

**CITY OF RAWLINS, WYOMING
TABLE OF CONTENTS
YEAR ENDED JUNE 30, 2020**

	<u>Page</u>	
INDEPENDENT AUDITOR’S REPORT.....	1-3	
MANAGEMENT DISCUSSION AND ANALYSIS.....	4-9	
 FINANCIAL STATEMENTS		
Statement of Net Position.....	10	
Statement of Activities.....	11	
Balance Sheet – Governmental Funds.....	12	
Reconciliation of the Governmental Fund Balances to the Governmental Activities In the Statement of Net Position.....	13	
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds.....	14	
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	15	
Statement of Net Position – Proprietary Funds.....	16	
Statement of Revenues, Expenses and Changes in Net Position – Proprietary Funds.....	17	
Statement of Cash Flows – Proprietary Funds.....	18	
Notes to the Financial Statements.....	19-52	
 REQUIRED SUPPLEMENTARY INFORMATION		
Index to Illustrative Required Supplementary Information.....	53	
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis) – General Fund.....	54	
Schedule of City’s Share of the Net Pension Liability.....	55	
Schedule of Contributions.....	56	
Notes to Required Supplementary Information – Budgetary Comparisons.....	57	
 SUPPLEMENTARY INFORMATION		
Combining Balance Sheet – Nonmajor Governmental Funds.....	58	
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds.....	59	
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis) – Capital Facilities Tax Fund.....	60	
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis) – Grants Fund.....	61	
 REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i>		62-66

CITY OF RAWLINS, WYOMING

FINANCIAL STATEMENTS

JUNE 30, 2020



INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and Members of the
City Council and City Manager
City of Rawlins, Wyoming

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Rawlins, Wyoming, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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 the 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 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 of Rawlins, Wyoming, as of June 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 9, the budgetary comparison information on page 54 and 60 through 61, and the pension information on pages 55 through 56 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.

Other Information

Our audit for the year ended June 30, 2020 was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Rawlins basic financial statements. The supplementary information for the year ended June 30, 2020 as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements.



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 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements for the year ended June 30, 2020, and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated in all material respects, in relation to the basic financial statements as a whole for the year ended June 30, 2020.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 8, 2022, on our consideration of the City of Rawlins' internal control over financial reporting and on our tests of compliance with certain laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Rawlins' internal control over financial reporting or on compliance. The report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Rawlins' internal control over financial reporting and compliance.

Atlas CPAs & Advisors PLLC

Casper, Wyoming
April 8, 2022

CITY OF RAWLINS, WYOMING
MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2020

As management of the City of Rawlins, we offer readers of the City of Rawlins financial statements this narrative overview and analysis of the financial activities of the City of Rawlins for the fiscal year ended June 30, 2020.

Financial Highlights

- The assets of the City of Rawlins exceeded its liabilities at the close of the most recent fiscal year by \$61,375,433 (*net position*). Of this amount, \$9,845,281 (*unrestricted net position*) may be used to meet the government's ongoing obligations to citizens and creditors.
- At the end of the current fiscal year (FY 2019-2020), the City of Rawlins General Fund reported \$7,464,679 available for spending at the government's discretion (unassigned fund balance) and \$1,031,972 committed for future funding requirements. The City has also assigned \$8,083,781 (assigned fund balance) at the end of the fiscal year to be used for specific purposes, including \$4,000,000 of working capital reserve for the General Fund.
- The City of Rawlins General Fund Capital Equipment/Infrastructure total debt decreased by \$5,344 during the current fiscal year to a total of \$1,401. The City of Rawlins Enterprise Funds Capital Equipment/Infrastructure total debt decreased by \$837,202 during the current fiscal year to a total of \$7,343,723. All Enterprise debt is paid through the rates charged for water & sewer use and is set by the City of Rawlins.
- Last fiscal year (FY 2018-2019) the City received \$6,838,520 in sales and use taxes. For the fiscal year ending of June 30, 2020 the City received \$10,163,901 in sales and uses taxes, an increase of \$3,325,377 or 49%.
- Revenues from the Golf Course's two primary accounts (membership & pro-shop) decreased by \$3,044 or 10% when compared to FY 2018-2019.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City of Rawlins basic financial statements which comprise of three components: 1) government-wide financial statement, 2) fund financial statements, and 3) notes to the financial statements.

This report also contains other supplementary information in addition to the basic financial statements themselves.

CITY OF RAWLINS, WYOMING
MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2020

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

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

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

Both of the government-wide financial statements distinguished functions of the City of Rawlins 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 government activities of the City of Rawlins include general government, public safety, highways and streets, community development and culture and recreation. The business-type activities of the City of Rawlins include water, wastewater, landfill, and recycling. The government-wide financial statement can be found on pages 10 through 11 of this report.

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

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

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

CITY OF RAWLINS, WYOMING
MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2020

The City of Rawlins maintains 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 balance for the general fund, grants fund and capital projects fund, all of which are considered to be major funds. Data from other funds are combined into a single, aggregated presentation.

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

The basic governmental fund financial statements can be found on pages 12 through 15 of this report.

Proprietary funds. The City of Rawlins maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City of Rawlins uses enterprise funds to account for its water, sewer, landfill and recycling operations. Internal service funds are an accounting device used to accumulate and allocate cost internally among the City of Rawlins various functions. The City of Rawlins uses an internal service fund to account for the employee health insurance program. Because this service benefits governmental rather than business-type function, they have been included within *governmental activities* in the government-wide statements.

The basic proprietary fund financial statements can be found on pages 16 through 18 of this report.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the water, sewer, landfill, and recycling operations, all of which are considered to be major funds of the City of Rawlins.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 19 through 52 of this report.

Other information. Due to the City of Rawlins implementation of Government Accounting Standards Board (GASB) Statement No. 34, Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments, comparative analysis of government-wide data for the preceding fiscal year is included in this report.

