u>(11,226)</u>
<u>Income (loss) before transfers and contributions</u>	<u>19,764</u>	<u>(69,347)</u>	<u>183,129</u>	<u>133,546</u>
Transfers out	(621,238)	(412,824)	(136,994)	(1,171,056)
Plant investment fees and cash in lieu of fees	113,929	88,525	30,203	232,657
<u>Change in net assets</u>	<u>(487,545)</u>	<u>(393,646)</u>	<u>76,338</u>	<u>(804,853)</u>
<u>Net assets at beginning of year</u>	<u>50,001,608</u>	<u>11,521,976</u>	<u>8,752,426</u>	<u>70,276,010</u>
<u>Net assets at end of year</u>	<u>\$ 49,514,063</u>	<u>\$ 11,128,330</u>	<u>\$ 8,828,764</u>	<u>\$ 69,471,157</u>

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

**City of Evans**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**Year Ended December 31, 2011**

	Water	Wastewater	Storm Drainage	Total
<u>Cash flows from operating activities</u>				
Cash received from customers	\$ 3,717,330	\$ 1,025,241	\$ 458,225	\$ 5,200,796
Cash payments to suppliers	(2,792,181)	(313,391)	41,598	(3,063,974)
Cash payments to employees	(138,513)	(278,001)	-	(416,514)
<u>Net cash flows from operating activities</u>	<u>786,636</u>	<u>433,849</u>	<u>499,823</u>	<u>1,720,308</u>
<u>Cash flows from non-capital financing activities</u>				
Transfers to other funds	(621,238)	(412,824)	(136,994)	(1,171,056)
<u>Net cash flows from non-capital financing activities</u>	<u>(621,238)</u>	<u>(412,824)</u>	<u>(136,994)</u>	<u>(1,171,056)</u>
<u>Cash flows from capital and related financing activities</u>				
Plant investment fees and cash in lieu of fees	113,929	88,525	30,203	232,657
Principal paid on debt	-	(80,573)	-	(80,573)
Interest paid on debt	-	(32,788)	-	(32,788)
Change in restricted cash	-	(13,913)	-	(13,913)
Acquisition of capital assets	(341,665)	(57,756)	(527,490)	(926,911)
<u>Net cash flows from financing activities</u>	<u>(227,736)</u>	<u>(96,505)</u>	<u>(497,287)</u>	<u>(821,528)</u>
<u>Cash flows from investing activities</u>				
Proceeds from sale of investments	1,051,337	628,310	289,573	1,969,220
Purchases of investments	(762,989)	(439,977)	(133,039)	(1,336,005)
Earnings on investments	14,441	8,959	5,738	29,138
<u>Net cash flows from investing activities</u>	<u>302,789</u>	<u>197,292</u>	<u>162,272</u>	<u>662,353</u>
<u>Net change in cash and cash equivalents</u>	<u>240,451</u>	<u>121,812</u>	<u>27,814</u>	<u>390,077</u>
<u>Cash and equivalents at beginning of year</u>	<u>749,656</u>	<u>217,796</u>	<u>244,895</u>	<u>1,212,347</u>
<u>Cash and cash equivalents at end of year</u>	<u>\$ 990,107</u>	<u>\$ 339,608</u>	<u>\$ 272,709</u>	<u>\$ 1,602,424</u>
Cash and cash equivalents at end of year	\$ 990,107	\$ 339,608	\$ 272,709	\$ 1,602,424
Investments	1,216,505	727,019	335,066	2,278,590
Cash, cash equivalents, and investments at end of year	\$ 2,206,612	\$ 1,066,627	\$ 607,775	\$ 3,881,014
<u>Reconciliation of operating income (loss) to net cash flows from operating activities</u>				
Operating income (loss)	\$ 12,700	\$ (45,582)	\$ 177,654	\$ 144,772
Adjustments to reconcile operating income (loss) to net cash flows from operating activities:				
Depreciation expense	725,943	478,286	270,458	1,474,687
(Increase) decrease in :				
Receivables	2,886	(2,559)	(807)	(480)
Increase (decrease) in:				
Accounts payable and accrued expenses	45,107	3,704	52,518	101,329
<u>Net cash flows from operating activities</u>	<u>\$ 786,636</u>	<u>\$ 433,849</u>	<u>\$ 499,823</u>	<u>\$ 1,720,308</u>

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



**City of Evans**  
**Statement of Fiduciary Net Assets**  
**December 31, 2011**

	Volunteer Firefighters' Pension Fund	Cemetery Endowment Fund	Total
<u>Assets</u>			
Equity in pooled cash, cash equivalents and investments	\$ 472,821	\$ 626	\$ 473,447
Restricted cash and investments	-	48,059	48,059
	<hr/>	<hr/>	<hr/>
<u>Total assets</u>	<u>\$ 472,821</u>	<u>\$ 48,685</u>	<u>\$ 521,506</u>
	<hr/>	<hr/>	<hr/>
<u>Net assets</u>			
Held in trust for pension benefits	\$ 472,821	\$ -	\$ 472,821
Restricted	-	48,059	48,059
Unrestricted	-	626	626
	<hr/>	<hr/>	<hr/>
<u>Total net assets</u>	<u>\$ 472,821</u>	<u>\$ 48,685</u>	<u>\$ 521,506</u>
	<hr/>	<hr/>	<hr/>

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

**City of Evans**  
**Statement of Changes in Fiduciary Net Assets**  
**Year Ended December 31, 2011**

	Volunteer Firefighters' Pension Fund	Cemetery Endowment Fund	Total
<u>Additions</u>			
Earnings on investments	\$ 5,026	\$ 8,678	\$ 13,704
Contributions	33,994	-	33,994
<u>Total additions</u>	<u>39,020</u>	<u>8,678</u>	<u>47,698</u>
<u>Deductions</u>			
Pension distributions	109,221	-	109,221
<u>Total deductions</u>	<u>109,221</u>	<u>-</u>	<u>109,221</u>
<u>Income (loss) before transfers</u>	<u>(70,201)</u>	<u>8,678</u>	<u>(61,523)</u>
<u>Transfers</u>			
Transfers in	88,000	-	88,000
Transfers out	-	8,000	8,000
<u>Total transfers</u>	<u>88,000</u>	<u>(8,000)</u>	<u>80,000</u>
<u>Change in net assets</u>	<u>17,799</u>	<u>678</u>	<u>18,477</u>
<u>Net assets at beginning of year</u>	<u>455,022</u>	<u>48,007</u>	<u>503,029</u>
<u>Net assets at end of year</u>	<u>\$ 472,821</u>	<u>\$ 48,685</u>	<u>\$ 521,506</u>

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

**City of Evans**  
**Notes to Financial Statements**  
**December 31, 2011**

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

**Reporting Entity**

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

GAAP requires that the reporting entity include (1) the primary government, (2) organizations for which the primary government is financially accountable and (3) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity’s financial statements to be misleading or incomplete. Based on the application of these criteria, the City does not include any component units within its reporting entity.

**Government-wide and Fund Financial Statements**

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

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

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

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

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

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

**City of Evans**  
**Notes to Financial Statements**  
**December 31, 2011**

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

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

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

The City reports the following major governmental fund:

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

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

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

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

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

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

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

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

**City of Evans**  
**Notes to Financial Statements**  
**December 31, 2011**

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

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

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

**Budgets**

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

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

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

	Original Budget	Total Revisions	Revised Budget
<u>Governmental funds:</u>			
General	\$ 9,938,137	\$ 1,329,865	\$ 11,268,002
Special revenue funds:			
Parks Impact	100,000	-	100,000
Conservation Trust	164,500	375,000	539,500
Refuse Collection	582,332	-	582,332
Street Impact	200,000	132,000	332,000
Fire Impact	43,790	57,500	101,290
Cemetery Perpetual Care	-	-	-
Debt service fund:			
G.O. Debt Service	505,210	-	505,210
Capital projects fund:			
Street Construction	710,000	351,051	1,061,051

**City of Evans**  
**Notes to Financial Statements**  
**December 31, 2011**

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

**Budgets (Continued)**

	Original Budget	Total Revisions	Revised Budget
<b><u>Business-type funds:</u></b>			
Water	4,139,551	832,775	4,972,326
Wastewater	1,366,780	485,368	1,852,148
Storm Drainage	533,942	597,461	1,131,403
<b><u>Fiduciary funds:</u></b>			
Volunteer Firefighters' Pension	143,026	-	143,026
Cemetery Endowment	2,000	6,000	8,000
<b><u>Total funds</u></b>	<b><u>\$ 18,429,268</u></b>	<b><u>\$ 4,167,020</u></b>	<b><u>\$ 22,596,288</u></b>

**Cash and Investments**

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

During 2011, the City had investments in U.S. treasury obligations, U.S. instrumentality obligations, investments held by the Fire and Police Pension Association for the benefit of the City's Volunteer Firefighters' Pension Fund, and local government investment pools.

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

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

An analysis of the City's cash and investment accounts at December 31, 2011 is provided in Note 2.

**Restricted Cash**

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

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

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

The restricted cash and investments in the Volunteer Firefighters' Pension Fund is for future pension benefits to be paid to the volunteer firefighters. The corpus balance in the Cemetery Endowment fund is restricted. Interest earned on the balance may be used for maintenance of the cemetery.



**City of Evans**  
**Notes to Financial Statements**  
**December 31, 2011**

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

**Prepaid Expenses**

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. Because these assets do not represent current financial resources, these amounts are shown as nonspendable fund balance in governmental funds.

**Bond Premiums, Discounts and Issuance Costs**

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

**Capital Assets**

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

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

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

Estimated useful lives for asset types are as follows:

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

**Compensated Absences**

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

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

**City of Evans**  
**Notes to Financial Statements**  
**December 31, 2011**

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

**Long-Term Obligations**

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

**Property Taxes**

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

**Fund Balance and Net Assets**

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

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

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

*Unrestricted Net Assets* – This category represents the net assets of the City, which are not restricted for any project or other purpose. A deficit will require future funding.

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

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

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

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

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

*Unassigned* – all other spendable amounts.

**City of Evans**  
**Notes to Financial Statements**  
**December 31, 2011**

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

**Fund Balance and Net Assets (Continued)**

As of June 30, 2011, fund balances are composed of the following:

	General Fund	Nonmajor Governmental Funds	Total Governmental Funds
Nonspendable:			
Prepaid expenses	\$ 216,671	\$ -	\$ 216,671
Restricted:			
Emergency reserve	2,247,031	-	2,247,031
Debt service	-	505,610	505,610
Committed:			
Surcharge fees	105,224	-	105,224
Assigned:			
Special revenue funds	-	1,188,490	1,188,490
Street construction	-	236,449	236,449
Debt service	-	1,200	1,200
Unassigned:	3,330,156	-	3,330,156
 Total	 <u>\$ 5,899,082</u>	 <u>\$ 1,931,749</u>	 <u>\$ 7,830,831</u>

**Accounting Estimates**

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

**New Pronouncement**

The GASB issued Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* effective for reporting periods after June 15, 2010. The statement established fund balance classifications, provides for a hierarchy of spending constraints for spendable resources and requires disclosure of nonspendable and spendable resources. The City adopted this in the fiscal year 2011 and has disclosed this information in Note 1 (*Fund Balance and Net Assets*).

**Note 2 – Cash and Investments**

A summary of deposits and investments as of December 31, 2011 follows:

Petty cash	\$ 2,585
Cash with county treasurer	71,850
Cash deposits	3,769,861
Investments	<u>8,409,408</u>
 Total	 <u>\$ 12,253,704</u>

**City of Evans**  
**Notes to Financial Statements**  
**December 31, 2011**

**Note 2 – Cash and Investments (Continued)**

The above amounts are classified in the Statements of Net Assets and Fiduciary Net Assets as follows:

Restricted cash:	
Governmental activities	\$ 2,645,369
Business-type activities	252,108
Fiduciary funds	48,059
Unrestricted cash:	
Governmental activities	4,953,707
Business-type activities	3,881,014
Fiduciary funds	473,447
	<hr/>
Total cash and investments	<u><u>\$ 12,253,704</u></u>

**Cash Deposits**

Custodial Credit Risk

This is the risk that, in the event of failure of a depository financial institution, a government will not be able to recover its deposits. The City's deposit policy is in accordance with CRS 11-10.5-101, the Colorado Public Deposit Protection Act ("PDPA"), which governs the investment of public funds. PDPA requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulations. Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by the PDPA. The financial institution is allowed to create a single collateral pool for all public funds held. The pool is maintained by another institution, or held in trust for all of the uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits. The institution's internal records identify collateral by depositor and as such, these deposits are considered uninsured but collateralized. The State Regulatory Commissions for banks and financial services are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools. As of December 31, 2011, all of the City's deposits are either insured by the Federal Deposit Insurance Corporation ("FDIC") or collateralized by the PDPA program, and are therefore not deemed to be exposed to custodial credit risk.

**Investments**

Credit Risk

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

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

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

**City of Evans**  
**Notes to Financial Statements**  
**December 31, 2011**

**Note 2 – Cash and Investments (Continued)**

At December 31, 2011 the City had the following investments:

Investment	S&P Rating	Moody Rating	Fair Value	Weighted Average Maturity Date (in days)	Concentration of Credit Risk
US Treasury	AAA	Aaa	2,717,369	1,013	32.31%
US Instrumentality	AAA	Aaa	3,461,454	854	41.17%
General Obligation Bonds	AAA	Aaa	505,610	1,796	6.01%
Fire and Police Pension Association	N/A	N/A	472,821	N/A	5.62%
C-Safe	AAA	Aaa	2,125	N/A	0.03%
ColoTrust	AAA	Aaa	1,250,029	N/A	14.86%
Total investments			<u>\$ 8,409,408</u>		

As of December 31, 2011, the City has invested funds in Colotrust and CSAFE, investment pools that operate under the Colorado Revised Statutes (24-75-701) which are overseen by the Colorado Securities Commissioner. These investment pools invest in securities that are specified by Colorado Revised Statutes (24-75-601). Authorized securities include U.S. Treasuries, U.S. Agencies, commercial paper (rated A1 or better) and bank deposits (collateralized through PDPA). The pools operate similar to a money market fund with a share value equal to \$1.00 and a maximum weighted average maturity of 60 days.

**Interest Rate Risk**

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

**Custodial Credit Risk - Investments**

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

**Note 3 - Receivables**

Receivables at December 31, 2011, consist of the following:

Receivables	General	Special Revenue	Debt Service	Capital Projects	Enterprise
Taxes	\$ 1,513,211	\$ -	\$ -	\$ -	\$ -
Accounts	114,466	70,032	-	99,755	375,460
Intergovernmental	708,822	-	108,472	63,134	29,024
Other	-	-	-	-	57,577
<u>Total</u>	<u>\$ 2,336,499</u>	<u>\$ 70,032</u>	<u>\$ 108,472</u>	<u>\$ 162,889</u>	<u>\$ 462,061</u>

**City of Evans**  
**Notes to Financial Statements**  
**December 31, 2011**

**Note 4 – Capital Assets**

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

	Beginning Balance	Increases	(Decreases) Transfers	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 3,258,418	\$ -	\$ -	\$ 3,258,418
Landscaping	1,225,303	-	-	1,225,303
Construction in progress	1,367,009	474,906	(690,954)	1,150,961
Total capital assets, not being depreciated	5,850,730	474,906	(690,954)	5,634,682
Capital assets, being depreciated:				
Intangible assets	65,147	-	-	65,147
Land improvements	4,087,340	120,907	(17,159)	4,191,088
Infrastructure	9,027,333	1,224,683	-	10,252,016
Buildings and improvements	11,221,978	41,032	-	11,263,010
Machinery and equipment	1,927,698	272,554	(54,082)	2,146,170
Transportation equipment	1,910,951	193,875	(206,683)	1,898,143
Total capital assets, being depreciated	28,240,447	1,853,051	(277,924)	29,815,574
Less accumulated depreciation for:				
Intangible assets	(11,441)	(6,510)	-	(17,951)
Land improvements	(1,593,292)	(266,849)	17,159	(1,842,982)
Infrastructure	(1,641,625)	(452,201)	-	(2,093,826)
Buildings and improvements	(2,651,720)	(259,314)	-	(2,911,034)
Machinery and equipment	(1,523,647)	(143,633)	54,082	(1,613,198)
Transportation equipment	(1,667,589)	(7,377)	156,798	(1,518,168)
Total accumulated depreciation	(9,089,314)	(1,135,884)	228,039	(9,997,159)
Total capital assets, being depreciated, net	19,151,133	717,167	(49,885)	19,818,415
Governmental activities capital assets, net	<u>\$ 25,001,863</u>	<u>\$ 1,192,073</u>	<u>\$ (740,839)</u>	<u>\$ 25,453,097</u>

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

General government	\$ 454,354
Public safety	96,550
Public works	539,545
Culture, parks and recreation	11,359
Community development	34,076
Total depreciation expense - governmental activities	<u>\$ 1,135,884</u>



**City of Evans**  
**Notes to Financial Statements**  
**December 31, 2011**

**Note 4 – Capital Assets**

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

	Beginning Balance	Increases	(Decreases) Transfers	Ending Balance
Capital assets, not being depreciated:				
Water rights	\$ 25,755,155	\$ -	\$ -	\$ 25,755,155
Land	74,002	-	-	74,002
Construction in progress	1,708,217	747,258	(280,720)	2,174,755
Total capital assets, not being depreciated	27,537,374	747,258	(280,720)	28,003,912
Capital assets, being depreciated:				
System improvements	44,312,990	460,373	(56,478)	44,716,885
Machinery and equipment	1,369,701	-	(35,512)	1,334,189
Buildings and improvements	778,641	-	-	778,641
Intangible assets	21,207	-	-	21,207
Infrastructure	317,544	-	-	317,544
Total capital assets, being depreciated	46,800,083	460,373	(91,990)	47,168,466
Less accumulated depreciation for:				
System improvements	(11,744,090)	(1,317,645)	56,478	(13,005,257)
Machinery and equipment	(952,053)	(103,445)	28,459	(1,027,039)
Buildings and improvements	(330,548)	(41,202)	-	(371,750)
Intangible assets	(3,725)	(2,119)	-	(5,844)
Infrastructure	(36,038)	(10,276)	-	(46,314)
Total accumulated depreciation	(13,066,454)	(1,474,687)	84,937	(14,456,204)
Total capital assets, being depreciated, net	33,733,629	(1,014,314)	(7,053)	32,712,262
Business-type activities capital assets, net	<u>\$ 61,271,003</u>	<u>\$ (267,056)</u>	<u>\$ (287,773)</u>	<u>\$ 60,716,174</u>

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

Water enterprise	\$ 725,943
Wastewater enterprise	478,286
Drainage enterprise	<u>270,458</u>
Total depreciation expense - business - type activities	<u>\$ 1,474,687</u>



**City of Evans**  
**Notes to Financial Statements**  
**December 31, 2011**

**Note 5 – Long- Term Debt**

Following is a summary of governmental activity debt transactions for the year ended December 31, 2011:

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due in One Year
Governmental activities:					
Bonds payable:					
General obligation bonds	\$ 2,650,000	\$ -	\$ (400,000)	\$ 2,250,000	\$ 410,000
Deferred issuance premium	59,695	-	(17,079)	42,616	-
Total bonds payable, net	2,709,695	-	(417,079)	2,292,616	410,000
Compensated absences	424,105	143,233	(295,589)	271,749	-
Capital lease obligation	1,048,689	-	(186,346)	862,343	-
Total long term debt	<u>\$ 4,182,489</u>	<u>\$ 143,233</u>	<u>\$ (899,014)</u>	<u>\$ 3,426,708</u>	<u>\$ 410,000</u>

**Governmental Activities Debt**

During 2003, the City issued General Obligation Refunding Bonds, Series 2003, dated May 1, 2003, due December 1, 2016, with semiannual interest, and annual principal payments, through December 1, 2016. Interest rates range from 2.0% to 3.7%. Proceeds from the bonds were used to construct and furnish an addition to the city complex and to refinance the City's 1996 General Obligation Bonds. In connection with the refinance, the City recorded \$135,725 of bond issuance costs and \$168,380 of bond premiums, of which \$45,193 and \$42,616 remain to be amortized, respectively. Repayment of this debt is made by the G.O. Debt Service Fund.

During 2005, the City entered into a capital lease for the purchase of HVAC equipment. The lease requires 48 quarterly payments of \$7,703 beginning in January 2007 and bears interest at the rate of 4.15% per annum. This capital lease was repaid in full during the fiscal year. Property and equipment carried at \$305,919 with \$74,227 in accumulated depreciation, in the governmental activities were acquired under this capital lease agreement.