CITY OF RAWLINS, WYOMING
MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2020

Government-wide Financial Analysis

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

City of Rawlins Net Position

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Current and Other assets	\$ 22,043,795	\$ 17,700,642	\$ 7,523,199	\$ 7,525,392	\$ 29,566,994	\$ 25,226,034
Capital assets	19,221,512	18,623,810	38,271,464	39,258,665	57,492,976	57,882,475
Deferred outflows	<u>1,421,658</u>	<u>3,351,734</u>	<u>63,949</u>	<u>336,673</u>	<u>1,485,607</u>	<u>3,688,407</u>
Total assets and deferred outflows	<u>42,686,965</u>	<u>39,676,186</u>	<u>45,858,612</u>	<u>47,120,730</u>	<u>88,545,577</u>	<u>86,796,916</u>
Current liabilities	465,406	6,745	780,505	8,891,024	1,245,911	8,897,769
Other liabilities	<u>9,130,906</u>	<u>11,863,578</u>	<u>9,504,951</u>	<u>2,481,395</u>	<u>18,635,857</u>	<u>14,344,973</u>
Total liabilities	<u>9,596,312</u>	<u>11,870,323</u>	<u>10,285,456</u>	<u>11,372,419</u>	<u>19,881,768</u>	<u>23,242,742</u>
Deferred inflows	<u>7,124,876</u>	<u>967,884</u>	<u>163,500</u>	<u>32,628</u>	<u>7,288,376</u>	<u>1,000,512</u>
Net position:						
Invested in capital assets	19,220,111	18,617,065	30,927,741	32,583,726	50,147,852	51,200,791
Restricted	68,740	575,638	1,313,560	1,309,067	1,382,300	1,884,705
Unrestricted	<u>6,676,926</u>	<u>7,645,276</u>	<u>3,168,355</u>	<u>1,822,890</u>	<u>9,845,281</u>	<u>9,468,166</u>
Total net position	<u>\$ 25,965,777</u>	<u>\$ 26,837,979</u>	<u>\$ 35,409,656</u>	<u>\$ 35,715,683</u>	<u>\$ 61,375,433</u>	<u>\$ 62,553,662</u>

Analysis of Net position

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City of Rawlins, assets exceeded liabilities by \$61,375,433 at the close of the most recent fiscal year. By far the largest portion of the City of Rawlins net position reflects its net investment of \$50,147,852 in capital assets (for example, land, buildings, infrastructure, machinery and equipment), net of related debt used to acquire those assets and that is still outstanding.

An additional portion of the City of Rawlins net position, \$1,382,300 represents resources that are subject to external restrictions on how they may be used.

The remaining balance of unrestricted net position in all City funds of \$9,845,281 may be used to meet the government's ongoing obligations to citizens and creditors. Specific expenditure restrictions apply to specific revenue funds and to many of the capital project funds.

At June 30, 2020, the City is able to report positive balances in all three categories of net position for the government as a whole and business-type activities.

CITY OF RAWLINS, WYOMING
MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2020

City of Rawlins Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Revenues:						
Program Revenues						
Charges for Services	\$ 5,303,634	\$ 3,802,558	\$ 5,117,836	\$ 5,283,158	\$ 10,421,470	\$ 9,085,716
Operating grants and contributions	823,177	1,413,105	-	-	823,177	1,413,105
Capital grants and contributions	112,808	135,251	-	-	112,808	135,251
General Revenues:						
Property Taxes	543,249	482,962	-	-	543,249	482,962
Other Taxes	11,985,258	9,243,842	-	-	11,985,258	9,243,842
Other Revenues	266,681	240,258	143,379	15,043	410,060	255,301
Transfers	<u>155,846</u>	<u>1,167,356</u>	<u>(155,846)</u>	<u>(1,167,356)</u>	<u>-</u>	<u>-</u>
Total revenues	<u>19,190,653</u>	<u>16,485,332</u>	<u>5,419,962</u>	<u>4,130,845</u>	<u>24,296,022</u>	<u>20,616,177</u>
Expenses:						
General government	4,509,387	3,979,445	-	-	4,509,387	3,979,445
Public Safety	6,996,870	4,913,481	-	-	6,996,870	4,913,481
Public Works	4,482,054	1,771,337	-	-	4,482,054	1,771,337
Health, welfare and recreation	2,147,790	1,799,183	-	-	2,147,790	1,799,183
Non-departmental	1,926,754	1,190,731	-	-	1,926,754	1,190,731
Water	-	-	3,166,619	2,964,641	3,166,619	2,964,641
Sewer	-	-	919,174	1,072,366	919,174	1,072,366
Landfill	-	-	1,168,514	1,249,234	1,168,514	1,249,234
Recycling	-	-	<u>157,089</u>	<u>164,651</u>	<u>157,089</u>	<u>164,651</u>
Total expenses	<u>20,062,855</u>	<u>13,654,177</u>	<u>5,411,396</u>	<u>5,450,892</u>	<u>25,474,251</u>	<u>19,105,069</u>
Total general revenues & transfers	<u>12,951,034</u>	<u>16,485,332</u>	<u>(12,467)</u>	<u>4,130,845</u>	<u>12,938,567</u>	<u>20,616,177</u>
Changes in net position	(872,202)	2,831,155	(306,027)	(1,320,047)	(1,178,229)	1,511,108
Net position - beginning	<u>26,837,979</u>	<u>24,006,824</u>	<u>35,715,683</u>	<u>37,035,730</u>	<u>62,553,662</u>	<u>61,042,554</u>
Net position - ending	<u>\$ 25,651,184</u>	<u>\$ 26,837,979</u>	<u>\$ 35,724,249</u>	<u>\$ 35,715,683</u>	<u>\$ 61,375,433</u>	<u>\$ 62,553,662</u>

Analysis of Changes in Net Position

The City of Rawlins net position decreased by \$1,178,229 during the current fiscal year as shown above.

CITY OF RAWLINS, WYOMING
MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2020

Capital Assets and Debt Administration

Capital asset and debt administration are discussed in Footnotes 3.C. and 3.E. to the financial statement in detail. A summary follows:

<u>Capital Assets</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
Land & construction in progress	\$ 2,551,948	\$ 2,597,136
Capital assets being depreciated	34,284,633	74,364,633
Accumulated depreciation	<u>(17,615,069)</u>	<u>(38,690,335)</u>
Net capital assets	<u>\$ 19,221,512</u>	<u>\$ 38,690,335</u>
Long-term debt	<u>\$ 1,401</u>	<u>\$ 8,106,923</u>

Economic Factors and Next Year's Budget

The City maintains a cautiously optimistic outlook going into FY 2020-2021 that revenues from Sales and Use tax will maintain their current levels. Therefore, the City plans at this time to hold course on current plans by limiting Capital projects to only needed items and to maintain current staffing levels through the FY 2020-2021 period. Additionally, the City is working on review of all revenue and expense areas to ensure sustainable operations to enable it to endure downturns in a more structured and planned manner to lower the amount of impact on services to citizens and stability to employees. The future project, the 1,000 Wind Turbine Farms, does not show any significant tax revenue increases related to the project at the current time. The City is continuing to monitor this project and will update as information becomes available.

Requests for Information

The financial report is designed to provide a general overview of the City of Rawlins finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be sent to City of Rawlins, Attention: Freedom of Information, 521 West Cedar, P.O. Box 953, Rawlins, WY 82301.

CITY OF RAWLINS, WYOMING
STATEMENT OF NET POSITION
June 30, 2020

	Primary Government		
	Governmental Activities	Business - Type Activities	Total
ASSETS			
CURRENT ASSETS			
Cash and equivalents	\$ 14,562,690	\$ 5,484,644	\$ 20,047,334
Investments, at fair value	5,194,307	1,313,560	6,507,867
Receivables:			
Accounts receivable	171,952	542,469	714,421
Taxes receivable	1,495,744	-	1,495,744
Unbilled receivable	-	182,526	182,526
Interfund advances receivable	516,766	-	516,766
Inventories	26,030	-	26,030
Prepays	76,306	-	76,306
TOTAL CURRENT ASSETS	22,043,795	7,523,199	29,566,994
CAPITAL ASSETS			
Land	2,551,948	-	2,551,948
Construction in progress	-	2,597,136	2,597,136
Buildings and improvements	12,297,183	69,437,895	81,735,078
Infrastructure	10,054,954	-	10,054,954
Furniture and equipment	11,932,496	4,926,768	16,859,264
Less Accumulated depreciation	(17,615,069)	(38,690,335)	(56,305,404)
NET CAPITAL ASSETS	19,221,512	38,271,464	57,492,976
TOTAL ASSETS	41,265,307	45,794,663	87,059,970
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pensions	1,421,658	63,949	1,485,607
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 42,686,965	\$ 45,858,612	\$ 88,545,577
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION			
CURRENT LIABILITIES			
Accounts payable	\$ 211,931	\$ 219,786	\$ 431,717
Accrued payroll	252,074	40,833	292,907
Accrued interest	-	145,483	145,483
Notes payable - current portion	-	374,403	374,403
Capital leases - current portion	1,401	-	1,401
TOTAL CURRENT LIABILITIES	465,406	780,505	1,245,911
LONG-TERM LIABILITIES			
Interfund advances payable	-	516,766	516,766
Accrued compensated absences	1,405,569	324,055	1,729,624
Closure and post closure costs	-	763,200	763,200
Net pension liability	7,725,337	931,610	8,656,947
Notes payable - long-term	-	6,969,320	6,969,320
TOTAL LONG-TERM LIABILITIES	9,130,906	9,504,951	18,635,857
TOTAL LIABILITIES	\$ 9,596,312	\$ 10,285,456	\$ 19,881,768
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to pensions	\$ 7,124,876	\$ 163,500	\$ 7,288,376
NET POSITION			
Net Investment in Capital Assets	\$ 19,220,111	\$ 30,927,741	\$ 50,147,852
Restricted	68,740	1,313,560	1,382,300
Unrestricted	6,676,926	3,168,355	9,845,281
TOTAL NET POSITION	\$ 25,965,777	\$ 35,409,656	\$ 61,375,433

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

CITY OF RAWLINS, WYOMING
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2020

FUNCTIONS/PROGRAMS	PROGRAM REVENUES			NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	PRIMARY GOVERNMENT		
					Governmental Activities	Business-type Activities	Total
Governmental Activities							
Executive - City Manager	\$ 882,863	\$ -	\$ -	\$ -	\$ (882,863)	\$ (882,863)	
Administrative services	1,482,656	-	-	-	(1,482,656)	(1,482,656)	
Legal and judicial	882,539	1,560	7,488	-	(873,491)	(873,491)	
Police	3,947,009	-	-	-	(3,947,009)	(3,947,009)	
General government	3,626,524	4,339,927	815,689	-	1,529,092	1,529,092	
Fire	2,167,322	-	-	-	(2,167,322)	(2,167,322)	
Engineering and development	1,121,832	411,092	-	-	(710,740)	(710,740)	
Highways and streets	1,434,492	6,091	-	-	(1,428,401)	(1,428,401)	
Animal control	372,098	135,074	-	112,808	(124,216)	(124,216)	
Health welfare	35,610	29,651	-	-	(5,959)	(5,959)	
Parks and recreation	2,112,180	369,704	-	-	(1,742,476)	(1,742,476)	
Building maintenance	884,510	-	-	-	(884,510)	(884,510)	
Cemetery	-	10,535	-	-	10,535	10,535	
Public works	1,041,220	-	-	-	(1,041,220)	(1,041,220)	
Nonprofit agency	72,000	-	-	-	(72,000)	(72,000)	
TOTAL GOVERNMENTAL ACTIVITIES	20,062,855	5,303,634	823,177	112,808	(13,823,236)	(13,823,236)	
Business - Type Activities							
Current:							
Water	3,166,619	2,109,664	-	-	-	(1,056,955)	
Sewer	919,174	1,083,082	-	-	-	163,908	
Landfill	1,168,514	1,774,261	-	-	-	605,747	
Recycling	157,089	150,829	-	-	-	(6,260)	
TOTAL BUSINESS-TYPE ACTIVITIES	5,411,396	5,117,836	-	-	-	(293,560)	
TOTAL PRIMARY GOVERNMENT	\$ 25,474,251	\$ 10,421,470	\$ 823,177	\$ 112,808	(13,823,236)	(293,560)	
GENERAL REVENUES							
Taxes:							
Property taxes					543,249	543,249	
Franchise taxes					661,269	661,269	
Sales and use taxes					10,163,901	10,163,901	
Specific purpose taxes					25,101	25,101	
Cigarette taxes					47,645	47,645	
State gasoline taxes					432,795	432,795	
Severance taxes					654,547	654,547	
Miscellaneous income					158,909	126,887	
Interest income					107,772	16,492	
Transfers					155,846	(155,846)	
TOTAL GENERAL REVENUES AND TRANSFERS					12,951,034	(12,467)	
CHANGE IN NET POSITION					(872,202)	(306,027)	
NET POSITION - Beginning of Year					26,837,979	35,715,683	
NET POSITION - End of Year					\$ 25,965,777	\$ 35,409,656	