On February 6, 2007, the City entered into an agreement with Arsenault Holding LLC to acquire vacant land known as Tri-Pointe. The agreement requires interest only at 5.75% for 20 years at which time the Note shall be discharged and cancelled by the note holder and all outstanding principal thereunder shall be waived and forfeited by the holder thereof as a charitable donation by the note holder.

**Business-Type Activities Debt**

Following is a summary of business-type Activity debt transactions for the year ended December 31, 2011:

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due in One Year
Wastewater Colorado Water Resources and Power	\$ 530,229	\$ -	\$ (59,515)	\$ 470,714	\$ 59,516
Wastewater CWRPDA note payable (11/98)	212,750	-	(21,058)	191,692	22,017
Compensated absences	85,776	55,390	(50,358)	90,808	-
Total long term debt	<u>\$ 828,755</u>	<u>\$ 55,390</u>	<u>\$ (130,931)</u>	<u>\$ 753,214</u>	<u>\$ 81,533</u>



**City of Evans**  
**Notes to Financial Statements**  
**December 31, 2011**

**Note 5 – Long- Term Debt (Continued)**

The City has pledged future wastewater revenues, net of specified operating expenses, to repay approximately \$1.5 million in wastewater system revenue bonds issued in 1998. Proceeds from the bonds provided financing for the construction and maintenance of the headworks facility at the wastewater treatment facility. The bonds bear interest between 4.00% and 4.50%. The bonds are payable solely from wastewater net revenues and are payable through 2019. Annual principal and interest payments on the bonds are expected to require less than 25 percent of specified net budgeted revenues. The total principal remaining to be paid on the bonds is \$662,406. Principal and interest paid for the current year and specified net budget revenues were \$113,361 and \$317,547, respectively.

**Future Debt Service Requirements**

The following tables represent the future debt service requirements on the governmental activity debt. The following table is the debt service on the outstanding General Obligation bonded debt.

<u>Year Ending December 31</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012	\$ 410,000	\$ 87,610	\$ 497,610
2013	435,000	70,186	505,186
2014	455,000	50,610	505,610
2015	465,000	34,686	499,686
2016	485,000	17,946	502,946
Total	<u>\$ 2,250,000</u>	<u>\$ 261,038</u>	<u>\$ 2,511,038</u>

Payments on the land capital leases and notes are due as follows:

<u>Year</u>	<u>Tri Pointe Land</u>
2012	\$ 49,585
2013	49,585
2014	49,585
2015	49,585
2016	49,585
2017-2021	247,925
2022-2026	247,925
2027-2031	911,928
Total future minimum lease payments	1,655,703
Amount representing interest	<u>(793,360)</u>
Present value of future payments	<u>\$ 862,343</u>



**City of Evans**  
**Notes to Financial Statements**  
**December 31, 2011**

**Note 5 – Long- Term Debt (Continued)**

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

Year Ending December 31	Principal	Interest	Total
2012	\$ 81,533	\$ 30,175	\$ 111,708
2013	87,944	27,510	115,454
2014	88,992	19,634	108,626
2015	90,088	16,960	107,048
2016	96,642	14,119	110,761
2017-2021	217,207	15,145	232,352
<u>Total</u>	<u>\$ 662,406</u>	<u>\$ 123,543</u>	<u>\$ 785,949</u>

**Note 6 – Interfund Transfers**

The following table summarizes interfund transfers for the year ended December 31, 2011:

	Transfers Out:						Total
	General Fund	Water Fund	Wastewater Fund	Storm Drainage	Nonmajor Governmental Funds	Fiduciary Funds	
<u>Transfers In:</u>							
General Fund	\$ -	\$ 621,238	\$ 412,824	\$ 136,994	\$ 30,450	\$ 8,000	\$ 1,209,506
Nonmajor Governmental Funds	76,944	-	-	-	-	-	76,944
Fiduciary Funds	88,000	-	-	-	-	-	88,000
<u>Total</u>	<u>\$ 164,944</u>	<u>\$ 621,238</u>	<u>\$ 412,824</u>	<u>\$ 136,994</u>	<u>\$ 30,450</u>	<u>\$ 8,000</u>	<u>\$ 1,374,450</u>

Transfers are used to (1) reimburse the General Fund for indirect costs associated with administrative and operational support related to providing water, wastewater, storm drainage, and refuse services to citizens; (2) establish the Cemetery Perpetual Care Fund that was previously reported in the General Fund; and (3) record the City's contribution to the Volunteer Firefighters' Pension Plan.

**Note 7 – Risk Management**

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

The City has a partial self-funded medical insurance arrangement. The insurance coverage is substantially the same as in prior fiscal years. The City is self-insured for its medical benefits through its General Fund for employees which ranges from \$6,687 to \$19,736 per employee per year depending on the level of coverage selected. Maximum claim liability for 2011 was \$777,239. The City has specific stop loss insurance of \$35,000 per year along with aggregate stop loss insurance for claims. Claims in excess of the limitations are covered by third-party insurance. Expenditures are charged to the fund to which the employees' payroll expenditure is charged at the maximum amount per level of coverage.



**City of Evans**  
**Notes to Financial Statements**  
**December 31, 2011**

**Note 7 – Risk Management (Continued)**

Claims processing and payments for the medical claims are made through a third-party administrator. The City uses the information provided by the third-party administrator to aid in the determination of self-insurance liabilities. Amounts due in the future year on claims as of December 31, 2011 are recognized as a current liability in the statement of net assets. Changes in the incurred but not reported amount during the fiscal years ended December 31, 2011 and 2010 were as follows:

	Claims and Premium Liability at Beginning of Year	Current Year Claims and Changes in Estimates	Claim Payments	Claims and Premium Liability at End of Year
Fiscal Year 2010	\$ 155,972	\$ 551,677	\$ 701,271	\$ 6,378
Fiscal Year 2011	6,378	761,033	701,845	65,566

**Note 8 – Retirement Commitments**

General Employees Defined Contributions Plan

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

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

<u>Employee Contribution</u>	<u>Employer Contribution</u>
0%	3%
1%	4%
2%	5%
3%	6%
4% or More	7%

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

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

The City's total payroll for the year ended December 31, 2011 was \$5,524,814. The City's contributions to the plan for the years ending December 31, 2011, 2010, and 2009 were \$291,824, \$332,665, and \$323,614, respectively.

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

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



**City of Evans**  
**Notes to Financial Statements**  
**December 31, 2011**

**Note 8 – Retirement Commitments (Continued)**

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

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

The contribution requirements of plan members and the City are established by State statute. The contribution rate is 8% of covered salary for all plan members and 8% for the City, with the exception of police department plan members prior to May, 2005 when plan changes took effect. These police member contributions are at 12% with the City's contribution at 8%. The City contributions to the SWDB for the years ending December 31, 2011, 2010, and 2009 were \$71,318, \$74,201 and \$74,959, respectively, equal to the required contribution.

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

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

The contribution requirements of plan members and the City are established by State statute. The contribution rate is 8% of covered salary for all plan members and 8% for the City. The City contributions to the SWDC plan for the years ending December 31, 2011, 2010, and 2009 were \$33,447, \$34,912, and \$34,312, respectively, equal to the required contribution.

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

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

The SWH offers a combination of a defined benefit component and money purchase component with a base contribution rate of 8% from the City and 8% from the member. Members of the plan on the effective date of entry could elect to participate in both components of the plan or the money purchase component only. The City also elected to offer pre-existing police members the option to participate in the SWDB plan at a member contribution rate of 12%. The members also have the ability to make voluntary contributions towards the money purchase portion of the plan and to purchase additional years of service. The Plan has a five year pro-rated vesting schedule. For the years ended December 31, 2011, 2010, and 2009, the City made the required contributions of \$108,077, \$115,055, and \$100,680, respectively.

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



**City of Evans**  
**Notes to Financial Statements**  
**December 31, 2011**

**Note 8 – Retirement Commitments (Continued)**

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

**Volunteer Firefighters' Pension Plan**

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

The Plan received contributions from the City in an amount not to exceed one-half mill of property tax revenue. As established by the legislature, the State of Colorado contributes 90% of the City's contribution. The contributions are not actuarially determined. An actuary is used to determine the adequacy of contributions. The actuarial study as of January 1, 2011, indicated that the current level of contributions to the fund is adequate to support on an actuarially sound basis the prospective benefits for the present Plan.

For the year ended December 31, 2011, the City and State actual contributions of \$88,000 and \$33,994, respectively, equal the required contributions to the Plan. The required contribution was determined as part of the January 1, 2011 actuarial valuation using the entry age actuarial cost method. Actuarial assumptions included the following:

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

Based on an amortization period of 20 years using the level dollar method on an open basis, the Plan's expected contributions exceed the amount recommended to eliminate the unfunded actuarial accrued liability. Trend information of the Plan follows:

Fiscal Year Funding	Annual Required Contributions	Percentage or ARC Contribution	Net Pension Obligation
12/31/2009	\$ 121,994	100%	-
12/31/2010	121,994	100%	-
12/31/2011	121,994	100%	-



**City of Evans**  
**Notes to Financial Statements**  
**December 31, 2011**

**Note 8 – Retirement Commitments (Continued)**

Deferred Compensation Plan

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan is administered by the International City Managers Association Retirement Corporation. The plan is available to the City Manager and Directors and participation is optional. The plan allows its participants to defer a portion of their current salary to all future years. Participation in the plan is optional. The deferred compensation is not available to the participants until termination, retirement, death, or an unforeseeable emergency occurs. The plan assets are held in trust for the benefit of the employee and therefore not reflected on the financial statements of the City. The City contributes 3% of the City Manager's gross income and also matches the City Manager's contributions up to a maximum of 4% into the plan. In 2009, the City also contributed to the Director's plan. The City's contributions to the plan for the years ending December 31, 2011, 2010, and 2009 were \$3,348, \$3,323, and \$27,447 respectively.

**Note 9 – Rate Maintenance**

The 1998 Colorado Water Resources and Power Development Authority loan agreements require that Net Revenues, as defined, shall represent a sum equal to 110% of the amount necessary to pay, when due, the principal and interest on the loan.

2011 Gross revenues	\$ 1,125,564
2011 Operation and maintenance expense	<u>595,606</u>
Net revenues as defined in 1998 CWRPDA loan agreement	529,958
110% of 1998 loan debt service	<u>(124,697)</u>
Amount 2011 net revenue exceeded the 1998 loan requirements	<u><u>\$ 405,261</u></u>

**Note 10 – Commitments and Contingencies**

TABOR Reserves

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

On April 5, 1994, the voting citizens of the City of Evans authorized the City (retroactive to January 1, 1993) to collect, retain, and expend all revenues, notwithstanding any state restrictions of fiscal year spending. This effectively removed all revenue and spending limits imposed by the Amendment. The City did not increase or incur any new tax or bonded debt in 2011.

The City's Home Rule Charter provision requires an Emergency Contingency Reserve Fund, reported in the General Fund in 2011, that shall maintain a balance equal to 5% of the budgeted General Fund revenues, until such fund is equal in amount to 25% of the prior year's General Fund expenditures. In 2011 5% of budgeted revenues were \$1,883,302 less than 25% of the prior year's General Fund expenditures.

The City has designated the fund balances to be utilized in the subsequent year through the adoption of the 2012 budget in the Water, Wastewater, Storm Drainage, and Parks Impact Funds as shown in the financial statements.



**City of Evans**  
**Notes to Financial Statements**  
**December 31, 2011**

**Note 10 – Commitments and Contingencies (Continued)**

Litigation

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

**Note 11 – Subsequent Events**

The City has evaluated subsequent events through May 2, 2012, the date which the financial statements were available to be issued. There were no material subsequent events that required recognition or additional disclosure, except as described below.

On February 29, 2012, the City closed on the sale of a portion of what is commonly known as the “Tripointe Property” for total proceeds of \$625,000.



## **REQUIRED SUPPLEMENTARY INFORMATION**



**City of Evans**  
**Schedule of Revenues, Expenditures and Changes in Fund**  
**Balances (Budget and Actual) - General Fund**  
**Year Ended December 31, 2011**

	General Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
<u>Revenues</u>				
Taxes and fees	\$ 6,464,350	\$ 6,710,350	\$ 8,061,840	\$ 1,351,490
Licenses and permits	686,858	694,358	759,574	65,216
Intergovernmental	612,010	612,010	585,070	(26,940)
Grants and contributions	8,256	118,466	106,067	(12,399)
Charges for services	312,010	487,010	485,143	(1,867)
Fines and forfeitures	422,000	422,000	471,120	49,120
Earnings on investments	80,000	80,000	38,139	(41,861)
Miscellaneous	121,500	142,900	122,281	(20,619)
<u>Total revenues</u>	<u>8,706,984</u>	<u>9,267,094</u>	<u>10,629,234</u>	<u>1,362,140</u>
<u>Expenditures</u>				
General government	2,287,198	2,467,604	2,362,773	104,831
Public safety	4,508,278	4,708,693	4,544,429	164,264
Public works	1,456,358	1,483,178	1,397,727	85,451
Culture, parks and recreation	891,268	1,060,174	849,257	210,917
Community development	463,774	579,423	492,734	86,689
Debt service	80,811	248,080	247,556	524
Capital outlay	162,450	555,906	513,380	42,526
<u>Total expenditures</u>	<u>9,850,137</u>	<u>11,103,058</u>	<u>10,407,856</u>	<u>695,202</u>
<u>Excess (deficiency) of revenues over expenditures</u>	<u>(1,143,153)</u>	<u>(1,835,964)</u>	<u>221,378</u>	<u>2,057,342</u>
<u>Other financing sources (uses)</u>				
Proceeds from the sale of capital assets	-	-	17,828	17,828
Transfers in	1,196,502	1,246,394	1,209,506	(36,888)
Transfers out	(88,000)	(164,944)	(164,944)	-
<u>Total other financing sources (uses)</u>	<u>1,108,502</u>	<u>1,081,450</u>	<u>1,062,390</u>	<u>(19,060)</u>
<u>Net changes in fund balances</u>	<u>\$ (34,651)</u>	<u>\$ (754,514)</u>	<u>1,283,768</u>	<u>\$ 2,038,282</u>
<u>Fund balance at beginning of year</u>			<u>4,615,314</u>	
<u>Fund balance at end of year</u>			<u>\$ 5,899,082</u>	

See accompanying Independent Auditors' Report.



**City of Evans**  
**Volunteer Firefighter's Pension Plan - Analysis of Funding Progress**  
**Year Ended December 31, 2011**

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

See accompanying Independent Auditors' Report.



**OTHER SUPPLEMENTARY INFORMATION**

**COMBINING, INDIVIDUAL AND BUDGETARY STATEMENTS**



**City of Evans**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**December 31, 2011**

	Park Impact	Conservation Trust	Fire Impact	Refuse Collection	Street Impact
<b><u>ASSETS</u></b>					
Equity in pooled cash, cash equivalents and investments	\$ 285,056	\$ 72,545	\$ 42,221	\$ 211,957	\$ 635,808
Restricted cash, cash equivalents and investments	-	-	-	-	-
Receivables	-	-	11,235	58,797	-
<b><u>Total assets</u></b>	<b><u>\$ 285,056</u></b>	<b><u>\$ 72,545</u></b>	<b><u>\$ 53,456</u></b>	<b><u>\$ 270,754</u></b>	<b><u>\$ 635,808</u></b>
<b><u>LIABILITIES</u></b>					
Accounts payable	\$ 62,855	\$ -	\$ 680	\$ 40,164	\$ -
Other liabilities	106,000	-	-	-	-
<b><u>Total liabilities</u></b>	<b><u>168,855</u></b>	<b><u>-</u></b>	<b><u>680</u></b>	<b><u>40,164</u></b>	<b><u>-</u></b>
<b><u>FUND BALANCES</u></b>					
Restricted	-	-	-	-	-
Assigned	116,201	72,545	52,776	230,590	635,808
<b><u>Total fund balances</u></b>	<b><u>116,201</u></b>	<b><u>72,545</u></b>	<b><u>52,776</u></b>	<b><u>230,590</u></b>	<b><u>635,808</u></b>
<b><u>Total liabilities and fund balances</u></b>	<b><u>\$ 285,056</u></b>	<b><u>\$ 72,545</u></b>	<b><u>\$ 53,456</u></b>	<b><u>\$ 270,754</u></b>	<b><u>\$ 635,808</u></b>

See accompanying Independent Auditors' Report.



Cemetery Perpetual Care	Street Construction	G.O. Debt Service	Total
\$ 80,570	\$ 303,504	\$ -	\$ 1,631,661
-	-	398,338	398,338
-	162,889	108,472	341,393
<u>\$ 80,570</u>	<u>\$ 466,393</u>	<u>\$ 506,810</u>	<u>\$ 2,371,392</u>
\$ -	\$ 14,100	\$ -	\$ 117,799
-	215,844	-	321,844
-	229,944	-	439,643
-	-	505,610	505,610
80,570	236,449	1,200	1,426,139
80,570	236,449	506,810	1,931,749
<u>\$ 80,570</u>	<u>\$ 466,393</u>	<u>\$ 506,810</u>	<u>\$ 2,371,392</u>



**City of Evans**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**Year Ended December 31, 2011**

	Park Impact	Conservation Trust	Fire Impact	Refuse Collection	Street Impact
<u>Revenues</u>					
Licenses and permits	\$ -	\$ -	\$ -	\$ 400	\$ -
Intergovernmental	-	168,931	-	-	-
Grants and contributions	-	39,163	-	-	-
Charges for services	-	-	-	594,889	-
Earnings on investments	1,820	2,099	416	1,307	3,752
Assessments	27,551	-	66,287	-	154,192
<u>Total revenues</u>	<u>29,371</u>	<u>210,193</u>	<u>66,703</u>	<u>596,596</u>	<u>157,944</u>
<u>Expenditures</u>					
General government	-	-	-	-	-
Public safety	-	-	89,030	-	-
Public works	-	-	-	516,087	-
Capital outlay	62,855	459,382	-	-	-
Debt service	-	-	-	-	-
<u>Total expenditures</u>	<u>62,855</u>	<u>459,382</u>	<u>89,030</u>	<u>516,087</u>	<u>-</u>
<u>Revenues over (under) expenditures</u>	<u>(33,484)</u>	<u>(249,189)</u>	<u>(22,327)</u>	<u>80,509</u>	<u>157,944</u>
<u>Other financing sources (uses)</u>					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	(30,450)	-
<u>Total other financing sources (uses)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(30,450)</u>	<u>-</u>
<u>Net changes in fund balances</u>	<u>(33,484)</u>	<u>(249,189)</u>	<u>(22,327)</u>	<u>50,059</u>	<u>157,944</u>
<u>Fund balance at beginning of year</u>	<u>149,685</u>	<u>321,734</u>	<u>75,103</u>	<u>180,531</u>	<u>477,864</u>
<u>Fund balance at end of year</u>	<u>\$ 116,201</u>	<u>\$ 72,545</u>	<u>\$ 52,776</u>	<u>\$ 230,590</u>	<u>\$ 635,808</u>

See accompanying Independent Auditors' Report.



Cemetery Perpetual Care	Street Construction	G.O. Debt Service	Total
\$ -	\$ -	\$ -	\$ 400
-	666,701	485,693	1,321,325
-	61,841	-	101,004
-	-	-	594,889
176	2,908	19,067	31,545
3,450	-	-	251,480
<u>3,626</u>	<u>731,450</u>	<u>504,760</u>	<u>2,300,643</u>
-	-	150	150
-	-	-	89,030
-	163,043	-	679,130
-	553,649	-	1,075,886
-	-	504,610	504,610
<u>-</u>	<u>716,692</u>	<u>504,760</u>	<u>2,348,806</u>
<u>3,626</u>	<u>14,758</u>	<u>-</u>	<u>(48,163)</u>
76,944	-	-	76,944
-	-	-	(30,450)
<u>76,944</u>	<u>-</u>	<u>-</u>	<u>46,494</u>
80,570	14,758	-	(1,669)
-	221,691	506,810	1,933,418
<u>\$ 80,570</u>	<u>\$ 236,449</u>	<u>\$ 506,810</u>	<u>\$ 1,931,749</u>



## **SPECIAL REVENUE FUNDS**



**City of Evans  
Parks Impact Fund  
Budgetary Comparison Schedule  
Year Ended December 31, 2011**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
<u>Revenues</u>				
Assessments				
Impact fees	\$ -	\$ -	\$ 27,551	\$ 27,551
Earnings on investments	2,032	2,032	1,820	(212)
<u>Total revenues</u>	<u>2,032</u>	<u>2,032</u>	<u>29,371</u>	<u>27,339</u>
<u>Expenditures</u>				
Capital outlay	100,000	100,000	62,855	37,145
<u>Total expenditures</u>	<u>100,000</u>	<u>100,000</u>	<u>62,855</u>	<u>37,145</u>
<u>Net change in fund balance</u>	<u>\$ (97,968)</u>	<u>\$ (97,968)</u>	<u>(33,484)</u>	<u>\$ 64,484</u>
<u>Fund balance at beginning of year</u>			<u>149,685</u>	
<u>Fund balance at end of year</u>			<u>\$ 116,201</u>	

See accompanying Independent Auditors' Report.