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

CITY OF RAWLINS, WYOMING
BALANCE SHEET - GOVERNMENTAL FUNDS
June 30, 2020

	GENERAL	NON-MAJOR GOVERNMENTAL FUNDS	TOTAL
ASSETS			
Cash and cash equivalents	\$ 10,111,326	\$ 419,609	\$ 10,530,935
Investments, at fair value	5,194,307	-	5,194,307
Receivables:			
Taxes	1,445,171	-	1,445,171
Accounts	171,952	-	171,952
Interfund advances	516,766	-	516,766
Inventories	26,030	-	26,030
Prepays	76,306	-	76,306
TOTAL ASSETS	\$ 17,541,858	\$ 419,609	\$ 17,961,467
LIABILITIES			
Accounts payable	90,249	-	90,249
Accrued payroll	252,074	-	252,074
TOTAL LIABILITIES	342,323	-	342,323
FUND BALANCE			
Nonspendable	619,102	-	619,102
Restricted	-	68,740	68,740
Committed	1,031,972	-	1,031,972
Assigned	8,083,781	-	8,083,781
Unassigned	7,464,679	350,869	7,815,548
TOTAL FUND BALANCE	17,199,535	419,609	17,619,144
TOTAL LIABILITIES AND FUND BALANCE	\$ 17,541,858	\$ 419,609	\$ 17,961,467

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

CITY OF RAWLINS, WYOMING
RECONCILIATION OF THE STATEMENT OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
June 30, 2020

Total Fund Balances - Governmental Funds		\$ 17,619,144
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		
Capital assets	36,836,581	
Less: Accumulated depreciation	<u>(17,615,069)</u>	19,221,512
Deferred outflows of resources related to pensions are not current financial resources and are not reported in the governmental funds.		
		1,421,658
Deferred inflows of resources related to pensions are not current financial resources and are not reported in the governmental funds.		
		(7,124,876)
Long-term receivables applicable to governmental activities are not due and collectible in the current period and therefore the long-term portion is not reported in the governmental funds.		
		50,573
Some liabilities, including long-term debt, are not due and payable in the current period and therefore, are not reported in the funds:		
Compensated absences	(1,405,569)	
Capital leases payable	(1,401)	
Net pension liability	<u>(7,725,337)</u>	(9,132,307)
The internal service fund is used by management to charge the cost of self-insurance to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net position.		
		<u>3,910,073</u>
NET POSITION OF GOVERNMENTAL ACTIVITIES		<u><u>\$ 25,965,777</u></u>

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

CITY OF RAWLINS, WYOMING
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2020

	GENERAL	NON-MAJOR GOVERNMENTAL FUNDS	TOTAL
REVENUES			
Taxes and special assessments	\$ 12,851,050	\$ 25,101	\$ 12,876,151
Intergovernmental	1,752,016	253,445	2,005,461
Charges for services	755,935	-	755,935
Investment income	73,421	272	73,693
Miscellaneous	162,857	110,288	273,145
TOTAL REVENUES	15,595,279	389,106	15,984,385
EXPENDITURES			
Current:			
General government	3,109,243	-	3,109,243
Public safety and transportation	3,733,025	-	3,733,025
Public works	414,899	-	414,899
Highways and streets	805,222	32,143	837,365
Health and welfare	229,986	-	229,986
Culture and recreation	1,702,844	120,444	1,823,288
Capital outlay	1,254,706	500,000	1,754,706
Debt service:			
Principal retirement	5,336	-	5,336
TOTAL EXPENDITURES	11,255,261	652,587	11,907,848
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	4,340,018	(263,481)	4,076,537
OTHER FINANCING SOURCES (USES)			
Transfers in	2,168,368	411,660	2,580,028
Transfers out	(1,658,433)	(765,749)	(2,424,182)
TOTAL FINANCING SOURCES (USES)	509,935	(354,089)	155,846
NET CHANGE IN FUND BALANCE	4,849,953	(617,570)	4,232,383
FUND BALANCE, Beginning	12,349,582	1,037,179	13,386,761
FUND BALANCE, Ending	<u>\$ 17,199,535</u>	<u>\$ 419,609</u>	<u>\$ 17,619,144</u>

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

CITY OF RAWLINS, WYOMING
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2020

Net change in fund balances - total governmental funds	\$	4,232,383
<p>Amounts reported for governmental activities in the statement of activities are different because:</p>		
<p>Governmental funds report capital outlays as expenditures. However, in the statement of net position the cost of these assets is capitalized and they are depreciated over their estimated useful lives and reported as depreciation expense in the statement of activities.</p>		
Capital outlay is reported as an expenditure in the fund financial statement but is capitalized in the government-wide financial statements		1,754,706
Depreciation is reported in the government-wide financial statements		(1,157,004)
<p>Debt issued provides current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position</p>		
Principal repaid		5,336
<p>Some expenses in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.</p>		
Compensated absences		(131,027)
Net pension liability		2,077,595
Deferred outflows of resources related to pensions		(1,930,038)
Deferred inflows of resources related to pensions		(6,156,992)
<p>Internal service funds are used by management to charge self insurance costs to individual funds. The change in net position of the internal service fund reported with governmental activities</p>		
		432,839
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES		(872,202)

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

CITY OF RAWLINS, WYOMING
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2020

	Business-Type Activities - Proprietary Funds					Governmental
	WATER	SEWER	LANDFILL	RECYCLING	TOTAL	INTERNAL SERVICE FUND
ASSETS						
CURRENT ASSETS						
Cash and cash equivalents	\$ 2,501,401	\$ 1,569,909	\$ 1,282,980	\$ 130,354	\$ 5,484,644	\$ 4,031,755
Investments, at fair value	1,313,560	-	-	-	1,313,560	-
Receivables:						
Accounts	233,497	96,200	199,069	13,703	542,469	-
Unbilled receivable	110,904	17,735	52,878	1,009	182,526	-
TOTAL CURRENT ASSETS	<u>4,159,362</u>	<u>1,683,844</u>	<u>1,534,927</u>	<u>145,066</u>	<u>7,523,199</u>	<u>4,031,755</u>
CAPITAL ASSETS						
Construction in progress	2,515,019	-	82,117	-	\$ 2,597,136	-
Buildings and improvements	59,745,899	8,849,491	842,505	-	69,437,895	-
Furniture and equipment	2,172,024	1,456,296	1,298,448	-	4,926,768	-
Less Accumulated depreciation	<u>(33,451,790)</u>	<u>(4,074,225)</u>	<u>(1,164,320)</u>	<u>-</u>	<u>(38,690,335)</u>	<u>-</u>
NET CAPITAL ASSETS	<u>30,981,152</u>	<u>6,231,562</u>	<u>1,058,750</u>	<u>-</u>	<u>38,271,464</u>	<u>-</u>
TOTAL ASSETS	<u>35,140,514</u>	<u>7,915,406</u>	<u>2,593,677</u>	<u>145,066</u>	<u>45,794,663</u>	<u>4,031,755</u>
DEFERRED OUTFLOWS OF RESOURCES						
Deferred outflows related to pensions	32,646	14,702	12,102	4,499	63,949	-
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION						
CURRENT LIABILITIES						
Accounts payable	211,631	4,426	3,622	107	219,786	1,165
Accrued payroll	18,273	9,574	9,828	3,158	40,833	-
Accrued interest	127,261	18,222	-	-	145,483	-
Benefit claims incurred but not reported	-	-	-	-	-	120,517
Notes payable - current portion	219,106	100,908	54,389	-	374,403	-
TOTAL CURRENT LIABILITIES	<u>576,271</u>	<u>133,130</u>	<u>67,839</u>	<u>3,265</u>	<u>780,505</u>	<u>121,682</u>
LONG-TERM LIABILITIES						
Interfund advances payable	-	516,766	-	-	516,766	-
Accrued compensated absences	186,339	72,949	55,371	9,396	324,055	-
Closure and post closure costs	-	-	763,200	-	763,200	-
Net pension liability	475,585	214,177	176,300	65,548	931,610	-
Notes payable - long-term	5,141,952	902,761	924,607	-	6,969,320	-
TOTAL LONG-TERM LIABILITIES	<u>5,803,876</u>	<u>1,706,653</u>	<u>1,919,478</u>	<u>74,944</u>	<u>9,504,951</u>	<u>-</u>
TOTAL LIABILITIES	<u>6,380,147</u>	<u>1,839,783</u>	<u>1,987,317</u>	<u>78,209</u>	<u>10,285,456</u>	<u>121,682</u>
DEFERRED INFLOWS OF RESOURCES						
Deferred inflows related to pensions	83,466	37,588	30,942	11,504	163,500	-
NET POSITION						
Net investment in capital assets	25,620,094	5,227,893	79,754	-	30,927,741	-
Restricted investments	1,313,560	-	-	-	1,313,560	-
Unrestricted	1,775,893	824,844	507,766	59,852	3,168,355	3,910,073
TOTAL NET POSITION	<u>\$ 28,709,547</u>	<u>\$ 6,052,737</u>	<u>\$ 587,520</u>	<u>\$ 59,852</u>	<u>\$ 35,409,656</u>	<u>\$ 3,910,073</u>

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

CITY OF RAWLINS, WYOMING
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION -
ENTERPRISE FUNDS
For the Year Ended June 30, 2020

	Business-Type Activities - Enterprise Funds					Governmental Activities
	WATER	SEWER	LANDFILL	RECYCLING	TOTAL	INTERNAL SERVICE FUND
OPERATING REVENUES						
Charges to customers	\$ 2,109,664	\$ 1,083,082	\$ 1,774,261	\$ 150,829	\$ 5,117,836	\$ 3,040,487
Other income	77,913	27,306	21,668	-	126,887	-
TOTAL OPERATING REVENUES	2,187,577	1,110,388	1,795,929	150,829	5,244,723	3,040,487
OPERATING EXPENSES						
Personal services	800,358	332,134	326,580	135,572	1,594,644	-
Contractual services	247,495	18,646	297,188	-	563,329	-
Utilities	136,222	110,677	7,467	12,624	266,990	-
Repair and maintenance	137,212	15,901	22,466	3,487	179,066	-
Other supplies and expenses	142,004	65,320	434,881	5,406	647,611	-
Depreciation expense	1,498,913	279,394	79,932	-	1,858,239	-
Benefit payments	-	-	-	-	-	2,641,691
TOTAL OPERATING EXPENSES	2,962,204	822,072	1,168,514	157,089	5,109,879	2,641,691
NET INCOME (LOSS) FROM OPERATIONS	(774,627)	288,316	627,415	(6,260)	134,844	398,796
NON-OPERATING REVENUE (EXPENSE)						
Investment income	11,779	785	3,853	75	16,492	34,043
Interest expense	(204,415)	(97,102)	-	-	(301,517)	-
TOTAL NON-OPERATING REVENUE (EXPENSE)	(192,636)	(96,317)	3,853	75	(285,025)	34,043
INCOME (LOSS) BEFORE TRANSFERS	(967,263)	191,999	631,268	(6,185)	(150,181)	432,839
TRANSFERS						
Transfers in	769,422	46,773	-	-	816,195	-
Transfers out	(532,042)	(202,399)	(220,379)	(17,221)	(972,041)	-
	237,380	(155,626)	(220,379)	(17,221)	(155,846)	-
CHANGE IN NET POSITION	(729,883)	36,373	410,889	(23,406)	(306,027)	432,839
NET POSITION, Beginning	29,439,430	6,016,364	176,631	83,258	35,715,683	3,477,234
NET POSITION, Ending	\$ 28,709,547	\$ 6,052,737	\$ 587,520	\$ 59,852	\$ 35,409,656	\$ 3,910,073

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

CITY OF RAWLINS, WYOMING
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended June 30, 2020

	Business-Type Activities - Proprietary Funds					Governmental
	WATER	SEWER	LANDFILL	RECYCLING	TOTAL	INTERNAL SERVICE FUND
CASH FLOWS FROM OPERATING ACTIVITIES:						
Receipts from customers	\$ 2,109,664	\$ 1,083,082	\$ 1,774,261	\$ 150,829	\$ 5,117,836	\$ 3,040,487
Other operating cash receipts	77,913	27,306	21,668	-	126,887	-
Payments to suppliers	(580,858)	(222,491)	(672,808)	(22,521)	(1,498,678)	-
Payments to employees	(743,622)	(378,748)	(309,216)	(125,554)	(1,557,140)	(2,708,531)
NET CASH PROVIDED BY OPERATING ACTIVITIES	863,097	509,149	813,905	2,754	2,188,905	331,956
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:						
Transfers, net	237,380	(155,626)	(220,379)	(17,221)	(155,846)	-
Proceeds from interfund accounts	-	(46,775)	-	-	(46,775)	-
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	237,380	(202,401)	(220,379)	(17,221)	(202,621)	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:						
Purchases of capital assets	(773,285)	-	(97,753)	-	(871,038)	-
Principal payments on notes payable	(211,746)	(98,467)	(526,989)	-	(837,202)	-
NET CASH USED BY CAPITAL AND RELATED FINANCING ACTIVITIES	(985,031)	(98,467)	(624,742)	-	(1,708,240)	-
CASH FLOWS FROM INVESTING ACTIVITIES:						
Investment income	7,287	785	3,853	75	12,000	34,043
Interest expense	(204,415)	(97,102)	-	-	(301,517)	-
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	(197,128)	(96,317)	3,853	75	(289,517)	34,043
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(81,682)	111,964	(27,363)	(14,392)	(11,473)	365,999
CASH AND CASH EQUIVALENTS, Beginning of Year	2,583,083	1,457,945	1,310,343	144,746	5,496,117	3,665,756
CASH AND CASH EQUIVALENTS, End of Year	<u>\$ 2,501,401</u>	<u>\$ 1,569,909</u>	<u>\$ 1,282,980</u>	<u>\$ 130,354</u>	<u>\$ 5,484,644</u>	<u>\$ 4,031,755</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES						
Operating income (loss)	\$ (774,627)	\$ 288,316	\$ 627,415	\$ (6,260)	\$ 134,844	\$ 398,796
ADJUSTMENTS TO RECONCILE OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES:						
Depreciation	1,498,913	279,394	79,932	-	1,858,239	-
Changes in assets and liabilities: (Increase) decrease in:						
Accounts receivable	(28,603)	3,990	35,393	(617)	10,163	-
Unbilled receivable	(21,452)	455	6,055	(8)	(14,950)	-
Deferred outflows related to pensions	129,964	77,381	48,925	16,454	272,724	-
Increase (decrease) in:						
Accounts payable	132,130	(16,392)	(5,354)	(379)	110,005	1,165
Benefit claims incurred but not reported	-	-	-	-	-	(68,005)
Landfill closure costs	-	-	53,100	-	53,100	-
Net pension liability	(151,926)	(141,168)	(59,204)	(15,309)	(367,607)	-
Compensated absences	10,991	(11,491)	2,615	(600)	1,515	-
Deferred inflows related to pensions	67,707	28,664	25,028	9,473	130,872	-
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ 863,097</u>	<u>\$ 509,149</u>	<u>\$ 813,905</u>	<u>\$ 2,754</u>	<u>\$ 2,188,905</u>	<u>\$ 331,956</u>