**City of Evans**  
**Conservation Trust Fund**  
**Budgetary Comparison Schedule**  
**Year Ended December 31, 2011**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
<u>Revenues</u>				
Intergovernmental				
State shared revenue	\$ 170,000	\$ 170,000	\$ 168,931	\$ (1,069)
Grants and contributions	-	89,000	39,163	(49,837)
Earnings on investments	628	628	2,099	1,471
<u>Total revenues</u>	<u>170,628</u>	<u>259,628</u>	<u>210,193</u>	<u>(49,435)</u>
<u>Expenditures</u>				
Culture, parks and recreation	14,500	14,500	-	14,500
Conservation trust	150,000	525,000	459,382	65,618
Capital outlay				
<u>Total expenditures</u>	<u>164,500</u>	<u>539,500</u>	<u>459,382</u>	<u>80,118</u>
<u>Net change in fund balance</u>	<u>\$ 6,128</u>	<u>\$ (279,872)</u>	<u>(249,189)</u>	<u>\$ 30,683</u>
<u>Fund balance at beginning of year</u>			<u>321,734</u>	
<u>Fund balance at end of year</u>			<u>\$ 72,545</u>	

See accompanying Independent Auditors' Report.



**City of Evans**  
**Fire Impact Fund**  
**Budgetary Comparison Schedule**  
**Year Ended December 31, 2011**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
<u>Revenues</u>				
Assessments				
Impact fees	\$ -	\$ 54,000	\$ 66,287	\$ 12,287
Earnings on investments	1,261	850	416	(434)
<u>Total revenues</u>	1,261	54,850	66,703	11,853
<u>Expenditures</u>				
Public safety				
Fire impact	43,790	101,290	89,030	12,260
<u>Total expenditures</u>	43,790	101,290	89,030	12,260
<u>Net change in fund balance</u>	<u>\$ (42,529)</u>	<u>\$ (46,440)</u>	(22,327)	<u>\$ 24,113</u>
<u>Fund balance at beginning of year</u>			75,103	
<u>Fund balance at end of year</u>			<u>\$ 52,776</u>	

See accompanying Independent Auditors' Report.



**City of Evans**  
**Refuse Collection Fund**  
**Budgetary Comparison Schedule**  
**Year Ended December 31, 2011**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
<u>Revenues</u>				
Licenses and permits				
Trash haulers' license	\$ 800	\$ 800	\$ 400	\$ (400)
Charges for services				
Refuse collection charges	592,524	592,524	594,889	2,365
Earnings on investments	2,382	2,382	1,307	(1,075)
<u>Total revenues</u>	<u>595,706</u>	<u>595,706</u>	<u>596,596</u>	<u>890</u>
<u>Expenditures</u>				
Public works				
Sanitation	551,882	551,882	516,087	35,795
<u>Total expenditures</u>	<u>551,882</u>	<u>551,882</u>	<u>516,087</u>	<u>35,795</u>
<u>Excess of revenues over expenditures</u>	<u>43,824</u>	<u>43,824</u>	<u>80,509</u>	<u>36,685</u>
<u>Other financing sources (uses)</u>				
Transfers out	(30,450)	(30,450)	(30,450)	-
<u>Total other financing sources (uses)</u>	<u>(30,450)</u>	<u>(30,450)</u>	<u>(30,450)</u>	<u>-</u>
<u>Net change in fund balance</u>	<u>\$ 13,374</u>	<u>\$ 13,374</u>	<u>50,059</u>	<u>\$ 36,685</u>
<u>Fund balance at beginning of year</u>			<u>180,531</u>	
<u>Fund balance at end of year</u>			<u>\$ 230,590</u>	

See accompanying Independent Auditors' Report.



**City of Evans**  
**Street Impact Fund**  
**Budgetary Comparison Schedule**  
**Year Ended December 31, 2011**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
<u>Revenues</u>				
Assessments				
Impact fees	\$ -	\$ -	\$ 154,192	\$ 154,192
Earnings on investments	5,929	5,929	3,752	(2,177)
<u>Total revenues</u>	<u>5,929</u>	<u>5,929</u>	<u>157,944</u>	<u>152,015</u>
<u>Expenditures</u>				
Capital outlay	200,000	332,000	-	332,000
<u>Total expenditures</u>	<u>200,000</u>	<u>332,000</u>	<u>-</u>	<u>332,000</u>
<u>Net change in fund balance</u>	<u>\$ (194,071)</u>	<u>\$ (326,071)</u>	157,944	<u>\$ 484,015</u>
<u>Fund balance at beginning of year</u>			477,864	
<u>Fund balance at end of year</u>			<u>\$ 635,808</u>	

See accompanying Independent Auditors' Report.



**City of Evans**  
**Cemetery Perpetual Care Fund**  
**Budgetary Comparison Schedule**  
**Year Ended December 31, 2011**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
<u>Revenues</u>				
Assessments				
Perpetual care fees	\$ -	\$ 3,000	\$ 3,450	\$ 450
Earnings on investments	-	-	176	176
<u>Total revenues</u>	-	3,000	3,626	626
<u>Other financing sources</u>				
Transfers in	-	76,944	76,944	-
<u>Total other financing sources</u>	-	76,944	76,944	-
<u>Net change in fund balance</u>	\$ -	\$ 79,944	80,570	\$ 626
<u>Fund balance at beginning of year</u>			-	
<u>Fund balance at end of year</u>			\$ 80,570	

See accompanying Independent Auditors' Report.



**DEBT SERVICE FUND**



**City of Evans**  
**G.O. Debt Service Fund**  
**Budgetary Comparison Schedule**  
**Year Ended December 31, 2011**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
<u>Revenues</u>				
Intergovernmental				
Greeley/Evans demarcation	\$ 485,000	\$ 485,000	\$ 485,693	\$ 693
Earnings on investments	20,000	20,000	19,067	(933)
<u>Total revenues</u>	<u>505,000</u>	<u>505,000</u>	<u>504,760</u>	<u>(240)</u>
<u>Expenditures</u>				
General government				
Finance	600	600	150	450
Debt service	504,610	504,610	504,610	-
<u>Total expenditures</u>	<u>505,210</u>	<u>505,210</u>	<u>504,760</u>	<u>450</u>
<u>Net change in fund balance</u>	<u>\$ (210)</u>	<u>\$ (210)</u>	<u>-</u>	<u>\$ 210</u>
<u>Fund balance at beginning of year</u>			<u>506,810</u>	
<u>Fund balance at end of year</u>			<u>\$ 506,810</u>	

See accompanying Independent Auditors' Report.



**CAPITAL PROJECTS FUND**



**City of Evans**  
**Street Construction Fund**  
**Budgetary Comparison Schedule**  
**Year Ended December 31, 2011**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
<u>Revenues</u>				
Intergovernmental	\$ 689,512	\$ 689,512	\$ 666,701	\$ (22,811)
Grants and contributions	-	244,245	61,841	(182,404)
Earnings on investments	2,226	2,226	2,908	682
<u>Total revenues</u>	<u>691,738</u>	<u>935,983</u>	<u>731,450</u>	<u>(204,533)</u>
<u>Expenditures</u>				
Public works	190,000	190,000	163,043	26,957
Capital outlay	520,000	871,051	553,649	317,402
<u>Total expenditures</u>	<u>710,000</u>	<u>1,061,051</u>	<u>716,692</u>	<u>344,359</u>
<u>Net change in fund balance</u>	<u>\$ (18,262)</u>	<u>\$ (125,068)</u>	14,758	<u>\$ 139,826</u>
<u>Fund balance at beginning of year</u>			<u>221,691</u>	
<u>Fund balance at end of year</u>			<u>\$ 236,449</u>	

See accompanying Independent Auditors' Report.



## **ENTERPRISE FUNDS**



**City of Evans**  
**Water Fund**  
**Budgetary Comparison Schedule**  
**Year Ended December 31, 2011**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
<u>Operating revenues</u>				
Water sales	\$ 3,446,269	\$ 3,446,269	\$ 3,538,938	\$ 92,669
Non-potable water sales	119,000	119,000	146,935	27,935
Other sales	67,066	67,066	23,299	(43,767)
Water meters	2,109	2,109	5,272	3,163
<u>Total operating revenues</u>	<u>3,634,444</u>	<u>3,634,444</u>	<u>3,714,444</u>	<u>80,000</u>
<u>Operating expenses</u>				
Water supply and administrative	3,073,770	3,137,934	2,975,801	162,133
Capital outlay	452,646	1,190,646	341,665	848,981
<u>Total operating expenses</u>	<u>3,526,416</u>	<u>4,328,580</u>	<u>3,317,466</u>	<u>1,011,114</u>
<u>Operating income (loss)</u>	<u>108,028</u>	<u>(694,136)</u>	<u>396,978</u>	<u>1,091,114</u>
<u>Other revenue (expense)</u>				
Earnings on investments	43,642	43,642	14,117	(29,525)
Plant investment fees and cash in lieu of fees	392,066	392,066	113,929	(278,137)
Transfers to other funds	(613,135)	(643,746)	(621,238)	22,508
<u>Total other revenue (expense)</u>	<u>(177,427)</u>	<u>(208,038)</u>	<u>(493,192)</u>	<u>(285,154)</u>
<u>Change in net assets - budgetary basis</u>	<u>\$ (69,399)</u>	<u>\$ (902,174)</u>	<u>(96,214)</u>	<u>\$ 805,960</u>
<u>Reconciliation to GAAP basis</u>				
Depreciation			(725,943)	
Loss on disposal of capital assets			(7,053)	
Capital outlay			341,665	
<u>Change in net assets - GAAP basis</u>			<u>(487,545)</u>	
<u>Net assets at beginning of year</u>			<u>50,001,608</u>	
<u>Net assets at end of year</u>			<u>\$ 49,514,063</u>	

See accompanying Independent Auditors' Report.



**City of Evans**  
**Wastewater Fund**  
**Budgetary Comparison Schedule**  
**Year Ended December 31, 2011**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
<u>Operating revenues</u>				
Sewer sales	\$ 1,050,056	\$ 1,050,056	\$ 1,027,800	\$ (22,256)
<u>Total operating revenues</u>	1,050,056	1,050,056	1,027,800	(22,256)
<u>Operating expenses</u>				
Wastewater	840,846	846,795	595,096	251,699
Principal paid	80,573	80,573	80,573	-
Capital outlay	-	468,600	57,756	410,844
<u>Total operating expenses</u>	921,419	1,395,968	733,425	662,543
<u>Operating income (loss)</u>	128,637	(345,912)	294,375	640,287
<u>Other revenue (expense)</u>				
Earnings on investments	16,795	16,795	8,729	(8,066)
Plant investment fees and cash in lieu of fees	50,000	50,000	88,525	38,525
Transfers to other funds	(412,574)	(423,393)	(412,824)	10,569
Interest expense	(32,787)	(32,787)	(32,494)	293
<u>Total other revenue (expense)</u>	(378,566)	(389,385)	(348,064)	41,321
<u>Change in net assets - budgetary basis</u>	<u>\$ (249,929)</u>	<u>\$ (735,297)</u>	(53,689)	<u>\$ 681,608</u>
<u>Reconciliation to GAAP basis</u>				
Depreciation expense			(478,286)	
Principal paid			80,573	
Capital outlay			57,756	
<u>Change in net assets - GAAP basis</u>			(393,646)	
<u>Net assets at beginning of year</u>			11,521,976	
<u>Net assets at end of year</u>			<u>\$ 11,128,330</u>	

See accompanying Independent Auditors' Report.



**City of Evans**  
**Storm Drainage Fund**  
**Budgetary Comparison Schedule**  
**Year Ended December 31, 2011**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
<u>Operating revenues</u>				
Storm drainage sales	\$ 420,744	\$ 420,744	\$ 459,032	\$ 38,288
<u>Total operating revenues</u>	420,744	420,744	459,032	38,288
<u>Operating expenses</u>				
Drainage operations	25,600	25,600	10,920	14,680
Capital outlay	370,000	965,000	527,490	437,510
<u>Total operating expenses</u>	395,600	990,600	538,410	452,190
<u>Operating income (loss)</u>	25,144	(569,856)	(79,378)	490,478
<u>Other revenue (expense)</u>				
Plant investment fees	52,500	52,500	30,203	(22,297)
Earnings on investments	2,650	2,650	5,475	2,825
Transfers to other funds	(138,342)	(140,803)	(136,994)	3,809
<u>Total other revenue (expense)</u>	(83,192)	(85,653)	(101,316)	(15,663)
<u>Change in net assets - budgetary basis</u>	<u>\$ (58,048)</u>	<u>\$ (655,509)</u>	(180,694)	<u>\$ 474,815</u>
<u>Reconciliation to GAAP basis</u>				
Depreciation			(270,458)	
Capital outlay			527,490	
<u>Change in net assets - GAAP basis</u>			76,338	
<u>Net assets at beginning of year</u>			8,752,426	
<u>Net assets at end of year</u>			<u>\$ 8,828,764</u>	

See accompanying Independent Auditors' Report.



## **FIDUCIARY FUNDS**



**City of Evans**  
**Volunteer Firefighters' Pension Fund**  
**Budgetary Comparison Schedule**  
**Year Ended December 31, 2011**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
<u>Revenues</u>				
Intergovernmental				
State shared revenue	\$ 28,594	\$ 28,594	\$ 33,994	\$ 5,400
Earnings on investments	35,000	35,000	5,026	(29,974)
Contributions	88,000	88,000	88,000	-
<u>Total revenues</u>	<u>151,594</u>	<u>151,594</u>	<u>127,020</u>	<u>(24,574)</u>
<u>Expenses</u>				
Public safety				
Pension distributions	143,026	143,026	109,221	33,805
<u>Change in net assets</u>	<u>\$ 8,568</u>	<u>\$ 8,568</u>	17,799	<u>\$ 9,231</u>
<u>Net assets at beginning of year</u>			<u>455,022</u>	
<u>Net assets at end of year</u>			<u>\$ 472,821</u>	

See accompanying Independent Auditors' Report.



**City of Evans**  
**Cemetery Endowment Fund**  
**Budgetary Comparison Schedule**  
**Year Ended December 31, 2011**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
<u>Revenues</u>				
Earnings on investments	\$ 2,000	\$ 8,000	\$ 8,678	\$ 678
<u>Expenses</u>				
Transfers out	2,000	8,000	8,000	-
<u>Change in net assets</u>	<u>\$ -</u>	<u>\$ -</u>	678	<u>\$ 678</u>
<u>Net assets at beginning of year</u>			48,007	
<u>Net assets at end of year</u>			<u>\$ 48,685</u>	

See accompanying Independent Auditors' Report.



## **SUPPLEMENTAL SECTION**



## **STATE COMPLIANCE SECTION**



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

<b>LOCAL HIGHWAY FINANCE REPORT</b>		City or County: <b>EVANS, COLORADO</b>			
		YEAR ENDING : December 2011			
This Information From The Records Of City of Evans, Colorado:		Prepared By: Evans Finance Dept., J. Gonifas Phone: (970) 475-1106			
<b>I. DISPOSITION OF HIGHWAY-USER REVENUES AVAILABLE FOR LOCAL GOVERNMENT EXPENDITURE</b>					
ITEM	A. Local Motor-Fuel Taxes	B. Local Motor-Vehicle Taxes	C. Receipts from State Highway-User Taxes	D. Receipts from Federal Highway Administration	
1. Total receipts available					
2. Minus amount used for collection expenses					
3. Minus amount used for nonhighway purposes					
4. Minus amount used for mass transit					
5. Remainder used for highway purposes					
<b>II. RECEIPTS FOR ROAD AND STREET PURPOSES</b>		<b>III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES</b>			
ITEM	AMOUNT	ITEM	AMOUNT		
<b>A. Receipts from local sources:</b>		<b>A. Local highway disbursements:</b>			
1. Local highway-user taxes		1. Capital outlay (from page 2)	815,202		
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	912,150		
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:			
c. Total (a.+b.)		a. Traffic control operations	11,672		
2. General fund appropriations	1,296,670	b. Snow and ice removal	10,213		
3. Other local imposts (from page 2)	264,080	c. Other			
4. Miscellaneous local receipts (from page 2)	391,401	d. Total (a. through c.)	21,885		
5. Transfers from toll facilities		4. General administration & miscellaneous	410,248		
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	260,959		
a. Bonds - Original Issues		6. Total (1 through 5)	2,420,444		
b. Bonds - Refunding Issues		<b>B. Debt service on local obligations:</b>			
c. Notes		1. Bonds:			
d. Total (a. + b. + c.)	0	a. Interest			
7. Total (1 through 6)	1,952,151	b. Redemption			
<b>B. Private Contributions</b>		c. Total (a. + b.)	0		
<b>C. Receipts from State government (from page 2)</b>	579,154	2. Notes:			
<b>D. Receipts from Federal Government (from page 2)</b>	61,841	a. Interest			
<b>E. Total receipts (A.7 + B + C + D)</b>	2,593,146	b. Redemption			
		c. Total (a. + b.)	0		
		3. Total (1.c + 2.c)	0		
		<b>C. Payments to State for highways</b>			
		<b>D. Payments to toll facilities</b>			
		<b>E. Total disbursements (A.6 + B.3 + C + D)</b>	2,420,444		
<b>IV. LOCAL HIGHWAY DEBT STATUS</b> (Show all entries at par)					
	Opening Debt	Amount Issued	Redemptions	Closing Debt	
<b>A. Bonds (Total)</b>				0	
1. Bonds (Refunding Portion)					
<b>B. Notes (Total)</b>				0	
<b>V. LOCAL ROAD AND STREET FUND BALANCE</b>					
	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	699,555	2,593,146	2,420,444	872,257	0
<b>Notes and Comments:</b>					

FORM FHWA-536 (Rev. 1-05)

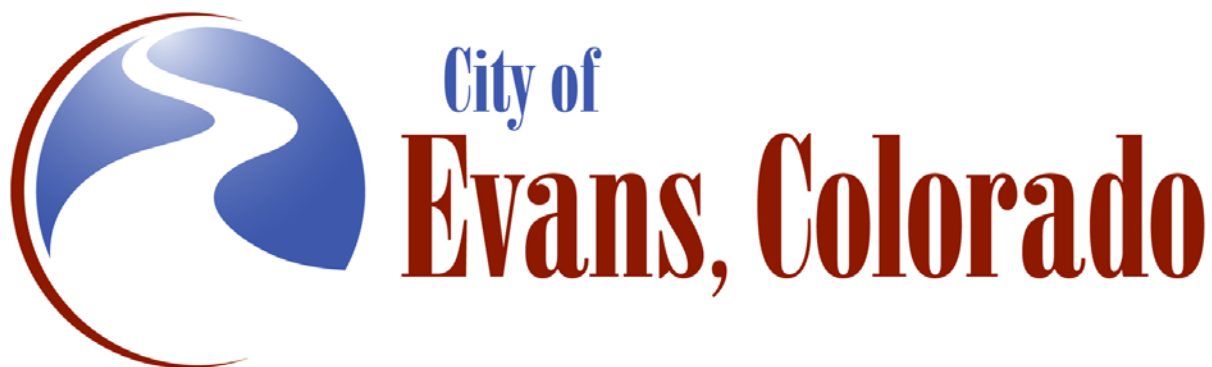
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<b>LOCAL HIGHWAY FINANCE REPORT</b>		STATE: Colorado YEAR ENDING (mm/yy): December 2011	
<b>II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL</b>			
<b>ITEM</b>	<b>AMOUNT</b>	<b>ITEM</b>	<b>AMOUNT</b>
<b>A.3. Other local imposts:</b>		<b>A.4. Miscellaneous local receipts:</b>	
a. Property Taxes and Assessments		a. Interest on investments	6,660
b. Other local imposts:		b. Traffic Fines & Penalties	297,194
1. Sales Taxes		c. Parking Garage Fees	
2. Infrastructure & Impact Fees	154,192	d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	
4. Licenses		f. Charges for Services	
5. Specific Ownership &/or Other	109,888	g. Other -Weld County Rd & Bridge	87,547
6. Total (1. through 5.)	264,080	h. Other	
c. Total (a. + b.)	264,080	i. Total (a. through h.)	391,401
	(Carry forward to page 1)		(Carry forward to page 1)
<b>III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL</b>			
<b>ITEM</b>	<b>AMOUNT</b>	<b>ITEM</b>	<b>AMOUNT</b>
<b>C. Receipts from State Government</b>		<b>D. Receipts from Federal Government</b>	
1. Highway-user taxes	523,332	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	
a. State bond proceeds		b. FEMA	
b. Project Match		c. HUD	
c. Motor Vehicle Registrations	55,822	d. Federal Transit Admin	
d. Other (Specify)		e. U.S. Corps of Engineers	
e. Other (Specify)		f. Other Federal	61,841
f. Total (a. through e.)	55,822	g. Total (a. through f.)	61,841
4. Total (1. + 2. + 3.f)	579,154	3. Total (1. + 2.g)	
			(Carry forward to page 1)
		ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)
		TOTAL (c)	
<b>A.1. Capital outlay:</b>			
a. Right-Of-Way Costs			0
b. Engineering Costs			285,284
c. Construction:			
(1). New Facilities			0
(2). Capacity Improvements			10,341
(3). System Preservation			486,749
(4). System Enhancement & Operation			32,828
(5). Total Construction (1) + (2) + (3) + (4)		0	529,919
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)		0	815,202
			(Carry forward to page 1)
<b>Notes and Comments:</b>			





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



# City of Evans

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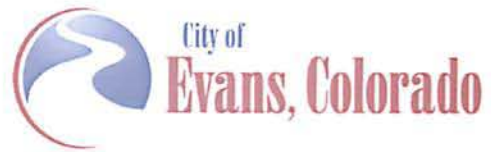
# City of Evans

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May 7, 2012

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

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

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

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

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

Respectfully submitted,

A blue ink signature of Aden Hogan, Jr., written over a horizontal line.