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

CITY OF RAWLINS, WYOMING
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020

INDEX

- NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
- A. Financial Reporting Entity
 - B. Basis of Presentation
 - C. Measurement Focus and Basis of Accounting
 - D. Assets, Liabilities, and Equity
 - E. Revenues, Expenditures, and Expenses
 - F. Budgetary Data
- NOTE 2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY
- A. Fund Accounting Requirements
 - B. Compliance with Finance Related and Legal Contractual Provisions
 - C. Excess of Expenditures over Appropriation in Individual Funds
- NOTE 3. DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS
- A. Cash and Investments
 - B. Accounts Receivable
 - C. Capital Assets
 - D. Accounts Payable
 - E. Long-term Debt
 - F. Landfill Closure and Post-closure Costs
 - G. Interfund Transactions and Balances
- NOTE 4. OTHER NOTES
- A. Employee Pension Plans
 - B. Risk Management – Claims and Judgments
 - C. Operating Leases
 - D. Commitments and Contingencies

CITY OF RAWLINS, WYOMING
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Rawlins, Wyoming (the City) complies with generally accepted accounting principles (GAAP). GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements. In the government-wide financial statements and the fund financial statements for the proprietary funds, Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, have been applied unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB prevails. For enterprise funds, GASB Statement Nos. 20 and 34 provide the City the option of electing to apply FASB pronouncements issued after November 30, 1989. The City has elected not to apply those pronouncements. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent subsections of this Note.

1.A. FINANCIAL REPORTING ENTITY

The City's financial reporting entity comprises the following:

Primary Government:	City of Rawlins
---------------------	-----------------

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

The City is a municipal corporation governed by seven elected council members. The mayor is appointed for a two-year term by the city council members. The City serves as the nucleus for the reporting entity under the provision of GASB Statement No. 14, *The Financial Reporting Entity*, for its basic financial statements. Using this premise, the City is not financially accountable for any other organizations and thus, includes only the financial activity of the various funds of the City within its basic financial statements. The City has no component units nor is it a component unit of any other government.

1.B. BASIS OF PRESENTATION

Government-wide Financial Statements

The government-wide financials (i.e., the Statement of Net Position and Statement of Activities) display information about the reporting government as a whole. They include all funds of the reporting entity except for fiduciary funds. The statements distinguish between governmental and business-type activities. *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 charged to external parties for goods or services.

CITY OF RAWLINS, WYOMING
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020

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

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

Fund Financial Statements

Fund financial statements of the reporting entity are organized into funds, each of which are considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, liabilities, fund equity, revenues, and expenditure/expenses.

Funds are organized into two major categories: governmental and proprietary. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the City or meets the following criteria:

1. Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type; and
2. Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental fund or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

The funds of the financial reporting entity are described below:

Governmental Funds

The City reports the following major governmental funds:

General Fund

The General Fund is the primary operating fund of the City and is always classified as a major fund. It is used to account for all activities except those legally or administratively required to be accounted for in other funds.

CITY OF RAWLINS, WYOMING
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020

The City reports the following non-major governmental funds:

Capital Facilities Tax Fund

The Capital Facilities Tax Fund is a capital projects fund that accounts for financial resources restricted for the acquisition or construction of major capital facilities.

Grants Fund

The Grants Fund is a special revenue fund that accounts for monies pertaining to various Federal and State grants.

Downtown Development Authority

The Downtown Development Authority was created to administer funds collected for the purpose of the beautification of the downtown area of the City of Rawlins. The Authority is under the direct supervision and control of a nine member board appointed by the City Council.

Proprietary Funds

Enterprise Funds

Enterprise Funds are used to account for business-like activities provided to the general public. These activities are financed primarily by user charges and the measurement of financial activity focuses on net income measurement similar to the private sector. The reporting entities include the Water, Sewer, Landfill, and Recycling funds.

The City reports the following major enterprise funds:

Water Fund

The Water Fund accounts for the activities of the City's water distribution system.

Sewer Fund

The Sewer Fund accounts for the activities of the City's sewage treatment plant and sewage collection system.

Landfill Fund

The Landfill Fund accounts for the activities of the City's landfill system.

CITY OF RAWLINS, WYOMING
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020

Recycling Fund

The Recycling Fund accounts for the activities of the City's recycling center.

Internal Service Fund

The Internal Service Fund is used to account for the financing of employee health insurance.

1.C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

Measurement focus is a term used to describe *which* transactions are recorded within the various financial statements. Basis of accounting refers to *when* transactions are recorded regardless of the measurement focus applied.

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary funds. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. All assets and liabilities (whether current or non-current) associated with their activities are reported. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange-like transactions are recognized when the exchange takes place. Property taxes are recognized as revenues 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*. Their operating statements present sources and uses of available spendable financial resources during a given period. Only current financial assets and liabilities are generally included on their balance sheets. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

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

CITY OF RAWLINS, WYOMING
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020

All proprietary funds utilize the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic assets used.