Aden Hogan, Jr.  
City Manager

A blue ink signature of Jessica Gonifas, written over a horizontal line.

Jessica Gonifas, CPA  
Deputy City Manager

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





## Independent Auditor's Report

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Evans, Colorado (the "City"), as of December 31, 2012, and for the year then ended, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### *Management's Responsibility for the Financial Statements*

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

### *Auditor's Responsibility*

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

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

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

### *Opinion*

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of December 31, 2012, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America ("GAAP").





### *Emphasis of Matter*

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

### *Other Matters*

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

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

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

*Anton Collins Mitchell LLP*

Greeley, Colorado  
May 7, 2013



May 7, 2013



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

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

### ***FINANCIAL HIGHLIGHTS***

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

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

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



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

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

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

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

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

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

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

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

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

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



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

The City maintains nine individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the general and street construction funds, which are major funds. Data from the remaining seven governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements included in other supplementary information.

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

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

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

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

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

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

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



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

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

### ***Other information***

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

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

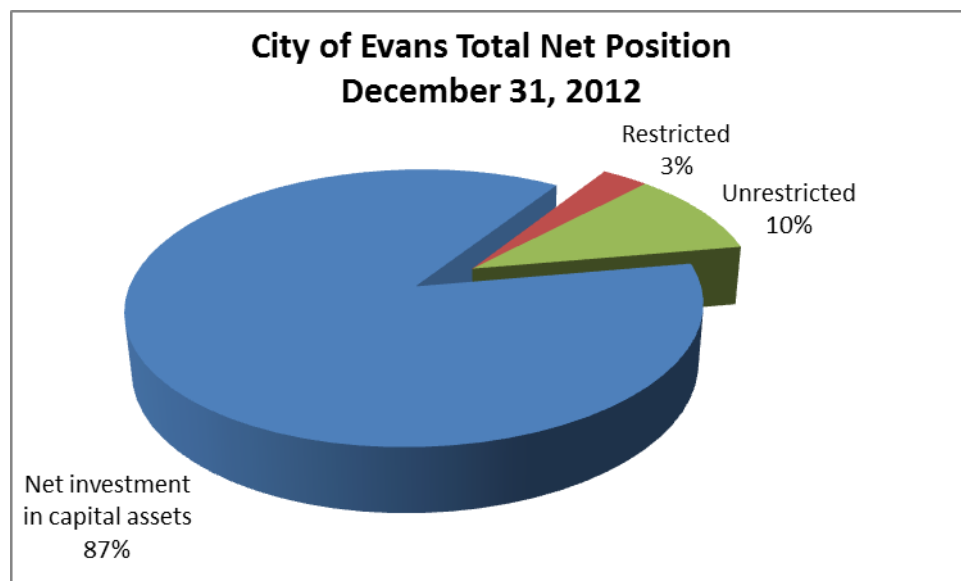
As noted earlier, net position may serve as a useful indicator of a government's financial position. In the case of the City, assets exceeded liabilities by \$102.4 million at the close of 2012.

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

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



<b>Table 1</b> <b>City of Evans</b> <b>Net Position (\$000's)</b>						
	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total</b>	
	<b>2012</b>	<b>2011</b>	<b>2012</b>	<b>2011</b>	<b>2012</b>	<b>2011</b>
<b>Assets:</b>						
Current and other assets	\$11,161	\$10,539	\$4,605	\$4,601	\$15,766	\$15,139
Capital assets	26,073	25,453	65,601	65,973	91,674	91,426
Total assets	37,234	35,992	70,207	70,574	107,441	106,566
<b>Liabilities:</b>						
Current liabilities	2,197	2,715	643	350	2,840	3,065
Long-term liabilities	1,649	3,427	587	753	2,236	4,180
Total liabilities	3,846	6,142	1,230	1,103	5,076	7,245
<b>Net Position:</b>						
Net investment in capital assets	24,205	22,298	65,020	65,311	89,225	87,609
Restricted	2,821	2,753	351	252	3,172	3,005
Unrestricted	6362	4,799	3,606	3,908	9,968	8,707
Total net position	\$33,388	\$29,850	\$68,977	\$69,471	\$102,365	\$99,321



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



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

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

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

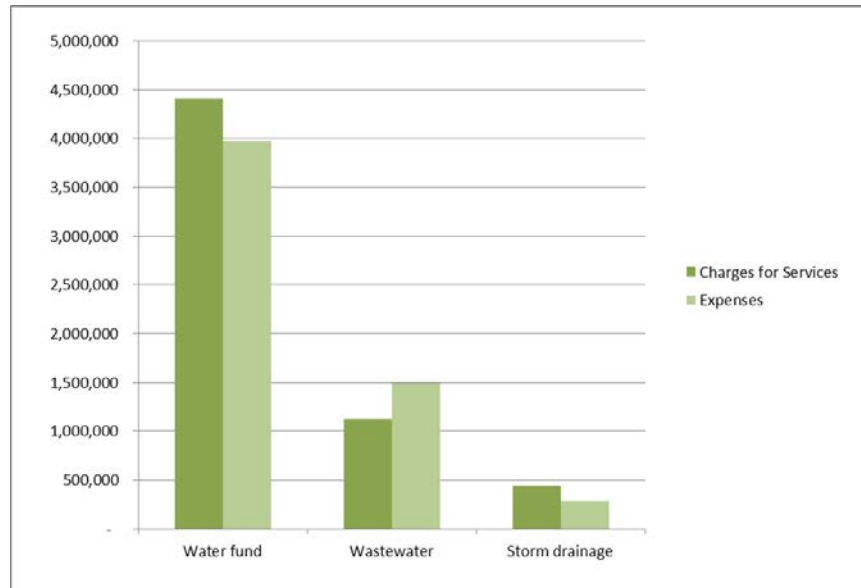


**Governmental Activities** - Governmental activities increased the City's net position by \$3.5 million, thereby accounting for all of the total growth in the net position of the City as the enterprise funds recognized a decrease in net position. Contributing to this growth was both the City's increase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

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

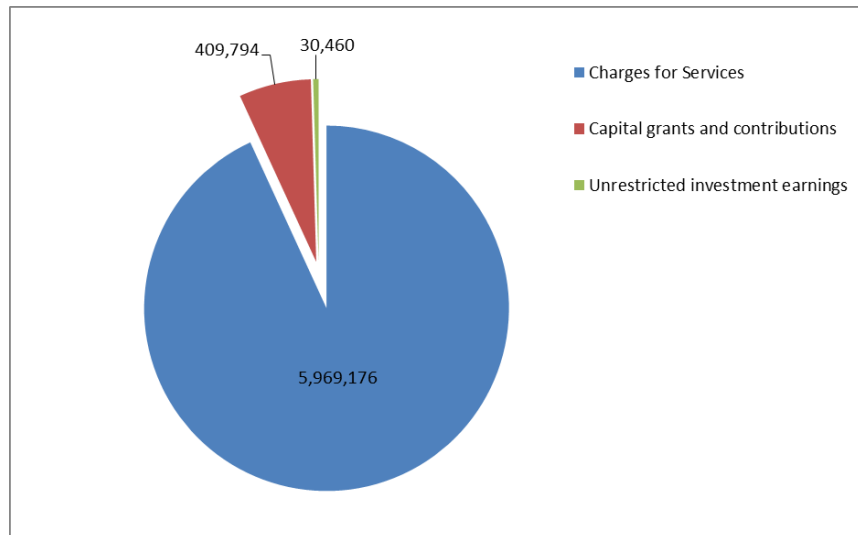
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### Business-type Activities - Charges for Services and Expenses



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### Business-type Activities - Revenues by Source





## FINANCIAL ANALYSIS OF THE CITY'S FUNDS

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

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

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

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

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

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

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

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



## GENERAL FUND BUDGETARY HIGHLIGHTS

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

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

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

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

## CAPITAL ASSET AND DEBT ADMINISTRATION

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

Major capital asset additions during the year included the following:

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



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

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

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

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

### City of Evans Outstanding Debt

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

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

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



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

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

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

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

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

## **Requests for Information**

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



## Basic Financial Statements

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

**December 31, 2012**

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

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



# City of Evans

## Statement of Activities

Year Ended December 31, 2012

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

### General revenues

#### Taxes:

Property taxes

Specific ownership taxes

Sales and use taxes

Franchise taxes

Other taxes

Intergovernmental

Earnings on investments

Other revenues

Gain on extinguishment of debt

Gain on sale of capital assets

Subtotal general revenues

Transfers in (out)

Total general revenues and transfers

Changes in net position

Net position at beginning of year

Net position at ending of year

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

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



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

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

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

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

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

Total fund balance - governmental funds	\$ 9,368,032
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Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the fund financial statements.

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

Debt issuance costs are written off on the fund financial statements and amortized over the life of the debt on the government-wide financial statements.	36,155
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Long-term liabilities are not due and payable from current financial resources and, therefore, are not reported as liabilities on the fund financial statements. Long-term liabilities and related accounts at December 31, 2012, consist of:

Bonds payable	\$ (1,840,000)	
Deferred bond premium	(28,313)	
Compensated absences	(215,355)	
Accrued interest payable	(5,849)	(2,089,517)
<hr/>		
Total net position - governmental activities		\$ 33,388,222

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



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

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

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

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

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

Net change in fund balance - total governmental funds	\$ 1,537,201
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Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are shown in the statement of net position and allocated over their estimated useful lives as annual depreciation expense in the statement of activities:

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

Proceeds from sale of capital assets are shown as an other financing source, but are reduced by the book value of the asset to calculate the gain on sale of capital assets on the statement of activities.	(414,772)
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The repayment of the principal of long-term debt consumes current financial resources of governmental funds.	899,544
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Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

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

Early extinguishment of debt resulting in a gain is not reflected in the fund financial statements, but is treated as general revenue in the statement of activities.	372,799
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Change in net position of governmental activities	\$ 3,538,562
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*The accompanying notes are an integral part of these financial statements.*



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

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

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

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

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

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



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

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

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

# City of Evans

## Statement of Fiduciary Net Position

December 31, 2012

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

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



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

**Year Ended December 31, 2012**

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

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

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

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

### ***Reporting Entity***

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

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

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

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

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

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

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

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

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

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



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

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

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

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

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

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

The City reports the following major governmental funds:

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

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

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

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

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

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

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

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

***Budgets***

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

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

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

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



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

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

***Cash and Investments***

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

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

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

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

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

***Restricted Cash***

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

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

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

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

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

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

***Prepaid Items***

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

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

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

***Capital Assets***

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

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

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

Estimated useful lives for asset types are as follows:

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

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***Compensated Absences***

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



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

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

***Long-Term Obligations***

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

***Property Taxes***

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

***Fund Balance and Net Position***

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

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

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

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

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

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

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

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

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

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

Unassigned - all other spendable amounts.

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

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

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

### ***Accounting Estimates***

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

### ***New Pronouncements***

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



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

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

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

## **2. Cash and Investments**

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

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

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

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

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### ***Cash Deposits***

### ***Custodial Credit Risk***

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

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

**Investments**

**Credit Risk**

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

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

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

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

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

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



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

***Interest Rate Risk***

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

***Custodial Credit Risk - Investments***

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

**3. Receivables**

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

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

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#### 4. Capital Assets

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

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

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

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



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

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

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

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

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## 5. Long- Term Debt

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

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

### *Governmental Activities Debt*

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

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

### *Business-Type Activities Debt*

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

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



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

***Future Debt Service Requirements***

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

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

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

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

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## 6. Interfund Transfers

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

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

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

## 7. Risk Management

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

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

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

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



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## **8. Retirement Commitments**

### ***General Employees Defined Contributions Plan***

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

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

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

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

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

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

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

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

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

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

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

**City of Evans**  
**Notes to Financial Statements**  
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required contribution.

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

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

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

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

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

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

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

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



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***Volunteer Firefighters' Pension Plan***

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

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

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

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

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

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

***Deferred Compensation Plan***

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

**City of Evans**  
**Notes to Financial Statements**  
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contributions to the plan for the years ending December 31, 2012, 2011, and 2010 were \$3,583, \$3,348, and \$3,323, respectively.

## **9. Rate Maintenance**

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

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

## **10. Commitments and Contingencies**

### ***TABOR Reserves***

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

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

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

### ***Litigation***

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



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## **11. Related Party Transactions**

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

## **12. Subsequent Events**

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

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

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

## Required Supplementary Information

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

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

*See accompanying Independent Auditor's Report.*

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

**Year Ended December 31, 2012**

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

*See accompanying Independent Auditor's Report.*



Other Supplementary Information

Combining, Individual and Budgetary Statements

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

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



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

*See accompanying Independent Auditor's Report.*

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

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



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

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*See accompanying Independent Auditor's Report.*

## Special Revenue Funds

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

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

*See accompanying Independent Auditor's Report.*

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

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

*See accompanying Independent Auditor's Report.*



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

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

*See accompanying Independent Auditor's Report.*

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

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

*See accompanying Independent Auditor's Report.*



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

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

*See accompanying Independent Auditor's Report.*

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

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

*See accompanying Independent Auditor's Report.*



## Debt Service Fund

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

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

*See accompanying Independent Auditor's Report.*



## Capital Projects Fund

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

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

*See accompanying Independent Auditor's Report.*



## Enterprise Funds

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

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

*See accompanying Independent Auditor's Report.*



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

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

*See accompanying Independent Auditor's Report.*

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

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

*See accompanying Independent Auditor's Report.*



## Fiduciary Funds

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

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

*See accompanying Independent Auditor's Report.*



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

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

*See accompanying Independent Auditor's Report.*

## Supplemental Section

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## State Compliance Section

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

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

I. DISPOSITION OF HIGHWAY-USER REVENUES AVAILABLE FOR LOCAL GOVERNMENT EXPENDITURE				
ITEM	A. Local Motor-Fuel Taxes	B. Local Motor-Vehicle Taxes	C. Receipts from State Highway-User Taxes	D. Receipts from Federal Highway Administration
1. Total receipts available				
2. Minus amount used for collection expenses				
3. Minus amount used for nonhighway purposes				
4. Minus amount used for mass transit				
5. Remainder used for highway purposes				

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

IV. LOCAL HIGHWAY DEBT STATUS (Show all entries at par)				
	Opening Debt	Amount Issued	Redemptions	Closing Debt
<b>A. Bonds (Total)</b>				0
1. Bonds (Refunding Portion)				
<b>B. Notes (Total)</b>				0

V. LOCAL ROAD AND STREET FUND BALANCE					
	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	872,257	2,466,833	2,334,000	1,005,089	(0)
Notes and Comments:					



LOCAL HIGHWAY FINANCE REPORT		STATE: Colorado	
		YEAR ENDING (mm/yy): December 2012	

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

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

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

Notes and Comments:

# HOME RULE CHARTER

November, 2012

Adopted: June 12, 1973  
Amended: April 8, 1986  
Amended: April 7, 1992  
Amended: April 2, 1996  
Amended: April 7, 1998  
Amended: April 2, 2002  
Amended: April 8, 2008  
Amended: April 6, 2010  
Amended: November 6, 2012





**CHARTER  
OF THE  
CITY OF EVANS**

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## **PREFACE**

Evans is at the beginning point of an expansion program. In order to take full advantage of this expansion, it is necessary that we modernize our system of local government.

At the present time we operate under the authority of the Legislature of the State of Colorado. It is desired that we change this form of Government and operate under the Home Rule Charter, which will give the local citizens control of local affairs.

Under date of February 21st, 1973, an election was held to form a Charter Convention. At this election 21 local citizens were selected to draft a Home Rule Charter. The subsequent pages in this book are the results of efforts of the members of the Home Rule Charter Convention to submit to the Council and voters.

The proposed Charter provides for a Council-Manager form of City Government, the Council to be composed of 7 members with a term of 4 years for each councilman and 2 years for Mayor, 2 members to be elected from each Ward, and Mayor elected at large. Provision is made for overlapping terms, with an election each 2 years, and the Mayor has a vote on every issue. This will eliminate delays due to a tie vote.

The City Council will have all policy making and legislative power in the City. They will appoint the City Manager, City Attorney, Municipal Judge and members of the advisory boards and commissions. Your elected committee has discussed and passed affirmatively on every item in the proposed Charter. Differences of opinion have been thrashed out, so that the proposed Charter has the entire support of the Committee.

The Charter Committee feels we have submitted a sound and effective Government proposal for the City of Evans, and respectfully presents this Charter application to the voters of Evans for their approval.

**CHARTER  
OF THE  
CITY OF EVANS, COLORADO  
PREAMBLE**

We, the people of Evans, Colorado, under the authority of the Constitution of the State of Colorado, do ordain, establish, and adopt this Home Rule Charter for the City of Evans.



## **CHAPTER I GENERAL PROVISIONS**

- 1.1 NAME AND BOUNDARIES.** The municipal corporation heretofore existing as the "City of Evans" in Weld County of Colorado shall remain and continue as a politic and corporate and under this Charter shall be known as the "City of Evans" with the same boundaries until changed in a manner authorized by law.
- 1.2 FORM OF GOVERNMENT.** The municipal government provided by this Charter shall be known as the "Council-Manager Government." The municipal government provided by this charter shall not be changed except by Charter Convention and by a majority vote of qualified electors at any election. Pursuant to the provisions of the Constitution of the State of Colorado and subject only to limitations imposed therein and by this Charter, all powers of the City shall be vested in an elective City Council.
- 1.3 MUNICIPAL POWERS.** The City shall have all powers which are necessary, requisite or proper for the government and administration of its local and municipal matters, and all powers which are granted to Home Rule Cities by the Constitution of the State of Colorado.
- 1.4 PRESENT ORDINANCES IN FORCE.** All ordinances of the City of Evans in force shall continue in force at the time this Charter becomes effective; shall continue in force except insofar as they conflict with provisions of this Charter, or until they shall be amended or repealed by ordinance enacted under authority of this Charter.
- 1.5 AMENDING THE CHARTER.** Amendments to this Charter may be framed and submitted to the electors through petitioning the Council, or by the Council on its own initiative, in accordance with the provisions of Article XX of the Constitution of the State of Colorado. Nothing contained in this Charter shall be construed as preventing the submission to the people of more than one Charter amendment at any one election.

## **CHAPTER II ELECTIONS**

- 2.1 REGULAR MUNICIPAL ELECTIONS.** Regular municipal elections shall be held on the first Tuesday following the first Monday in April in the even numbered years commencing with 1974 and bi-annually thereafter.
- 2.2 SPECIAL MUNICIPAL ELECTIONS.** Special City elections shall be held when called by resolution of the Council at least 45 days in advance of such election, or when required by this Charter or Statute. Any resolution calling a special election shall set forth the purpose of such election.
- 2.3 LAWS GOVERNING ELECTIONS.** Regular and Special Municipal elections shall be governed by the Colorado Municipal Election Law as now existing or hereafter amended or modified, except as otherwise provided in this Charter or as Council may prescribe by ordinance. The Council may by ordinance establish election procedures, the method for registration of electors, the number, qualifications and compensation for election of Judges and Clerks, and the boundaries of election Wards.
- 2.4 NOTICE OF ELECTION.**<sup>38</sup> The City Clerk shall provide notice of election in accordance with federal, state, or municipal law, whichever is applicable
- 2.5 ELECTION JUDGES.**<sup>27</sup> The Council may by resolution delegate to the City Clerk the authority and responsibility to appoint and establish compensation for election judges.
- 2.6 RECALL FROM OFFICE.** Every Elective City Officer of the City of Evans, Colorado, may be recalled from office at any time after he has held office for six months, by the electors of the City of Evans, by recall petition filed with the City Clerk, with signatures of qualified electors equal in number to twenty-five per cent of the entire vote cast at the last preceding General Municipal election for all candidates for the position which the incumbent sought to be recalled occupies.