1.D. ASSETS, LIABILITIES, AND EQUITY

Equity in Pooled Cash and Investments

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

Cash and Investments

The City's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with an original maturity of three months or less. Additionally, investments in long-term designations and investments in WYOSTAR are considered to be cash equivalents due to the City's ability to withdraw the investments at any time.

Investments are carried at fair value except for short-term U.S. Treasury obligations with a remaining maturity at the time of purchase of one year or less. Those investments are reported at amortized cost. Fair value is determined using the latest bid price or by the closing exchange price at the statements of net position date. Additional cash and investment disclosures are presented in Note 3.A.

Interfund Receivables and Payables

During the course of operations, numerous transactions occur between individual funds that may result in amounts owed between funds. Those related to goods and services type transactions are classified as "due to and from other funds." Short-term interfund loans are reported as "interfund receivables and payables." Long-term interfund loans (noncurrent portion) are reported as "advances from and to other funds." Interfund receivables and payables between funds within governmental activities are eliminated in the Statement of Net Position. See Note 3.G. for details of interfund transactions, including receivables and payables at year-end.

CITY OF RAWLINS, WYOMING
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020

Receivables

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable. Major receivable balances for the governmental activities include sales and use taxes, franchise taxes, grants, police fines, and ambulance fees. Business-type activities report utilities and interest earnings as their major receivables.

In the fund financial statements, material receivables in governmental funds include revenue accruals such as sales tax, franchise tax, and grants and other similar intergovernmental revenues since they are usually both measurable and available. Non-exchange transactions collectible but not available are deferred in the fund financial statements in accordance with modified accrual basis, but not deferred in the government-wide financial statements in accordance with the accrual basis. Interest and investment earnings are recorded when earned only if paid within 60 days since they would be considered both measurable and available. Proprietary fund material receivables consist of all revenues earned at year-end and not yet received. Utility accounts receivable and interest earnings compose the majority of proprietary fund receivables. Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable.

Capital Assets

The accounting treatment over property, plant, and equipment (capital assets) depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements. Capital assets are defined by the City as assets with an initial, individual cost of \$1,000 or more and an estimated useful life in excess of two years.

Government-wide Statements

In the government-wide financial statements, property, plant and equipment are accounted for as capital assets. All capital assets are valued at historical cost or estimated historical cost if actual is unavailable, except for donated property, plant and equipment which are recorded at their estimated fair value at the date of donation. Estimated historical cost was used to value the majority of the assets acquired prior to June 30, 2003.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

CITY OF RAWLINS, WYOMING
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020

Buildings	25–40 years
Improvements	10–40 years
Machinery and Equipment	5–20 years
Utility System	25–40 years
Infrastructure	20–40 years

Fund Financial Statements

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Capital assets used in proprietary fund operations are accounted for the same as in the government-wide statements.

Deferred Outflows and Inflows of Resources

Deferred outflows of resources are reductions of net position or fund balance that relate to a future period. Various GASB statements define transactions that should be reported as deferred outflows of resources. For statements to which the economic resources measurement focus and accrual basis of accounting are applied, the City treats certain amounts related to pensions as deferred outflows of resources.

Deferred inflows of resources are increases of net position or fund balance that relate to a future period. Various GASB statements define transactions that should be reported as deferred inflows of resources. For statements to which the economic resources measurement focus and accrual basis of accounting are applied, the City treats certain amounts related to pensions as deferred inflows of resources.

Long-term Debt

The accounting treatment of long-term debt depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

All long-term debt to be repaid from governmental and business-type resources is reported as liabilities in the government-wide statements. The long-term debt consists primarily of notes payable, accrued compensated absences, and a court-assessed judgment.

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest reported as expenditures. The accounting for proprietary funds is the same in the fund statements as it is in the government-wide statements.

CITY OF RAWLINS, WYOMING
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020

Compensated Absences

The City's policies regarding vacation time permits employees to accumulate earned but unused vacation leave. The liability for these compensated absences is recorded as long-term debt in the government-wide statements. In the fund financial statements, governmental funds report only the compensated absence liability payable from expendable available financial resources as they are considered matured, while the proprietary funds report the liability as it is incurred.

Deferred Revenue

Deferred revenues arise when potential revenue does not meet both the measurable and available criteria for recognition in the current period. Deferred revenues also arise when resources are received by the City before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, the liability for deferred revenue is removed and the revenue is recognized.

Equity Classifications

Government-wide Statements

The Government Accounting Standards Board (GASB) has issued Statement No. 54 "Fund Balance Reporting and Governmental Type Definitions." The objective of this Statement is to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions. This Statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds.

The initial distinction that is made in reporting fund balance information is identifying amounts that are considered Nonspendable, such as a fund balance associated with inventories. This Statement also provides for additional classifications as restricted, committed, assigned, and unassigned based on the relative strength of the constraints that control how specific amounts can be spent. The definitions used by the City to distinguish fund allocations are as follows:

Nonspendable – The nonspendable fund balance classification includes amounts that cannot be spent because they are either (1) not in spendable form (2) legally or contractually required to be maintained intact.

Restricted – The restricted fund balance classification includes amounts that are (1) externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments; or (2) imposed by law through constitutional provisions or enabling legislation.

CITY OF RAWLINS, WYOMING
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020

Committed – The committed fund balance classification includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government’s highest level of decision-making authority, i.e. State of Wyoming or Granting Federal Agency.

Assigned – The assigned fund balance classification includes amounts constrained by the government’s intent (City Council) to be used for specific purposes, but are neither restricted nor committed.

Unassigned – The unassigned fund balance classification is the residual classification for the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund.

When restricted and other fund balance resources are available for use, it is the City’s policy to use restricted resources first, followed by committed, assigned, and unassigned amounts, respectively.

Equity is classified as net position and displayed in three components:

1. Net investment in capital assets—Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
2. Restricted net position—Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
3. Unrestricted net position—All other net position that do not meet the definition of “restricted” or “net investment in capital assets.”

Fund Statements

Governmental fund equity is classified as fund balance. Fund balance is further classified as restricted and committed, with committed further split between assigned and unassigned. Proprietary fund equity is classified the same as in the government-wide statements.

CITY OF RAWLINS, WYOMING
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020

1.E. REVENUES, EXPENDITURES, AND EXPENSES

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 program revenues. Likewise, general revenues include all taxes.