Such petitions shall contain a general statement of not more than two hundred words, of the grounds on which the recall is sought, and may be on one or more sheets of paper. Each signer of such petition shall add to his signature the date of his signing, his place of residence and street number. The persons circulating such petitions shall subscribe to an oath on each sheet of paper that the signatures thereon are genuine.

The procedure hereunder to effect the recall of an elective officer shall be, as far as applicable, by the method provided in Article XXI, and Section 4 thereof, of the Constitution of the State of Colorado, known as "Recall from Office", with power in the City Council to provide by ordinance such other and further procedure as it may deem necessary.



## **CHAPTER III COUNCIL-MAYOR**

- 3.1 CITY COUNCIL.** The City Council shall consist of seven members, one of whom shall serve as Mayor. The City Council shall constitute the legislative and governing body of the City and shall have power and authority, except as otherwise provided in this Charter or by statute, to exercise all powers conferred upon or possessed by the City, and shall have the power and authority to adopt such laws, ordinances and resolutions as it shall deem necessary.
- 3.2 WARDS.**<sup>32,18</sup> The City shall be divided into three Wards. Changes in the boundaries of Wards may be made by ordinance adopted by the City Council, which changes shall be made at least 90 days prior to any regular municipal election. Wards shall be comprised of compact and contiguous territory so as to contain as nearly possible an equal number of inhabitants. The City Council shall, as deemed necessary, readjust the Ward boundaries to comprise compact and contiguous territory for each ward to contain as nearly as possible an equal number of inhabitants.
- 3.3 QUALIFICATIONS.** No person shall be eligible to the office of Mayor or Councilman unless he is a citizen of the United States, at least eighteen years of age, shall be a qualified elector of the City of Evans, shall have been for thirty days immediately preceding such election a resident of his or her Ward. (Applied only to Ward Councilman). A person who has been convicted of a felony shall not be eligible to become a candidate for a City Office. No elected official shall hold any other elective public office.
- 3.4 TERMS.** The term of office of the Councilmen hereafter to be elected in accordance with the provisions of this Charter shall commence at the hour of 7:30 p.m. on the next Tuesday of April following their election, and shall continue during the term for which they shall have been elected and until their successors shall have been elected and qualified. In the year 1974, the first municipal election shall be held under the provisions of this Charter at which one Councilman shall be elected from each Ward for a term of four years and every four years thereafter. In the year 1976, the second municipal election shall be held under the provisions of this Charter in which one Councilman shall be elected from each Ward for a term of four years and every four years thereafter, and in the year 1976, the Mayor shall be elected for a term of two years. At every subsequent bi-annual election a Mayor shall be elected for a term of two years, the term of the Mayor commencing at the same time as herein provided for Councilmen.
- 3.5 VACANCIES.**<sup>39,19,4</sup> If a vacancy occurs in the office of the Mayor or Councilman, the Council shall appoint an eligible person to fill such vacancy within ninety days after the Council receives notice of such vacancy. Such appointment shall continue until the next Regular Municipal Election subject to the qualification provisions of Section 3.3. If the office in which the vacancy occurs is not an office for which a successor would otherwise have been elected at the next regular election, the term of office of the successor elected at that regular election shall be shortened so that the following regular election for the office is

held at the time at which it would have been held if no vacancy had occurred. Candidates for an election in a Ward for which there has been an appointment to fill a vacancy shall designate on their nomination petition, prior to circulation, whether they are a candidate for a two- (2) year term or a four- (4) year term. Any such vacancy shall exist when an elective officer fails to qualify within thirty days after his term would commence under Section 3.4, dies, resigns, is removed from office, moves his permanent residence from the City, moves his permanent residence from the Ward, (applies only to Ward Councilmen), absents himself continuously therefrom for more than two months, is convicted of a felony or is judicially declared mentally ill. Council may declare a vacancy if a Council Member is absent from four of six consecutive regular Council meetings unless the absences are excused by resolution. Council vacancies shall be established by competent evidence thereof and placed on record in the City Council's minutes.

- 3.6 COMPENSATION OF MAYOR AND COUNCILMEN.** The members of the City Council shall receive such compensation as the City Council shall by ordinance prescribe; provided, however, they shall neither increase nor decrease the compensation of any member of the Council during his term.
- 3.7 OATH OF OFFICE.** Before entering upon the duties of his office, every officer designated by this Charter shall take, subscribe, and file with the City Clerk, an oath or affirmation that he will support the Constitution of the United States, the Constitution of the State of Colorado, this Charter and the Ordinances of the City of Evans, Colorado, and will faithfully perform the duties of the office. The Oath of Office must be filed with the City Clerk within ten days from the date of his appointment, or within ten days from the date prescribed in this Charter to take office. Failure to file an oath or affirmation within the allotted time as prescribed by this Charter shall be interpreted as a declination of the office by the officer. The office shall thereupon become vacant unless the Council shall, by resolution, extend the time in which the officer may qualify as above set forth.
- 3.8 APPOINTIVE BOARDS AND COMMISSIONS.** Unless otherwise required by this Charter or by Law, all Boards and Commissions shall be appointed by the Council and shall have such power and perform such duties as are prescribed by this Charter or by ordinance, and unless otherwise provided by this Charter any member of a Board or Commission may be removed by the Council for cause after public hearing.
- 3.9 MAYOR.** The Mayor shall preside over meetings of the City Council and have the same right to speak and vote therein as any other member. He shall be recognized as head of the City Government for all ceremonial purposes. He shall execute and authenticate legal instruments requiring his signature as such an official. The City Council within their membership, shall elect, at their first meeting following their election, a Mayor-Pro Tem who shall become acting Mayor with the same duties as provided for the Mayor in his absence or disability. The Mayor shall in no case have the power to veto. The Mayor shall be a conservator of peace, and in emergencies may exercise within the City the powers conferred by the Governor of the State of Colorado for purposes of military law, and shall have authority to command the assistance of all able-bodied citizens to aid in the enforcement of the ordinances of the City and to suppress riot and disorder.



- 3.10 MEMBERSHIP RULES.** Except as otherwise provided in this Charter, the Council shall be the judge of the elections and qualifications of its own members, shall determine its own rules of procedure, and may compel the attendance of absent members in such manner and under such penalties as the Council may provide.
- 3.11 POWER TO MAKE CONTRACTS.** The Council may enter into contracts and leases on behalf of the Municipal Government; all written contracts, to which the Municipal Government is a party, shall be approved as to form by the City Attorney and as to substance by the City Manager. Nothing shall prevent the making of contracts or spending of money for capital improvements to be financed in whole or in part by issuance of bonds, nor making of contracts or leases or for services for a period exceeding the budget year in which such contract is made, if otherwise permissible under this Charter.
- 3.12 CONTRACTS WITH OTHER GOVERNMENTAL BODIES.**<sup>20</sup> The Council by resolution may enter into contracts with other governmental bodies to furnish governmental service and make charges for such services, or enter into cooperative or joint activities with other governmental bodies.
- 3.13 REGULAR MEETINGS.** The Council shall provide by ordinance for the time and number of regular Council meetings or meetings each month provided the Council may, by resolution, change the time and place of any particular regular meeting. The agenda shall be posted or published, at the discretion of the City Council, twenty-four hours prior to any regular meeting.
- 3.14 SPECIAL MEETINGS.** Special meetings of the Council shall be called by the Clerk on a written request of the Mayor, or by any three members of the Council on at least twenty-four hours written notice to each member of the Council, served personally or left at his usual place of residence; but a special meeting may be held on shorter notice if all members of the Council are present or have waived notice thereof in writing.
- 3.15 MEETING TO BE PUBLIC.**<sup>5</sup> All regular and special meetings of the Council and those of any board, commission, or committee of the City shall be open to the public, except for executive sessions. Citizens shall have a reasonable opportunity to be heard under such rules and regulations as Council may prescribe. Any meeting may be recessed by a two-thirds affirmative vote of the members present to an executive session, provided there is a quorum, and such meeting, shall be closed to the public, for any of the following purposes:
- (a) The purchase, acquisition, lease, transfer or sale of real, personal or other property interests.
  - (b) Conferences with an attorney to receive legal advice on specific legal questions.
  - (c) Matters required to be kept confidential by Federal or State law, rules or regulations.
  - (d) Specialized details of security arrangements or investigations.

- (e) Determining positions relative to matters that may be subject to negotiations, developing strategy for negotiations and instructing negotiators.
- (f) Personnel matters, unless the employee who is the subject of the personnel matter requests that the meeting be held in public.
- (g) Consideration of any documents that are required to be confidential under the "Open Records Act."

No final policy decision, resolution, rule, ordinance or regulation and no action approving a contract or other formal and legally binding act shall be adopted at any executive session.

**3.16 CONFLICT OF INTEREST.** No members of the Council shall be interested directly in any contract with the City. No member of the Council shall vote on any question in which he has a financial interest, other than the common public interest, or on any question concerning his own conduct.

**3.17 BOARD OF HEALTH.** The Council shall see that provision is made for the public peace and health, and for the safety of persons and property. The Council may constitute the Board of Health of the City, and it and its officers shall possess all powers, privileges and immunities granted to boards of health by statutes. The Council may by ordinance designate and appoint an existing area-wide health department as the City Health Department.



## **CHAPTER IV GENERAL ADMINISTRATIVE ORGANIZATION**

- 4.1 ADMINISTRATIVE DEPARTMENTS.**<sup>6</sup> The Administrative functions of the City shall be performed within the Administrative Departments that exist on the effective date of this Charter. The City Council may establish, alter, consolidate, or abolish Administrative Departments by ordinance. All Administrative Departments shall be under the supervision and control of the City Manager.
- 4.2 OPERATION OF DEPARTMENTS.** All Departments of the City except as otherwise provided in this Charter, shall be under the supervision and control of the City Manager, and he shall have the right to divide such departments into separate divisions and to assign the various functions and duties to the different departments and divisions.
- 4.3 CITY MANAGER - APPOINTMENT AND QUALIFICATIONS.**<sup>40,21</sup> The Council may appoint a City Manager within ninety days after any vacancy exists in such position. The City Manager shall hold office at the pleasure of a majority of the Council. He shall be selected solely on the basis of his executive and administrative qualifications with special reference to his actual experience in and his knowledge of accepted practice in respect to the duties of his office as hereafter set forth. At the time of his appointment, he need not be a resident of the City or State, but during tenure of office he shall reside within the City. The City Manager shall be a full time employee and may engage in other business and employment activities, but only upon approval of a majority of the entire City Council. His salary shall be fixed by the Council. Upon such termination, the Council may in its discretion, provide termination pay.
- 4.4 CITY MANAGER - FUNCTIONS AND DUTIES.** The City Manager shall be the chief administrative officer of the City government. His functions and duties shall be:
- <sup>22,7</sup>(a) To be responsible to the Council for efficient administration of all departments of the City government except the City Attorney and the Municipal Judge.
  - (b) To see that all laws and ordinances are enforced.
  - (c) To appoint the heads of the several City departments whose appointment is not otherwise specified in this Charter, and to direct and supervise such department heads.
  - (d) To give to the proper department or officials ample notice of the expiration or termination of any franchises, contracts, or agreements.
  - (e) To see that all terms and conditions imposed in favor of the City or its inhabitants in any public utility franchise, or in any contract, are faithfully kept and performed.
  - (f) To recommend an annual budget to the Council and to administer the budget as

finally adopted under policies formulated by the Council, and to keep the Council fully advised at all times as to the financial conditions and needs of the City.

- (g) To recommend to the Council for adoption such measures as he may deem necessary or expedient; and to attend Council meetings with the right to take part in discussions but not to vote.
- (h) To exercise and perform all administrative functions of the City that are not imposed by this Charter or ordinance upon some other official. Not counteracting any other provision in this Charter, the Manager may, in the event of an emergency, at his discretion, exercise complete administrative authority over any department, department head, or City employee and all City owned property. The City Manager shall determine when such emergency exists.
- (i) To be responsible for the maintenance of a system of accounts of the City which shall conform to any uniform system required by the Council and which shall conform to generally accepted principles and procedures of governmental accounting. He shall submit financial statements to the Council monthly, or more often as the Council directs.
- (j) To act as Purchasing Agent for the City and in such capacity to purchase all supplies and equipment and dispose of the same in accordance with procedures established by the Council.
- (k) To establish, subject to approval by the Council, appropriate personnel rules and regulations governing officers and employees of the City.
- (l) To perform such other duties as may be prescribed by the Charter or required of him by ordinance or by direction of the Council.
- (m) The City Manager shall prepare an annual report of the affairs of the City including a financial report. Copies of such audit and annual report shall be made available for public inspection at the office of the City Clerk.

**4.5 ACTING CITY MANAGER.** The Council may appoint or designate an Acting City Manager during the period of vacancy in the office or during the absence of the City Manager from the City or disability of the City Manager. Such Acting City Manager shall, while he is in such office, have all the responsibilities, duties, functions, and authority of the City Manager.

**4.6 RELATIONSHIP OF COUNCIL TO ADMINISTRATIVE SERVICE.**<sup>8</sup> Neither the Council nor any of its members shall dictate the appointment of any person to office by the City Manager or in any way interfere with the City Manager or other City officer to prevent him from exercising his judgement in the appointment or employment of employees in the administrative service. Except for the purpose of inquiry, the Council and its members shall



deal with the administrative service solely through the City Manager and neither the Council nor any member thereof shall give orders to any of the subordinates of the City Manager.

#### **4.7 CLERK - FUNCTIONS AND DUTIES.<sup>9</sup>**

- (a) The City Clerk shall be the Clerk of the Council and shall attend all meetings of the Council and shall keep a permanent journal of its proceedings and shall be appointed and removed by the City Manager with the approval by a majority vote of all members of the City Council.
- (b) The Clerk shall be custodian of the City seal and shall affix it to all documents and instruments requiring the seal, and shall attest the same. He shall also be custodian of all papers, documents, and records pertaining to the City, the custody of which is not otherwise provided for.
- (c) The Clerk shall certify by his signature all ordinances and resolutions enacted or passed by the Council.
- (d) The Clerk shall provide and maintain in his office a supply of forms for all petitions required to be filed for any purpose by the provisions of this Charter.
- (e) The Clerk shall have power to administer oaths of office.
- (f) The Clerk shall perform such other duties as may be prescribed for him by this Charter, by the Council or by the City Manager.

#### **4.8 THE TREASURER - FUNCTIONS AND DUTIES.**

- <sup>10</sup>(a) The City Manager shall appoint a City Treasurer to perform duties required by law, by City ordinances, and such other duties as may be required by the City Manager. The appointment or removal of the City Treasurer by the City Manager shall be subject to approval by a majority vote of all members of the entire City Council.
- (b) The Treasurer shall have the custody of all monies of the City, any bond pertaining solely to the Clerk, and all evidences of indebtedness belonging to the City or held in trust by the City.
- (c) The Treasurer shall collect all monies of the City, the collection of which is not provided for elsewhere by Charter or ordinance. He shall receive from other officers and employees of the City all money belonging to and receivable by the City that may be collected by such officers, employees, including fines, license fees, taxes, assessments and all other charges. All money shall be turned over to the Treasurer after collection or receipt.
- (d) The Treasurer shall keep and deposit all monies or funds in such manner and

only in such places as the Council may determine and shall report the same in detail to the City Manager.

- (e) The Treasurer shall disburse all City funds in accordance with the provisions of this Charter and procedures to be established by the Council.
- (f) As directed by Council, The Treasurer may be in charge of investing any and all surplus City funds including surplus water and sewer utility funds as such surplus water and sewer utility funds are established.
- (g) The Treasurer shall perform such other duties as may be prescribed for him by this Charter, by the Council or by the City Manager.
- (h) The Council, on recommendation of the City Manager, may authorize the same person to serve as City Treasurer and City Clerk.

#### **4.9 CITY ATTORNEY.**

- (a) The Council shall appoint a City Attorney for an indefinite term. The City Attorney shall be an attorney at law admitted to practice law in the State of Colorado and have a minimum of five years experience in the active practice of law. The Council may provide the City Attorney with such assistance as the Council may deem necessary.
- (b) The City Attorney shall act as legal advisor to, and be attorney and counsel for the Council and shall be responsible solely to the Council. He shall advise any officer or department head of the City in matters relating to his official duties when so requested and shall file with the Clerk a copy of all written opinions given by him.
- (c) The City Attorney shall prosecute ordinance violations and he shall conduct for the City cases in Court and before other legally constituted tribunals. He shall file with the Clerk copies of such records and files relating thereto as the Council may direct.
- (d) The City Attorney shall prepare or review all ordinances, contracts, bonds, and other written instruments which are submitted to him by the Council and City Manager and shall promptly give his opinion as to the legal consequences thereof.
- (e) The City Attorney shall call to the attention of the Council all matters of law, and changes or developments therein, affecting the City.
- (f) The City Attorney shall perform such other duties as may be prescribed for him by this Charter or by the Council.



- (g) Upon recommendation of the City Attorney, or upon its own initiative, the Council may retain special legal counsel to handle any matter in which the City has an interest, or to assist and counsel with the City Attorney therein.
- (h) The compensation of the City Attorney shall be set by the Council. No compensation to special legal counsel shall be paid except in accordance with an agreement between the Council and the City Attorney or special counsel, before the service has been rendered, for which such compensation is to be paid.

**4.10 ACTING OFFICERS - DEPUTIES.** During the absence or disability of any appointed officer provided for in this Chapter, any other person may be designated to serve. Such person shall, while he is in such office, have all the responsibilities, duties, functions, and authority of that office. The Council may provide for Deputy City Clerk and Deputy City Treasurer, as needed, with such duties, functions, and authority as the City Manager or Council shall determine.

## **CHAPTER V MUNICIPAL COURT**

### **5.1 MUNICIPAL COURT.**

- <sup>11</sup>(a) There shall be a Municipal Court which shall have jurisdiction to hear and determine all cases arising under this Charter or the ordinances of the City, subject to appeal to the appropriate Court in the manner provided by law for appeals from Municipal Court to the appropriate Court. The Court may punish contempt of Court by fine and/or imprisonment in an amount and length as allowed for by law; may enforce its orders and judgement in like manner as a Court of record may do, and as provided by general law; and may render final judgement on any forfeited bond or recognizance returnable to such Court, subject to appeal as in other cases.
- (b) When the Municipal Judge or Judges are not immediately available for purposes of admission to bail of persons arrested and brought to the Municipal Court or jail on charges of violating a municipal ordinance or code, such persons may be admitted to bail pursuant to Court Rule, by the Municipal Court Clerk, a Deputy Municipal Court Clerk or other responsible and appropriate officer designated by the Judge or Judges. The court shall provide by rule for the conditions and circumstances under which such admission to bail will be granted pending appearance before the Judge. Bail so required may be, at the election of the accused, in the form of a cash security, real property or tangible or intangible personal property, and acceptable corporate surety bond or adequate and acceptable private sureties. In cases when so permitted, under the rules established by the Court, bail may be upon personal recognizance without security or surety.

### **5.2 PRESIDING OFFICER - QUALIFICATIONS AND COMPENSATION.** The Municipal Court shall be presided over and its functions exercised by one or more Judges. The Judge or Judges shall be an Attorney at Law admitted to practice law in the State of Colorado. The Judge or Judges shall be appointed by the Council to serve at the pleasure of the Council. The Council shall designate the presiding Judge. Each Judge shall receive a fixed salary or compensation, not dependent upon the outcome of the matters to be decided, and to be fixed by the Council from time to time. In the event all regularly appointed Judges are absent, disqualified or unable to act in any matter or case, the Mayor may call any eligible person to act and serve temporarily.

- (a) The Council shall provide a suitable place and all supplies and things necessary for the proper functioning of the Court.
- (b) The forms of the Complaint and all other rules, procedures and proceedings in the Municipal Court shall be fixed by the presiding Municipal Judge. The costs



and fees in the Municipal Court shall be fixed by the presiding Municipal Judge with the approval of the Council by resolution.

- <sup>33</sup>(c) There shall be provided a Clerk of the Municipal Court and such deputies as is deemed necessary. The Municipal Court Clerk and the Deputy Municipal Court Clerks shall have such duties and authority as fixed by this Charter, by ordinance or by rules of the Municipal Court.

**5.3 PROCESS JURISDICTION.** Summons, complaints, citations, and warrants or any other process of the Municipal Court may be served on any person anywhere in the State of Colorado.

## **CHAPTER VI PERSONNEL AND CAREER SERVICE**

- 6.1 PERSONNEL MERIT SYSTEM.**<sup>28</sup> Council may establish a system for employment and promotion of City Employees based on personnel merit. Such system shall include at least the following:
- (a) Employment and promotion in the City Government based on individual merit.
  - (b) Just and equitable incentives and conditions of employment.
  - (c) Classification and compensation according to duties and responsibilities.
  - (d) Provisions for systematic tests and evaluations if necessary for appointments, promotions, and other personnel actions based on merit principle.
  - (e) Continuity of employment based on behavior, performance of work and necessity for performance of work.
  - (f) Dismissal and disciplinary procedures shall be established, publicized and observed.
- 6.2 ADMINISTRATION.** The Manager shall administer the system with fairness to all and in a manner designed to stimulate high morale of the employees. Nothing herein shall preclude the Manager from the appointment of, removal of, and discipline of employees included under the merit system or at his discretion to delegate authority to do so.
- 6.3 EMPLOYEES INCLUDED.**<sup>12</sup> All employees of the City shall be included within the provisions of the merit system, except the City Manager, elective officers, appointees of Council, appointed members of boards and commissions, persons employed to make or conduct a special inquiry, investigation, examination or installation, or audit.
- 6.4 EMPLOYEE GRIEVANCES.**<sup>23</sup> The City Council shall provide for a system of appeal for employees to grieve any adverse action taken against an employee that results in loss of employment, pay, or benefits that assures each employee an opportunity to protect his constitutional rights in accordance with current law.
- 6.5 IMPLEMENTATION.** The Manager shall present to Council such rules and regulations as are necessary to implement and carry out the intent expressed in this Chapter. Any ordinance adopted by Council under these sections may be amended from time to time upon recommendation of the Manager and as Council deems advisable provided such changes are not inconsistent with the intent of this Chapter.



**6.6 SURETY BONDS.** Except as otherwise provided in this Charter, all officers of the City whose duties involve the custody of public property or the handling of public funds, either by the way of receipt or disbursement or both, and all other officers and employees so required by the Council shall, before they enter upon the duties of their respective offices, file with the City an official bond, in such form and amount as the Council shall direct and approve. Such official bond of every officer and employee shall be conditioned that he will on demand deliver over to his successor in office, or other proper officer or an agent to the City, all books, papers, monies, effects, and property belonging thereto, or appertaining to his office, which may be in his custody as an officer or employee; and such bonds may be further conditioned as the Council shall prescribe. The official bond of every officer whose duty it may be to receive or pay out money, besides being conditioned as above required, shall be further conditioned that he will, on demand, pay over or account for to the City, or any proper officer or agent thereof, all monies received by him as such officer or employee. The requirements of this paragraph may be met by the purchase of one or more appropriate blanket surety bonds covering all, or a group of, City employees and officers.

All official bonds shall be corporate surety bonds and the premiums thereon shall be paid by the City. The Clerk shall be custodian of all bonds of all officers or employees, except that the Treasurer shall be custodian of any bonds pertaining solely to the Clerk. In the event the offices of Clerk and Treasurer are held by the same person, then the City Manager shall be custodian of any bonds pertaining to the Clerk and Treasurer.

**6.7 DELIVERY OF OFFICE.** Whenever any officer or employee shall cease to hold such office or employment for any reason whatsoever, he shall within five days, or sooner on demand, deliver to his successor in office or to his superior all books, papers, monies, and effects in his custody as such officer or employee. Any officer violating this provision may be proceeded against in the same manner as public officers generally for a like offense under the statute. Any employee found guilty by competent tribunal of violating this provision may be punished by fine or imprisonment, or both, as determined by the Court.

**6.8 CONFLICTING INTEREST PROHIBITED.**<sup>14</sup> The use of public office for private gain is prohibited. No member of the Council, shall act in such a manner which results in conflicting interest. Conflicting interest shall include but is not limited to the following:

- (a) Acting in official capacity on matters in which the official has a substantial private financial interest clearly separate from that of the general public.
- (b) The acceptance of gifts and other things of substantial value, which would tend to improperly influence a reasonable person in an official position to depart from the faithful discharge of his public duties; or which he knows, or which a reasonable person in his position should know under the circumstances is primarily for the purpose of rewarding him for official action which has been taken.
- (c) Disclosure or use of confidential information acquired in the course of official duties in order to substantially further personal financial interests.

- (d) Engaging in a financial transaction for private business purposes with a person whom the official inspects or supervises in the course of official duties.
- (e) Performing an official act directly and substantially affecting to its economic benefit a business or other undertaking in which the official either has a substantial financial interest or is engaged as counsel, consultant, representative or agent.
- (f) Taking action on any contract or proposed contract made on behalf of the City by an official having personal or private interest in such contract.
- (g) Any elective official of the City holding any appointive office or being employed by the City during the term for which said elective official was elected.

**6.9 COMPENSATION OF OFFICERS AND EMPLOYEES.** The compensation of all officers and employees of the City whose compensation is not provided for herein shall be fixed by the appointing officer or body within the limits of budget appropriations and in accordance with any pay plan which may be adopted by the Council. The respective salaries and compensation of officers and employees, as fixed by, or pursuant to, this Charter shall be in full for all official services of such officers or employees and shall be in lieu of all fees, commissions and other compensation receivable by such officers or employees for their services. Such fees, commissions and compensation shall belong to the City and shall be collected and accounted for by such officers or employees, and be paid into the City Treasury and a statement thereof filed periodically with the City Manager. Nothing contained in this section shall prohibit the payment of necessary bona fide expenses incurred in behalf of the City.

**6.10 ANTI-NEPOTISM.**<sup>15</sup> The City Manager shall take such steps as may be necessary to ensure that no relatives are placed in supervisory-subordinate relationships.



## **CHAPTER VII LEGISLATION**

- 7.1 PRIOR CITY LEGISLATION.** All valid by-laws, ordinances, resolutions, rules and regulations of the City which are not inconsistent with this Charter and which are in force and effect at the time of the effective date of this Charter shall continue in full force and effect until repealed or amended. If any such ordinance, resolution, rule or regulation provided for the appointment of any officers or members of any board or commission shall, hereafter be appointed by the Council.
- 7.2 REPEAL.** Those provisions of any effective by-law, ordinance, resolution, rule or regulation which are inconsistent with this Charter are hereby repealed.
- 7.3 ORDINANCES AND RESOLUTIONS.** All official action by the Council shall be by ordinance, resolution, motion or order. Action by resolution, motion or order shall be limited to matters required or permitted to be done so by this Charter or by State or Federal laws pertaining to the internal affairs or concerns of the City Government. In addition to such acts of the Council as may be required by other provisions of the Charter to be by ordinance, every act making an appropriation, creating an indebtedness, authorizing borrowing of money, levying a tax, establishing any rule or regulation for the violation of which a penalty is imposed, or placing any burden upon or limiting the use of private property, shall be by ordinance. Each ordinance shall be identified by a short title and by number and by a code section number, when a codification of ordinances is completed.
- 7.4 FORM OF ORDINANCES.** All ordinances shall be introduced in written form and no ordinance or section thereof shall be amended or repealed except by an ordinance regularly adopted. The enacting clause of all ordinances shall be: "Be it ordained by the City Council of the City of Evans, Colorado".
- 7.5 PROCEDURE FOR PASSAGE OF ORDINANCES.**
- <sup>29</sup>(a) An ordinance may be introduced at any regular or special meeting. It may be passed on first reading by the affirmative vote of not less than a majority of the members elected to the Council at the meeting at which it is introduced.
  - (b) After the passage of an ordinance on first reading, the ordinance shall be posted and the title published as required in this Charter.
  - (c) No ordinance may be passed on second and final reading earlier than ten days after the first reading, provided this provision shall not apply to emergency ordinances.
  - <sup>29</sup>(d) An ordinance may be passed on second and final reading by the affirmative vote of not less than a majority of the members elected to Council. An ordinance

may be amended after first reading and passage and before second reading and final passage, provided said amendment or amendments do not change the stated purpose of the ordinance. The text of any such amendment or amendments shall be read in full.

- (e) The effective date of all ordinances shall be on the date of final passage unless another date is prescribed therein.
- (f) The "Yes" and "No" votes shall be taken upon the passage of all ordinances, resolutions, and motions and entered upon the journal of the Council proceedings. A Councilman shall be excused from voting on matters involving the consideration of his own official conduct, or where his financial interests are involved.

**7.6 PASSAGE OF EMERGENCY ORDINANCES.** An ordinance which is declared therein to be an emergency ordinance which is immediately necessary for the preservation of the public peace, health or safety with the reason specified within the ordinance, may be enacted at the regular or special meeting at which it is introduced by five affirmative votes without any requirement of prior posting or publication and without any requirement of a second reading and passage. Such emergency ordinances, after passage, shall be posted and the title published as required by this Charter.

**7.7 POSTING AND PUBLICATION.** The full text of each ordinance after passage on first reading and before second reading and final passage, and after second reading and final passage shall be posted in the City in such places as are designated by resolution of the Council. The title of each ordinance and a statement that the ordinance is on file in the City Clerk's office for public inspection shall be published in a newspaper legally qualified for City publications as provided in this Charter after first passage and before second passage and again after second and final passage.

**7.8 AMENDMENT OR REPEAL.** No ordinance, section or sub-section thereof shall be amended, superseded, or repealed except by an ordinance regularly adopted. No ordinance shall be amended by reference to its title only, but the revised sections or sub-section of the ordinance, as amended, shall be re-enacted. However, an ordinance, section or sub-section thereof may be repealed by reference to its title and ordinance or code number only.

**7.9 RECORDING OF ORDINANCES.** All ordinances shall be recorded by the Clerk in a book called "The Ordinance Book" and it shall be the duty of the Mayor and Clerk to authenticate such records by their official signatures thereon, but the failure to so record and authenticate such ordinance shall not invalidate it or suspend its operation.

**7.10 PENALTIES FOR VIOLATION OF ORDINANCES.**<sup>16</sup> Any ordinance may provide for the punishment of those who violate its provisions. The punishment for the violation of any ordinance shall be at the discretion of the Municipal Judge, but shall not exceed a fine of one thousand dollars (\$1,000), or imprisonment, or both, which may be allowed by law.



## **7.11 ADOPTION BY REFERENCE.**

- (a) The City is hereby authorized to enact any ordinance which adopts any code by reference, in whole or in part; and such primary code, thus adopted, may in turn adopt by reference, in whole or in part, any secondary codes duly described therein. However, the title of every primary code and every secondary code which is incorporated in any such adopting ordinance, shall be specified in the title of the ordinance.
- (b) After the first reading of the adopting ordinance, the Council shall schedule a public hearing concerning the adopting ordinance and of the code and any secondary codes to be adopted thereby. Notice of the hearing shall be published twice in a newspaper meeting the requirements for publication of ordinances, once at least eight days preceding the hearing, and once at least fifteen days preceding it. The notice shall state the time and place of the hearing, that copies of the adopting ordinance, of the primary code and also copies of the secondary codes, if any, being considered for adoption, are on file with the City Clerk and open to public inspection. The notice shall also contain a description which the Council deems sufficient to give notice to interested persons of the purpose of the code and of any secondary code incorporated thereby by reference, the subject matter of each such code, the name and address of the agency by which each has been promulgated, or municipality which has enacted such code, and the date of publication of such code or codes, and in the case of a code of any municipality as they existed and were effective at a given date.
- (c) After the hearing, the Council may amend, adopt or reject the adopting ordinance in the same manner in which it is empowered to act in the case of other ordinances; provided, nothing in this Charter shall be deemed to permit the adoption by reference of any penalty clause which may appear in any code which is adopted by reference. Any such penalty clause may be enacted only if set forth in full in the adopting ordinance. It is further provided that all changes or additions to any code made by the Council shall be set out in full in the adopting ordinance.
- (d) The adopting ordinance shall be posted and the title of the ordinance shall be published as is provided in the case of any other ordinance. Not less than three copies of the adopting ordinance together with three copies of each primary code, and of each secondary code pertaining thereto, all certified to be true copies by the Mayor and the City Clerk, shall be on file in the office of the City Clerk prior to the enacting of the adopting ordinance on first reading and shall remain on file prior to the public hearing and following adoption after the public hearing. Following the adoption of any code, the City Clerk shall at all times maintain a reasonable supply of copies of the primary code and of any secondary code incorporated in it by reference, available to the public at a moderate price. The Council shall not be required to read the code text at the meetings at which the adopting ordinance is passed on first and second readings, provided said codes and primary codes, if any, are on file in the office of the City Clerk, as herein provided.

- (e) If, at any time, any code which the City has previously adopted by reference, shall be amended by the agency or municipality which originally promulgated, adopted, or enacted it, then the Council may adopt such amendment by reference through the same procedure as required for the adoption of the original code; or an ordinance may be enacted in regular manner setting forth the entire text of such amendment.
- (f) Copies of such codes in published form, duly certified by the City Clerk and the Mayor of the City, shall be received without further proof as prima facie evidence of the provisions of such codes or public records in all courts and administrative tribunals of this State.

**7.12 DEFINITIONS.** As used in the text of this Charter, the following terms shall have the meanings indicated, unless the context requires otherwise:

- (a) "Code" shall mean any published compilation of statutes, ordinances, rules, regulations, or standards adopted by the Federal government or the State of Colorado, or by an agency of either of them, or by municipality within the State of Colorado, or by any state or nationally recognized organization, institution or agency, such as, but not limited to the Pacific Coast Building Officials Conference and the National Fire Protection Association. It shall include any codification or compilation of existing ordinances of the adopting municipality.
- (b) "Primary Code" shall mean any code which is directly adopted by reference in whole or in part by any ordinance passed pursuant to this Charter.
- (c) "Secondary Code" shall mean any code which is incorporated by reference directly or indirectly, in whole or in part, in any primary code or in any secondary code.

**7.13 SEVERABILITY OF ORDINANCES.** If any portion of an ordinance or the application thereof to any person or circumstances shall be found to be invalid by a Court such invalidity shall not affect the remaining portions or applications of the ordinance which can be given effect without the invalid portion or application, provided such remaining portions or applications are not determined by the Court to be inoperable, and to this end ordinances are declared to be severable. Each ordinance shall be deemed to have included as a part of it this severability provision even though this severability provision is not set out in the ordinance, unless an ordinance shall expressly provide that this severability provision is not applicable.

**7.14 CODIFICATION OF ORDINANCES.** The Council may direct and complete the codification of all ordinances of the City and shall provide for the subsequent amendments thereto so that such amendments may readily be made a part of such published code and maintained thereafter in current form. Any such codification may originally include provisions not previously contained in ordinances of the City.

The Council shall provide for making copies of the codification available for public inspection and for distribution to the public at a reasonable charge therefore and shall publish notice of the printing and availability of such codification before the effective date thereof. Such printing and making available of the codification and notice thereof shall constitute publication of any such codification other provisions of this Charter for publication notwithstanding.

The copies of the ordinances and of the codification thereof, and of provisions adopted by reference may be certified by the Clerk, and when so certified, shall be competent evidence in all Courts and other legally established tribunals as to the matter contained therein.

**7.15 INITIATIVE AND REFERENDUM.** An ordinance may be initiated by petition, or a referendum on an enacted ordinance may be had by petition, as hereafter provided. The referendum provision of this Charter shall not apply to any ordinance which contains therein a declaration that said ordinance is necessary for the immediate preservation of the public peace, health or safety, nor shall the referendum provision apply to appropriations for the support and maintenance of any City department.

**7.16 INITIATORY AND REFERENDARY PETITION.** An initiatory or referendary petition shall be signed by not less than ten percent of the number of persons who were registered electors of the City, as of the date of the last regular City election, and all signatures on said petition shall be obtained within twenty-one days before the date of filing the petition with the City Clerk.

Any such petition shall be addressed to the Council and may be aggregate of two or more petition papers identical as to content and simultaneously filed by one person. An initiatory petition shall set forth in full the ordinance it proposed to initiate, and no petition shall propose to initiate more than one ordinance. A referendary petition shall identify the ordinance or part thereof, or code section it proposes to have repealed.

Each signer of a petition shall sign his name, and shall place thereon, after his name, the date and his place of residence by street and number, or by other customary designation. To each petition paper there shall be attached a sworn affidavit by the circulator thereof, stating the number of signers thereof and that each signature thereon is the genuine signature of the person whose name it purports to be, and that it was made in the presence of the affiant. Such petition shall be filed with the City Clerk who shall, within fifteen days, canvass the signatures thereon. If the petition does not contain a sufficient number of signatures of qualified electors of the City, the City Clerk shall notify forthwith by registered mail the person filing such petition and fifteen days from such notification shall be allowed for filing of supplemental petition papers. When a petition with sufficient signatures is filed within the time allowed by this section, the City Clerk shall present the petition to the Council at its next regular meeting.



**7.17 COUNCIL PROCEDURE ON INITIATORY AND REFERENDARY PETITIONS.**

Upon the presentation to the Council of an initiatory or referendary petition by the City Clerk, the Council shall, within thirty days, either:

- (a) Adopt the ordinance as submitted by an initiatory petition.
- (b) Repeal the ordinance, or part thereof, referred to by a referendary petition; or
- (c) Determine to submit the proposal provided for in the petition to the electors.

**7.18 SUBMISSION OF INITIATORY AND REFERENDARY ORDINANCE TO ELECTORS.**

Should the Council decide to submit the proposal to the electors, it shall be submitted at the next Municipal election held in the City for any other purpose or, in the discretion of the Council, at a special Municipal election called for that purpose. In the case of an initiatory petition, if no Municipal election is to be held in the City for any other purpose within one hundred fifty (150) days from the time the petition is presented to the Council and the Council does not enact the ordinance, then the Council shall call a special Municipal election within sixty (60) days from such date of presentation for the submission of the initiative proposal. The result of all Municipal elections held under the provisions of this section shall be determined by a majority vote of the electors voting thereon.

**7.19 MISCELLANEOUS PROVISIONS ON INITIATORY AND REFERENDARY PETITIONS.**<sup>42</sup>

An ordinance adopted by the electorate through initiatory proceedings may not be amended or repealed for a period of six months after the date of the election at which it was adopted, and an ordinance repealed by the electorate may not be re-enacted for a period of six months after the date of the election at which it was repealed; provided, however, that any ordinance may be adopted, amended, or repealed at any time by appropriate referendum or initiatory procedure in accordance with the foregoing provisions of this Chapter or if submitted to the electorate by the Council on its own motion. If two or more ordinances adopted at the same election shall have conflicting provisions, the provisions in the ordinance receiving the highest number of affirmative votes shall govern.

## **CHAPTER VIII**

### **GENERAL FINANCE - BUDGET - AUDIT**

- 8.1 FISCAL YEAR.** The fiscal year of the City and of all its agencies shall begin on the first day of January of each year and end on the thirty-first day of December of the same year.
- 8.2 BUDGET PROCEDURES.** <sup>34</sup> The City Manager shall prepare and submit to the City Council on or before the fifteenth of October of each year a recommended budget covering the next fiscal year, which shall include therein at least the following information:
- <sup>17</sup>(a) Detailed estimates with his supporting explanations of all proposed expenditures for each department, office, and agency of the City; and for the Court, showing the expenditures for corresponding items for the last preceding fiscal year in full; and estimated expenditures for the balance of the current fiscal year.
  - (b) Statements of the bonded and other indebtedness of the City, showing the debt redemption and interest requirements, the debt authorized and unissued, and the condition of sinking funds, if any.
  - (c) Detailed estimates of all anticipated revenues of the City from sources other than taxes with a comparative statement of the amounts received by the City from each of the same similar sources for the last preceding fiscal year in full, and for the current fiscal year to September first, and estimated revenues for the balance of the current fiscal year.
  - (d) A statement of the estimated balance or deficit of the end of the current fiscal year.
  - (e) An estimate of the amount of money to be raised from current and delinquent taxes and the amount to be raised from bond issues which, together with any available unappropriated surplus and any revenues from other sources, will be necessary to meet the proposed expenditures.
  - (f) Such other supporting information as the Council may request.
- 8.3 SCHEDULE OF CAPITAL OUTLAY.** If required by the Council, by resolution or ordinance, the City Manager shall submit to the Council simultaneously with his recommended budget, a schedule showing all recommended capital outlay expenditures during the following five fiscal years.
- 8.4 PUBLIC BUDGET HEARING.** A public hearing on the proposed budget shall be held before its final adoption at such time and place as the Council shall direct. Notice of such public hearing and notice that the proposed budget is on file in the office of the Clerk shall be published at least ten days in advance of the hearing. The complete proposed budget shall be on file for public inspection during office hours at such office for a period of not less than ten days prior to such hearing.

**8.5 ADOPTION OF BUDGET.**<sup>24</sup> The City Council, by resolution, shall adopt an annual budget and shall make annual appropriations pursuant to procedures outlined by State law.

**8.6 BUDGET CONTROL.**<sup>25</sup> Except for purposes which are to be financed by the issuance of bonds or by special assessment, or for other purposes not chargeable to a budget appropriation, no money shall be drawn from funds of the City except in accordance with an appropriation thereof, nor shall any obligation for the expenditure of money be incurred without an appropriation covering all payments which will be due under such obligation in the current fiscal year, except that money from the contingency fund may be transferred by ordinance at any time during the year. The Council may make additional appropriations by ordinance during the fiscal year for unanticipated expenditures required of the City, but such additional appropriations shall not exceed the amount by which actual and anticipated revenues of the year are exceeding the revenues as estimated in the budget, unless the appropriations are necessary to relieve an emergency endangering the public health, peace or safety. Except in those cases where there is no logical account to which an expenditure can be charged, expenditure shall not be charged directly to the contingency fund (or other similar fund). Instead, the necessary part of the appropriation for the contingency fund (or other similar fund) shall be transferred to the logical account and the expenditure then charged to such account.

The balance in any budget appropriation which has not been encumbered at the end of the fiscal year shall revert to the General Fund, except any such balance in the Utilities Fund shall become a part of the same fund for the next fiscal year

If the City Council fails to adopt a budget before certification of the mill levy as provided under State law, then one hundred percent (100%) of the amounts appropriated in the current fiscal year for operation and maintenance expenses shall be deemed reappropriated for the purposes specified in such last appropriation ordinance.

**8.7 SINKING FUNDS.** The Council may by ordinance provide for sinking or special funds, to provide for monies held in trust, for depreciation and obsolescence of structures, machinery and equipment, for debt service, and for local improvements.

**8.7-1 EMERGENCY CONTINGENCY FUND.**<sup>44,35,26,1</sup> The Council shall establish an Emergency Contingency Fund. Beginning with the fiscal year 1987 and annually thereafter, the Council shall budget and appropriate to said fund an amount equal to five percent (5%) of the estimated General Fund revenues, until such fund is equal in amount to twenty-five percent (25%) of actual General Fund expenditures of the preceding year. Any time the Emergency Contingency Fund is less than twenty-five percent (25%) of actual General Fund expenditures of the preceding year, the Council shall again budget and appropriate funds, not exceeding five percent (5%) of estimated General Fund revenues, until such fund is again equal to twenty-five percent (25%) of actual General Fund expenditures of the preceding year. At any time the Emergency Contingency Fund exceeds \$1,000,000 any funds exceeding \$1,000,000 may, by Council approval, be transferred to the general fund.



No funds shall be expended from the Emergency Contingency Fund unless such expenditure is first approved by an ordinance declaring an emergency and setting forth the facts constituting such emergency. Such ordinance must be passed by five affirmative votes of the Council.

- 8.8 DEPOSITORY.** The Council shall designate depositories for City funds and shall provide for the regular deposit of all City monies. The Council shall provide for such security for City deposits as is authorized or permitted by statute, except that personal surety bonds shall not be deemed proper security.
- 8.9 INVESTMENTS.** Subject to the provisions of this Charter, monies remaining in any fund which the City Treasurer may determine will not be required to be disbursed for a period of thirty days or more thereafter, may in the discretion of the City Treasurer, and with City Council approval, be invested in one or more of the securities permitted by the statutes of Colorado governing investment of public funds, or in bonds payable out of the revenues of any service or facility furnished by the City; or in general obligation bonds of the City. Interest on such investments shall be credited to the fund to which the invested money belongs, if such can be determined, otherwise to the General Fund of the City. City funds may be placed in any savings account that is guaranteed by the Federal Savings and Loan Insurance Corporation for no greater amount than is guaranteed in each bank.
- 8.10 INDEPENDENT AUDIT, ANNUAL REPORT.** Subject to the provisions of this Charter, independent audits shall be made of all City accounts at least annually, and more frequently if deemed necessary by the Council, and has to be returned within 120 days. Such audits shall be made by Certified or Registered Public Accountants, experienced in municipal accounting, selected by the Council.
- 8.11 COPIES OF AUDIT.** Copies of such audit and annual report shall be made available for public inspection at the office of the City Clerk.

## **CHAPTER IX TAXATION**

- 9.1 COLLECTION OF TAXES.** Until the Council shall otherwise provide by ordinance, the County Treasurer shall collect City taxes in the same manner and at the same time as State taxes are collected.

In like manner the Council may provide for collection of special improvement assessments by said Treasurer. All laws of this State for the assessment of property and the levy and collection of general taxes, sale of property for taxes, and the redemption of the same, shall apply and have as full effect in respect to taxes of the City as of such general taxes, except as modified by the Charter. The County Treasurer shall report and pay to the City the amount of tax collections of the City for the preceding month. The estimated costs of tax collections and losses shall be included in the budget.

- 9.2 LIMITATION ON TAX POWERS OF CITY.** No sales tax or cigarette tax shall be adopted until it shall have been approved by five affirmative votes of the Council.

- 9.3 AUTHORITY TO ACQUIRE PROPERTY.** In addition to all other power which it has to acquire property, the City of Evans is hereby authorized to purchase or otherwise acquire property on which there are delinquent taxes and/or special assessments. The City may also dispose of any property acquired under this authority.

- 9.4 CITY ASSESSOR.** The Council, by ordinance, may provide for the assessment of property within the City for municipal taxation and the levy and collection of taxes thereon for municipal purposes and special assessments for local improvements.

## **CHAPTER X MUNICIPAL BORROWING**

- 10.1 FORMS OF BORROWING.** The City may borrow money and issue the following securities to evidence such borrowing:
- (a) Short-term notes
  - (b) General Obligation Bonds and other like securities
  - (c) Revenue Bonds and other like securities
  - (d) Local Improvement Bonds and other like securities
- 10.2 SHORT-TERM NOTES.** The Municipal Government upon the affirmative vote of five members of the Council, is hereby authorized to borrow money without an election in anticipation of the collection of taxes or the revenues and to issue short-term notes to evidence the amount so borrowed. Such short-term notes shall mature before the close of the fiscal year in which the money is so borrowed, and shall not be extended or funded except in compliance with Section 10.3, "General Obligation Bonds" of this Chapter.
- 10.3 GENERAL OBLIGATION BONDS.<sup>2</sup>** No Bonds or other evidences of indebtedness payable in whole or in part from the proceeds of general (Ad Valorem) property taxes or to which the full faith and credit of the City are pledged, shall be issued, except in pursuance of an ordinance nor until the question of their issuance shall at a special or general election be submitted to a vote of the qualified electors and approved by a majority of those voting on the question; provided that such securities issued for acquiring water and water rights thereto, or acquiring, improving or extending a municipal water system, sanitary sewer system, sewage disposal system or any combination of such purposes, may be so issued without an election.
- 10.4 LIMITATION ON INDEBTEDNESS.** The aggregate amount of bonds or other evidences of indebtedness shall not exceed fifteen percent of the actual valuation of the taxable property within the City as shown by the last preceding assessment for City purposes; provided, however, that in determining the amount of indebtedness, there shall not be included within the computation, bonds or other evidences of indebtedness outstanding or authorized water works system or the municipal storm sewer, sanitary sewer, combined storm and sanitary sewers or sewage disposal systems, short-term notes, local improvement securities, or securities payable solely from the revenues of an income-producing system, utility, or other project.
- 10.5 REVENUE BONDS.** The City in pursuance of an ordinance may borrow money, issue bonds, or otherwise extend its credit for the purpose of purchasing, constructing, condemning, otherwise acquiring, extending or improving a water, electric, gas or sewer system, or other public utility or income producing project; provided that the bonds or other



obligations shall be made payable solely out of the revenues derived from the operation of such system, utility, or other such project; and provided, further, that any two or more of such systems, utilities and projects may be combined, operated and maintained as joint municipal systems, utilities or projects, in which case such bonds or other obligations shall be made payable solely out of the net revenue derived from the operation of such joint systems, utilities or project. No election shall be necessary to authorize the bonds.

- 10.6 REFUNDING BONDS.** The City, pursuant to ordinance, may issue its bonds or other securities without an election for the purpose of refunding outstanding general obligation bonds, general obligation waterbonds or revenue bonds, or other such securities, and it shall be the duty of the Council to refund such securities whenever it determines it is advantageous and favorable to the City to do so. Any such refunding revenue securities shall be payable solely from the net revenues of the system, utility or other income producing project acquired, extended or improved, with proceeds from issuance of the securities so refunded. The period of payment of refunding bonds shall not exceed the estimated life of the facilities financed by the bonds being refunded and in no case for a longer term than thirty years from the date of the refunding bonds.

The proceeds derived from the issuance of any refunding bonds under the provisions of this section shall either be immediately applied to the payment, or redemption, and retirement of the bonds to be refunded, and the costs and expenses incident thereto, or shall immediately be placed in escrow to be applied to the payment of said bonds upon their presentation therefore, and the costs and expenses incident thereto, as may be provided by the City Council. Any funds of the City legally available therefore may be placed in any escrow account established under the provisions of this section, and may be used for the purposes specified in the escrow agreement, if such procedure is deemed by the City Council to be in the best interests of the City.

- 10.7 BONDS LIMITED TO LIFE OF THE PROJECT.** The ordinance authorizing the issuance of general obligation or revenue bonds or other such securities shall state the estimated period of usefulness of the property or improvements for which issued, and the term of any such bonds shall not exceed such estimated period. No bonds shall be issued for a term longer than thirty years from the date thereof.

- 10.8 BONDS - INTEREST, SALE.** The terms and maximum interest rate or general obligation or revenue bonds or other like securities shall be fixed by the authorizing ordinance and such securities shall be sold to the best advantage of the City; provided that any refunding bond may be exchanged dollar for dollar for a bond refunded. All bonds may contain provisions for calling the same at designated interest periods prior to the final due date. The bonds may be sold at private sale.

- 10.9 LONG TERM RENTALS AND LEASEHOLDS.** In order to provide necessary land, buildings, equipment, and other property for governmental or proprietary purposes, the City is hereby authorized to enter into long term rental or leasehold agreements. Such agreements may include an option or options to purchase and acquire title to such leased or rented property within a period of not exceeding the useful life of such property, and in no case

exceeding forty years. Each such agreement and the terms thereof shall be concluded by an ordinance, duly enacted by the City. No such ordinance shall take effect before thirty days after its passage. The Council is authorized and empowered to provide for the payment of said rentals from a general levy imposed upon both personal and real property included within the boundaries of the City, or by imposing rates, tolls, and service charges for the use of such property or any part thereof by others, or from any other available municipal income, or from any one or more of the above sources. The obligation to pay such rentals shall not constitute an indebtedness of the City within the meaning of the constitutional limitations on contracting of indebtedness by cities. Property acquired or occupied pursuant to this Charter shall be exempt from taxation so long as used for authorized governmental or proprietary functions of the City.

## **CHAPTER XI IMPROVEMENT DISTRICTS**

**11.1 SPECIAL AND LOCAL IMPROVEMENT DISTRICTS AND CONSTRUCTION OF IMPROVEMENTS THEREIN.** The Council shall have the power to establish, by ordinance, improvement districts for the construction of special or local improvements of every kind and character in the following manner to-wit:

- (a) On a petition by the owners of more than fifty-one percent of the area of the proposed district, provided that such majority shall include not less than fifty-one percent of the landowners.
- (b) By order of the Council upon its determination that such improvement is necessary for the preservation of the public welfare.

A public hearing shall be held at which all interested parties may appear and be heard. The City shall fix the time and place for such hearing. The improvement district proposal shall be published in a newspaper of general circulation in the City and shall fix the time and the place for such hearing. Publication shall take place not less than seven days nor more than fourteen days prior to said hearing, and during this period a notice or summary thereof shall be mailed to each property owner affected. At the conclusion of the public hearing the Council shall consider all protests and shall establish or reject all or any part of the proposed district as the interests of the petitioners and the general public may best be served.

The establishing ordinance shall prescribe the method and manner of making such improvements, the letting of contracts therefore and the assessing of the cost thereof. The ordinance shall provide for issuing and paying special improvement bonds to defray the costs and expenses of the organization of said district and of the construction or installation of said improvements. Property owners shall have the right to pay their individual assessments in full prior to certification of the assessment to the County and such payment in full shall be subject to a discount in an amount to be set by Council, not to exceed their proportionate share of the bond interest plus the cost of annual collection.

**11.2 SPECIAL OR LOCAL IMPROVEMENT DISTRICT BONDS - GENERAL BENEFITS.** In consideration of general benefits conferred on the City at large from the construction or installation of improvements in special or local improvement districts, the Council may levy annual taxes on the taxable property within the city, not exceeding three mills in any one year to be disbursed as determined by the Council for the purpose of paying for such benefits, for the payment of any assessments levied against the City itself in connection with bonds issued for special or local improvement districts and for the purpose of advancing money to maintain current payments of interest and equal annual payments of the principal amount of bonds issued for any special or local improvement district hereafter created.



- 11.3 LOCAL IMPROVEMENTS.** The power to create special local improvement districts, to assess the costs of the construction of public improvements of a local and municipal character or any part thereof against benefited property therein, and to issue special or local improvement bonds, is vested in the Council. The cost of that part of local improvement which is of a special benefit to particular real property may be assessed against the real property as benefited. The procedure governing the creation of special or local improvement districts, the assessment of a part or all the cost against the benefited property, and the issuance of special local improvement bonds shall be governed by general law relating to special or local improvements in cities and towns, unless prior to the initiation thereof, the Council by ordinance has prescribed a different procedure thereto, and except insofar as general law has been superseded by this Charter or by ordinance. The Council may prescribe the procedure to be followed in the construction of special or local improvements, assessments of the cost, time of payment thereof, foreclosure, and all other matters relating to the mechanics of levying and paying assessments.
- 11.4 SURPLUS AND DEFICIENCY FUND.**<sup>30</sup> Where all outstanding bonds have been paid in a special or local improvement district and any money remains to the credit of the district, it shall be refunded to the current property owners in the district.
- 11.5 REVIEW OF IMPROVEMENT DISTRICT PROCEEDINGS.** No action or proceeding, at law or in equity, to review any acts or proceedings, or to question the validity or enjoin the performance of any act, or the issue or collection of any bonds, or the levy or collection of any assessments, authorized by this Chapter, or for any other relief against any acts or proceedings done or had under this Chapter, or of the City, with reference thereto, whether based upon irregularities or jurisdictional defects, shall be maintained, unless commenced within thirty days after the performance of the act or the effective date of the resolution or ordinance complained of, or else be thereafter perpetually barred.

## **CHAPTER XII ZONING**

- 12.1 PLANNING COMMISSION.**<sup>43,36,31</sup> There shall be a City Planning Commission which shall consist of five members, at least four of whom shall be qualified electors residing within the City and all of whom shall be appointed by the City Council for a term of five years, none of whom shall hold any other position with the City. One member who does not reside within the City may be appointed, as long as he or she is a qualified elector residing within the Evans urban growth area as shown in the Comprehensive Plan. Three members of the Commission shall constitute a quorum. Any member of the Commission may be removed by the Council for cause, after public hearing, if a hearing is requested by such member. The Commission shall adopt rules of procedure (bylaws), which shall include its process for election of a Chairperson and Vice-Chairperson, scheduling of meetings, and proceedings of meetings. All meetings and records of the Commission shall be open to the public. City staff shall keep minutes of the Commission's proceedings, showing the vote of each member upon every question, or if absent or failing to vote, indicating such fact, and shall also keep records of its official actions.
- 12.2 PLANNING COMMISSION, TERM OF MEMBERS, VACANCIES.**<sup>43</sup> Repealed by a vote of citizens on April 6, 2010.
- 12.3 PLANNING COMMISSION - POWERS AND DUTIES.**<sup>43</sup> The Council shall, by ordinance, provide for the powers and duties of the Planning Commission.
- 12.4 DIRECTOR OF PLANNING.**<sup>43</sup> Repealed by a vote of citizens on April 6, 2010.
- 12.5 ZONING BOARD OF APPEALS.**<sup>43,31</sup> There shall be a Zoning Board of Appeals which shall consist of five members, at least four of whom shall be qualified electors residing within the City and all of whom shall be appointed by the City Council for a term of five years, none of whom shall hold any other position with the City. One member who does not reside within the City may be appointed, as long as he or she is a qualified elector residing within the Evans urban growth area as shown in the Comprehensive Plan. Three members of the Board shall constitute a quorum. Any member of the Board may be removed by the Council for cause, after public hearing, if a hearing is requested by such member. The Board shall adopt rules of procedure (bylaws), which shall include its process for election of a Chairperson and Vice-Chairperson, scheduling of meetings, and proceedings of meetings. All meetings and records of the Board shall be open to the public. City staff shall keep minutes of the Board's proceedings, showing the vote of each member upon every question, or if absent or failing to vote, indicating such fact, and shall also keep records of its official actions.
- 12.6 THE COMPREHENSIVE PLAN.**<sup>43</sup> The Council shall adopt, by ordinance, rules, procedures, and requirements for the adoption of the Evans Comprehensive Plan.

- 12.7 PLATTING AND SUBDIVISIONS CONTROL.**<sup>43</sup> The Council shall adopt, by ordinance, rules, procedures, and requirements for the adoption of the Evans Comprehensive Plan.
- 12.8 REGULATIONS GOVERNING SUBDIVISION OF LAND.**<sup>43</sup> Repealed by a vote of citizens on April 6, 2010.
- 12.9 ZONING ORDINANCE.**<sup>43</sup> For the purpose of promoting the health, safety, morals, or general welfare of the City, the Council shall, by ordinance, establish zoning districts and permitted uses in such districts and regulate the location, heights, bulk, aesthetics, design, and size of buildings and other structures; design and size of bufferyards, setbacks, landscaping, and other open spaces; off-street parking; the density of population; and the uses of buildings, structures, and land. The Council shall adopt, by ordinance, rules, procedures, and requirements for the processing of applications for variances to such requirements.
- 12.10 POWERS OF CITY COUNCIL IN SLUM CLEARANCE AND REHABILITATION OF BLIGHTED AREAS.**<sup>43</sup> The Council may adopt, modify, and carry out plans for clearance of slum and rehabilitation of blighted areas within the City consistent with the Colorado Urban Renewal Law.
- 12.11 HOUSING.**<sup>43</sup> The Council may provide, by ordinance, for sale of sanitary housing accommodations for families of low income and for such purpose may prepare plans for housing projects, authorize the construction, reconstruction, alteration or repair of any housing constructed or acquired by the City. All property both real and personal acquired, owned, leased, rented or operated for housing projects shall be deemed public property for public use and the providing of safe and sanitary housing for families of low income is hereby declared to be a public use and public purpose. The Council may enter into agreement with the Weld County Housing Authority, or similar agency, for the provision of such housing.
- 12.12 ZONING PROCEDURE.**<sup>43,31</sup> The Council shall, by ordinance, adopt procedures for the establishment and amendment of zoning of property within the City.



## **CHAPTER XIII**

### **BOARDS AND COMMISSIONS<sup>3</sup>**

- 13.1 GENERAL PROVISIONS.** Notwithstanding any provisions in Sections 3.8, 6.4, 12.1, 12.2, 12.3, 12.4, 12.5, or any other Charter provision or ordinance in conflict herewith, the qualifications, number, term, power, duties, and procedures of all boards and commissions shall be established by the Council.
- 13.2 CREATION.** Advisory boards may be created by resolution. All other boards shall be created by ordinance.
- 13.3 BOARDS ABOLISHED.** The Council may abolish any board or commission not required by statute or this Charter as it deems advisable.

## **CHAPTER XIV UTILITIES AND FRANCHISES**

- 14.1 POWERS.** The City Council shall have and exercise with regard to all utilities and franchises, all municipal powers, including without limitation, all powers now existing and which may be hereafter provided by the Constitution of the State of Colorado and Statutes of the State of Colorado. The right of the City to construct, purchase or condemn any public utility, work or way, is expressly reserved.
- 14.2 WATER RIGHTS.** The City shall have the power to own and control water rights and to exchange water rights owned by it for water rights owned by other municipalities or quasi-municipal corporations or by other persons, and to purchase, obtain or acquire water and water rights from any source including such existing water rights as may be used upon any land which is annexed to the City from time to time.
- 14.3 CONSOLIDATION.** The City shall have the right to contract with municipalities or quasi-municipal corporations or any other persons for the purpose of forming consolidated water or sewer districts or for furnishing any municipal service.
- 14.4 EXTENSION OF TERRITORY.** With respect to any franchise, after negotiation or mutual agreement, the Council may by ordinance extend the area including streets, alleys or public places and property not embraced in such franchise when public convenience and necessity requires, subject to the terms and conditions of such original franchise, and co-extensive with the terms thereof, without a vote of the qualified electors.
- 14.5 RAILROAD TRACKS AND CROSSINGS.** Council may require by ordinance and by fair apportionment of the cost, any railroad or other transportation system to elevate or lower any of its right-of-way or tracks running over, under, along or across any public thoroughfare: and to construct and maintain all street crossings, bridges, viaducts, and other conveniences in good condition with proper approaches and safety devices.
- 14.6 REVOCABLE LICENSE.** After public hearing, Council by ordinance may grant a license, revocable for cause, to lay sidetracks, and switches along, or across any public thoroughfare, in accordance with standards and procedures to be adopted by Council.
- 14.7 REVOCABLE PERMITS.** Council may grant permits for the temporary use or occupancy of any street, alley or public place. Such permits shall be revocable by Council at any time whether or not the right is expressly reserved in the permit.
- 14.8 TERM OF COMPENSATION AND RESTRICTION.** No franchise shall be granted for a period longer than twenty years or without reserving to the City such fair fee arising from the use thereof as shall be provided in the grant of such franchise. This compensation shall not exempt the grantee or his assignees from any lawful assessment upon his property or from other tax not related to the franchise privilege, or pertaining to the physical operation thereof, but shall exempt the grantee or his assignees from any occupancy tax, license, tax, permit

charge, inspection fee, or similar tax on the privilege of doing business or in connection with the physical operation thereof, as shall be fixed in the grant of any franchise. The franchise fee established by ordinance shall be paid as provided and be subject to mutual periodic renegotiation, and failure to pay such fee shall result in forfeiture of franchise at the option of Council. Assignment or leasing of a franchise shall be considered a forfeiture unless application therefore be made to the City, and consent given by the Council by ordinance with such change of conditions or terms as they deem necessary. Council reserves the right to deny any assignment of franchise.

**14.9 FRANCHISE RECORDS.** The Council shall cause to be kept in the office of the City Clerk an indexed franchise record in which shall be transcribed copies of all public utility franchises heretofore and hereafter granted. The index shall give the name of the grantee and any assignors. The records shall be a complete history of all such franchises and shall include a comprehensive and convenient reference to all actions at law affecting the same, and copies of all annual reports, and such other matters of information and public interest as the Council may from time to time require.

**14.10 LIMITATIONS.** The granting of franchises by the City shall be limited only by the provisions of the Constitution and applicable Statutes of the State of Colorado as now in effect or as hereafter amended and shall be submitted to the vote of the people when required by constitutional provision.

**14.11 EXISTING FRANCHISE.** All franchise ordinances of the City in effect at the time that this Charter is adopted shall remain in full force and effect according to their provisions and terms until the expiration date provided in such ordinance.



## **CHAPTER XV MISCELLANEOUS**

- 15.1 VESTED RIGHTS CONTINUED.** After the effective date of this Charter the City shall be vested with all property, monies, contracts, rights, credits, effects and the records, files, books, and papers belonging to it under and by virtue of operation under statutes governing second class cities.

No right or liability, either in favor of or against the City, existing at the time this Charter becomes effective and no suit or prosecution of any character shall in any manner be affected by any change, resulting from the adoption of this Charter, but the same shall stand or proceed as if no change had been made. All debts and liabilities of the City shall continue to be the debts and liabilities of the City, and all fines and penalties imposed at the time of such change shall be collected.

- 15.2 SUNDAYS AND HOLIDAYS.** Whenever the date fixed by this Charter or by ordinance for the doing or completion of any act falls on a Sunday or legal holiday, such act shall be done or completed on the next succeeding day which is not a Sunday or legal holiday.

- 15.3 PENALTIES FOR VIOLATION OF CHARTER.**<sup>37</sup> Any violation of a provision of this Charter shall be deemed a misdemeanor, and shall be tried in the Municipal Court. Any person convicted of such violation may be punished as provided in the Evans Municipal Code, but to be no more than the maximum permitted for fines and punishment as provided under state law. Any officer or employee of the City so convicted may be deprived of his office or employment and may be ineligible for any City office or employment for two years thereafter. The power to suspend or remove an elected official, City Manager, City Attorney, board or commission member, or any other official appointed by the Council, convicted under this section shall be vested in the Council.

- 15.4 EMINENT DOMAIN.** In carrying out the powers and duties imposed upon it by this Charter or by the general statutes, the City shall have power to acquire within or without its corporate limits, lands, buildings, water, water rights and water storage rights, water and sewer properties, and other properties, and any interest in land and air rights over land, and may take the same upon paying just compensation to the owner as provided by law.

- 15.5 CHAPTER TITLES AND SUBHEADINGS.** The Chapter Titles and Sub-Headings are inserted for convenience and reference only and shall not be construed to limit, describe or control the scope or intent of any provision therein.

- 15.6 AMENDING THE CHARTER.** Amendments to this Charter may be framed and submitted to the electors through petitioning the Council or by the Council on its own initiative in accordance with the provisions of the Constitution of the State of Colorado. Nothing herein contained shall be construed as preventing the submission to the people of more than one Charter amendment at any one election. If there is any conflict or

inconsistency between amendments voted upon at the same election and more than one be adopted, then the amendment receiving the largest number of votes shall prevail.

**15.7 ACTIONS: NOTICE OF INJURY.** No Action for the recovery of compensation for personal injury, death or property damage against the City on account of its negligence, shall be maintained unless written notice of the time, place and cause of injury, death or property damage is given to the City Clerk by the person injured, his agent or attorney, within sixty days of the occurrence causing the injury, death or property damage. The notice given under the provisions of this section shall not be deemed invalid or insufficient solely by reason of any inaccuracy in stating the time, place or cause of injury, if it is shown that there was no intent to mislead and that the City, in fact, was not misled thereby. This provision shall not be construed as a waiver of any governmental immunity the City may have.

**15.8 INVALIDITY OF PART.** If a court of competent jurisdiction shall adjudge to be invalid or unconstitutional any clause, sentence, paragraph, section, article or part of this Charter, such judgement or decree shall not affect, impair, invalidate or nullify the remainder of this Charter, but the effect thereof shall be confined to the clause, sentence, paragraph, section, article or part of this Charter so adjudged to be invalid or unconstitutional.

**15.9 DEFINITIONS.** As used in this Charter the following words and phrases shall have the following meanings:

- (a) All words used in this Charter indicating the present tense shall not be limited to the time of the adoption of this Charter but shall extend to and include the time of the happening of any event or requirement for which provision is made herein.
- (b) The singular number shall include the plural, the plural number shall include the singular, and the masculine gender shall extend to and include the feminine gender and the neuter.
- (c) All references to section numbers shall refer to section numbers of this Charter.
- (d) Appropriation: The authorized amount of funds set aside or allocated for expenditure during a specified time and for a specified purpose.
- (e) Ballot: Not limited to a piece of paper but may include any mechanical means such as voting machines, through which a voter expresses and records his choice thereon.
- (f) City: The City of Evans, Colorado, a municipal corporation.
- (g) Council: The City Council of the City of Evans, Colorado.
- (h) Employee: Any person in municipal service who is not an officer.

- (i) Franchise: A special privilege granted by the City permitting the continuing use of public property such as City streets.
- (j) Election: The municipal election held every two years at which candidates for elective offices of the City are voted upon.
- (k) May: Construed as permissive.
- (l) Officer: Any person who is elected to office or appointed by Council, including appointees to Boards and Commissions.
- (m) Person: Is intended to have a broad definition not limited to such as is herein enumerated but to include at least the following: individual, corporation, association, political sub-division, state agency, singular or plural of each.
- (n) Public Utility: Public utility or public utility corporations shall mean any person, firm, or corporation, operating heat, power or light systems, communications systems, water, sewer or scheduled transportation systems, and serving or supplying the public. It shall not include any person, firm or corporation owning or operating sidetracks or switches for the accommodation of manufacturing plants and business houses, or private telephone lines, and shall not include municipally-owned utilities.
- (o) Quorum: Shall mean a majority of the members of the Council, board, commission or similar body present for a meeting.
- (p) Qualified Elector: A resident of the City who is qualified to vote under the Constitution and statutes and of the State of Colorado.
- (q) Shall: Construed as mandatory.
- (r) Statutes: The applicable laws of the State of Colorado as they now exist or as they may be amended, changed, repealed or otherwise modified by legal procedure.



## **CHAPTER XVI TRANSITIONAL PROVISIONS**

- 16.1 STATUS OF TRANSITIONAL PROVISIONS.** The purpose of this Chapter is to provide for an orderly transition from the present City Government to a Home Rule Government under the provision of this Charter. This Chapter shall constitute a part of this Charter during the transition period.
- 16.2 TRANSITION PERIOD.** Six months from the effective date of this Charter shall be known as the "transition period". During this period all officers and employees shall proceed with due diligence to put into effect the provisions of this Charter. During the transition period the Council shall designate by resolution provisions of the Charter to become operative. Resolutions shall fix the dates on which and the agency or agencies to which each provision becomes operative. Until superseded by the Charter, or any provision thereof, the State Statutes shall be in effect.
- 16.3 PRESENT COUNCIL AND MAYOR TO CONTINUE IN OFFICE.** The Council and Mayor or their appointed successors, in office at the time of the adoption of this Charter shall serve and carry out the functions, powers, and duties of their offices until their term of office expires.
- 16.4 PRIOR CITY LEGISLATION.** All by-laws, ordinances, resolutions, rules and regulations of the City which are not inconsistent with this Charter and which are in force and effect at the date of effective date of this Charter shall continue in full force and effect until repealed or amended. Those provisions of any effective by-laws, ordinance, resolution, rule or regulation which are inconsistent with this Charter are hereby repealed.

## **NOTES OF REFERENCE**

1. Added Section 8.7-1 by vote of citizens on April 8, 1986 requiring an Emergency Contingency Fund and providing that expenditures from said funds may only be made with the unanimous consent of the City Council.
2. Section 10.3 amended by vote of citizens on April 8, 1986, to include sanitary sewer systems and sewage disposal systems as exceptions to the general rule that general obligation bonds be approved by the voters.
3. Chapter 13 amended by vote of citizens on April 8, 1986, to provide that the qualifications, number, term, powers, duties and procedures of all boards and commissions be established by City Council.
4. Section 3.5 amended by vote of citizens on April 7, 1992, to require the City Council to fill a vacancy within forty-five (45) days, if such occurs in the office of the Mayor or Councilmen; and to require a Councilman or Mayor to become qualified to serve within thirty (30) days after his term would begin, after election.
5. Section 3.15 amended by vote of citizens on April 7, 1992, to require all meetings of the City Council or of any City Board, Commission, or Committee be open to the public except for negotiations on real estate transactions and certain other similar negotiations, conferences with an attorney, matters required by law to be confidential, security or investigatory matters, personnel matters, and consideration of any documents required by law to be confidential.
6. Section 4.1 amended by vote of citizens on April 7, 1992, to eliminate the Utilities Department, allow administrative functions and departments to be established and changed by City Council, and further provide that all departments be under the supervision of the City Manager.
7. Section 4.4(a) amended by vote of citizens on April 7, 1992, to delete any reference to the Utilities Director.
8. Section 4.6 amended by vote of citizens on April 7, 1992, to delete any reference to the Utilities Director.
9. Section 4.7 amended by vote of citizens on April 7, 1992, to delete the prohibition against the City Clerk from being appointed City Manager and further delete any reference to the City Clerk acting as City Treasurer.
10. Section 4.8(a) amended by vote of citizens on April 7, 1992, to require the appointment or removal of the City Treasurer to have the approval of a majority of the City Council.
11. Section 5.1(a) amended by vote of citizens on April 7, 1992, to eliminate the restrictive limitations of a maximum fifty dollar (\$50.00) fine and five (5) days imprisonment on the Municipal Court for punishment for contempt.

12. Section 6.3 amended by vote of citizens on April 7, 1992, to place department heads within the merit system.
13. Section 6.4(b) & (c) amended by vote of citizens on April 7, 1992, to expand the definition of discrimination on the basis of employment to include race, color, sex, age, religion, national origin, and mental or physical handicap.
14. Section 6.8 amended by vote of citizens on April 7, 1992, to prohibit members of the City Council from engaging in activities designated as conflicts of interests including accepting gifts, using the position on Council to advance a private financial interest, and improper use of confidential information.
15. Section 6.10 amended by vote of citizens on April 7, 1992, to charge the City Manager with the responsibility of ensuring that related persons are not employed in a supervisory/subordinate position.
16. Section 7.10 amended by vote of citizens on April 7, 1992, to permit ordinances to have maximum penalties as provided by State Law, the present maximum penalties being a one thousand dollar (\$1,000.00) fine and/or one (1) year imprisonment.
17. Section 8.2(a) amended by vote of citizens on April 7, 1992, to eliminate references to a Utilities Budget and eliminate the requirement that the City Manager submit a report of expenditures through September 1st, on the 15th of September each year.
18. Section 3.2 amended by vote of citizens on April 2, 1996, be to delete the designation of Ward boundaries but continue to permit the City Council, by Ordinance, to alter the three (3) Ward boundaries so as to contain approximately the same number of voters in each ward.
19. Section 3.5 amended by vote of citizens on April 2, 1996, to clarify the term of office for which a successor is to be elected for the next regular election.
20. Section 3.12 amended by vote of citizens on April 2, 1996, to provide that the City Council may enter into contracts with other governmental agencies by Resolution rather than by Ordinance.
21. Section 4.3 amended by vote of citizens on April 2, 1996, to provide that the City Manager may engage in other business and employment activities, but only upon approval of a majority of the entire City Council.
22. Section 4.4(a) amended by vote of citizens on April 2, 1996, to clarify present language providing that the City Manager be responsible for all City departments except for that of the City Attorney and Municipal Judge.
23. Section 6.4 amended by vote of citizens on April 2, 1996, to delete the specific provisions regarding appeal of employee grievances relating to discrimination and instead provide that the City Council shall adopt a system of appeal for employees to grieve any adverse action against them.



24. Section 8.5 amended by vote of citizens on April 2, 1996, to provide that the City Council shall adopt an annual budget and that annual appropriations shall be made pursuant to procedures outlined by State law.
25. Section 8.6 amended by vote of citizens on April 2, 1996, deleting the provision restricting the transfer of monies from one fund to another until after the first of July of the current fiscal year and further deleting the requirement that the City Manager submit monthly reports to the City Council showing the relationship between the estimated and actual revenue expenditures to date and providing specifically that if the City Council fails to adopt a budget prior to certification of the mill levy, then 100% of the amounts appropriated in the current fiscal year will be reappropriated for the subsequent fiscal year.
26. Section 8.7-1 amended by vote of citizens on April 2, 1996, reducing the required Emergency Contingency Fund from fifty percent (50%) of General Fund Expenditures to twenty-five percent (25%) and further providing that the City Council may transfer any excess amounts in the Emergency Contingency Fund to the General Fund.
27. Section 2.5 amended by vote of citizens on April 7, 1998, to eliminate the requirement for an Election Commission and allow the City Clerk to appoint and establish compensation for City Election Judges
28. Section 6.1, first sentence, amended by vote of citizens on April 7, 1998, to eliminate the requirement that the City Council act only by ordinance to establish an employee Personnel Merit System.
29. Section 7.5, subsections (a) and (d), amended by vote of citizens on April 7, 1998, to eliminate the requirement of orally reading ordinances at City Council meetings but retain the requirement that the full text of the ordinance be posted.
30. Section 11.4 amended by vote of citizens on April 7, 1998, to eliminate the requirement that the City pay any deficiency in special improvement district bond payment and require that any excess money collected be reimbursed to the current property owners in the district.
31. Chapter XII amended by vote of citizens on April 7, 1998, to designate the Director of Planning as the technical advisor to the Planning Commission (to be appointed by the City Manager), to make minor corrections to the text of the Chapter and to change certain language in the text so that it is gender neutral.
32. Section 3.2 amended by vote of citizens on April 2, 2002, to allow readjustment of Ward boundaries at least 90 days prior to any municipal regular election and allow the City Council to readjust the Ward boundaries, as deemed necessary, to comprise compact and contiguous territory for each ward to contain as nearly as possible an equal number of inhabitants.
33. Section 5.2(c) amended by vote of citizens on April 2, 2002, to change the position of the Clerk of the Municipal Court from a position appointed by the City Council to an employment position that falls under the Personnel Merit System.

34. Section 8.2 amended by vote of citizens on April 2, 2002, to correspond with the State statute deadline for submitting the annual budget to City Council.
35. Section 8.7-1 amended by vote of citizens on April 2, 2002, to allow City Council to approve emergency expenditures by five affirmative votes of the City Council.
36. Section 12.1 amended by vote of citizens on April 2, 2002, to allow any qualified elector of the City except a paid employee to be a member of the Planning Commission.
37. Section 15.3 amended by vote of citizens on April 2, 2002, to increase the maximum penalty permitted by Municipal Court to make them consistent with state law which is currently \$1,000 and one year imprisonment.
38. Section 2.4 amended by vote of citizens on April 8, 2008 to have the City Clerk give Notice of Election in accordance with federal, state, or municipal law, whichever is applicable.
39. Section 3.5 amended by vote of citizens on April 8, 2008 to change the time period from 45 to 90 days to fill a vacancy on the City Council and change the time period from six to two months that a Council member can be continuously absent without being disqualified from office
40. Section 4.3 amended by vote of citizens on April 8, 2008 to be consistent with federal law and allow the City Council to terminate the City Manager without the option of the City Manager to force a public hearing prior to termination.
41. Section 5.4 Violations Bureau was deleted by vote of citizens on April 8, 2008.
42. Section 7.19 amended by vote of citizens on April 8, 2008 to permit an ordinance enacted by City Council to be effective unless there is a majority vote of the citizens to either amend or repeal such ordinance.
43. Chapter XII amended by vote of citizens on April 6, 2010 to be consistent with current law and provisions for subdivisions, zoning, housing, blight, the Comprehensive Plan, the Zoning Board of Appeals, and the Planning Commission; to clarify that Planning Commissioners may not hold any other position with the City whether paid or unpaid; to amend provisions regarding the City Council overruling a recommendation of the Planning Commission or Zoning Board of Appeals to allow such by majority vote of the entire Council; to add a provision that one member of the Planning Commission and one member of the Zoning Board of Appeals may be non-residents of the City provided that such members reside within the urban growth area of the City; and to make other miscellaneous changes designed to clarify and make these provisions consistent with current law and procedure.
44. Section 8.7-1 amended by vote of citizens on November 6, 2012 that the Emergency Contingency Fund be amended to provide for a ceiling of \$1,000,000 to be accumulated in such fund allowing any funds exceeding \$1,000,000 to be transferred to the General Fund, effective January 1, 2013.

**THE CITY OF EVANS, COLORADO  
CHARTER CONVENTION  
CERTIFICATE OF FINAL ADOPTION**

We, the undersigned, present members of the Evans Charter Convention, duly elected by the people of Evans, Colorado, at a special election held on February 21, 1973, under the Authorization of Article XX, the Constitution of the State of Colorado, to frame a Home Rule Charter for the City of Evans, do hereby certify that the foregoing of the Proposed Charter as finally approved and adopted by the members of the Convention on the 30th day of April, 1973, for submission to the people of Evans at a special election to be held on June 12, 1973.

Done in triplicate at Evans, Colorado on the 30th day of April, 1973.

GARRY G. EWING, Chairman

NELLIE DILL, Vice-Chairman

GERALD W. LOTT, Vice-Chairman

EVELYN CASTEEL, Secretary

ROBERT L. ASBURY  
EUALINE BROWN  
EDWARD L. BROYLES  
RETHA M DORSEY  
CHARLES E. ERICKSON  
RICHARD C. GRAMS  
MARIE JORDAN  
PAUL A. KEENER

GERALD KREUTZER  
JOHN JOE LOVATO  
RALPH R. LYMAN  
MARTHA MINNING  
JOAN M. ROBERTS  
RALPH SCHULTZ  
WALLACE SHORT  
LILLIAN G. THOMPSON

ROGER L. WOOD