Sales Tax

The City presently receives 28% of a four-cent sales tax on taxable sales within the City. The sales tax is collected by the Wyoming Department of Revenue and remitted to the City in the month following receipt by the Department of Revenue. The Department of Revenue receives the sales tax approximately one month after collection by vendors. The sales tax is recorded entirely in the General Fund. Sales taxes collected by the State in June and July (which represent sales for May and June) and received by the City in July and August have been accrued and are included under the caption "Accounts receivable."

In addition, Carbon County has opted to collect an additional one percent tax. The City's distribution of the option sales tax is dependent upon population.

Use Tax

The City receives 28% of a four-cent use tax on personal property purchased outside the city limits but stored, used, or consumed within the city. The use tax is collected by the Wyoming Department of Revenue and remitted to the City in the month following receipt by the Department of Revenue, which is one month after the tax is received from the vendors. The use taxes are allocated entirely to the General Fund. Use taxes collected by the State in June and July and received by the City in July and August are included under the caption "Accounts receivable."

Property Tax

Property taxes are assessed and computed by the County Assessor and are levied, collected, and distributed to the City by the County Treasurer. Property taxes are levied on the third Monday in August each year and are collectible in two installments. Installments are due on September 1 and March 1. Property taxes attach an enforceable lien on the property if the payment is not made by September 1. Because property taxes are levied and collected in different fiscal years, accrual or deferral is necessary.

CITY OF RAWLINS, WYOMING
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020

Operating Revenues and Expenses

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

Expenditures/Expenses

In the government-wide financial statements, expenses are classified by function for both governmental and business-type activities.

In the fund financial statements, expenditures are classified as follows:

Governmental Funds - By Character: Current (further classified by function)

- Capital outlay
- Debt service

Proprietary Fund - By Operating and Nonoperating

In the fund financial statements, governmental funds report expenditures of financial resources. Proprietary funds report expenses relating to use of economic resources.

Interfund Transfers

Permanent reallocations of resources between funds of the reporting entity are classified as interfund transfers. For the purposes of the Statement of Activities, all interfund transfers between individual governmental funds have been eliminated.

Use of Estimates

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

Subsequent Events

In preparing the financial statements, the City has evaluated events and transactions for potential disclosure through April 8, 2022, the date the financial statements were available to be issued. No events have occurred subsequent to June 30, 2020 that would require disclosure, except those noted below.

CITY OF RAWLINS, WYOMING
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020

On January 3, 2020, the World Health Organization declared the coronavirus outbreak a "Public Health Emergency of International Concern" and on March 11, 2020, declared it to be a pandemic. On March 27, 2020, the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) was enacted to amongst other provisions, provide emergency assistance for individuals, families and businesses affected by the coronavirus pandemic. The City may be adversely affected through governmental and business closures resulting in a reduction of labor demand or supplies shortages. The City will continue to monitor the situation surrounding COVID-19 and evaluate the impact it will have on future operations.

1.F. BUDGETARY DATA

Budgetary Policy

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

Following are the summarized budget amendments for the year ended June 30, 2020:

Expenses:

General fund	Decrease \$500,000
Recreation services fund	Increase \$125,000
Capital facilities tax fund	Increase \$500,000
Grants fund	Decrease \$1,855,000
Water fund	Increase \$1,760,000
Landfill fund	Increase \$16,000

CITY OF RAWLINS, WYOMING
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020

Revenues:

Grants fund	Decrease \$1,855,000
Recreation services fund	Increase \$125,000
Water fund	Increase \$1,730,000
Landfill fund	Increase \$16,000

NOTE 2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

By its nature as a local government unit, the City is subject to various federal, state and local laws and contractual regulations. An analysis of the City's compliance with significant laws and regulations and demonstration of its stewardship over the City include the following:

2.A. FUND ACCOUNTING REQUIREMENTS

The City complies with all state and local laws and regulations requiring the use of separate funds. Currently, the City is not legally required to use separate funds.

2.B. COMPLIANCE WITH FINANCE RELATED AND LEGAL CONTRACTUAL PROVISIONS

The City has no material violations of finance related legal contractual provisions.

2.C. EXCESS OF EXPENDITURES OVER APPROPRIATIONS IN INDIVIDUAL FUNDS

At June 30, 2020, there were no instances of excess expenditures over appropriations.

NOTE 3. DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS

3.A. CASH AND INVESTMENTS

Wyoming Statute 9-4-817 authorizes agencies of the State to deposit public funds in financial institutions authorized to do business in the state of Wyoming. These deposits must be fully insured by the Federal Deposit Insurance Corporation (FDIC) or secured by a pledge of assets including bonds, debentures and other securities in which the State Treasurer may by law invest in. Alternatively, a depository may pledge to deposits with conventional real estate mortgages and loans connected with mortgages at a ratio of one and one half (1 ½ :1) of the value of public funds secured by the securities.

The City does not have a formal policy for their investments. A significant portion of the City's investment activity is conducted in a pooled investment account with the State of Wyoming, State Treasurer's office. The State Treasurer's Investment Pool (WYOSTAR) operated in accordance with appropriate state laws and regulations. The reported value of the pool is the same as the fair value of the pool shares.

CITY OF RAWLINS, WYOMING
NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2020

Deposits

At June 30, 2020, the City's deposits in financial institutions were fully insured with a combination of FDIC insurance and pledged collateral held in the name of the City. All deposits were held by a qualified depository as outlined in the state statutes.

At June 30, 2020, the City had \$5,372,913 on deposit with WYOSTAR. Detailed information on the State Treasurer's pooled cash and investments is available from that office.

Investments

As of June 30, 2020, the City had investments with weighted average maturities as shown in the following table:

<u>Investment Type</u>	<u>Carrying Amount</u>	<u>Fair Value</u>	<u>Weighted Average Maturity in Years</u>
Certificates of Deposit	\$ 1,134,954	\$ 1,134,954	0.18024
State of Wyoming Investment Pool (WYOSTAR)	<u>5,372,913</u>	<u>5,372,913</u>	
Total	<u>\$ 6,507,867</u>	<u>\$ 6,507,867</u>	

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The City does not have a formal policy for interest rate risk.

However, the City does manage its exposure to fair value loss arising from interest rate changes on internally invested funds by reviewing the portfolio on an ongoing basis for changes in effective yields amounts.

Credit Risk

Credit risk is the risk that an insurer or other counterparty to an investment will not fulfill its obligations. The table below shows quality ratings and insured status of investments that are not rated:

CITY OF RAWLINS, WYOMING
NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2020

<u>Investment Type</u>	<u>Fair Value</u>	<u>AAA</u>	<u>Insured</u>	<u>Unrated</u>
Certificates of Deposit State of Wyoming Investment Pool (WYOSTAR)	\$ 1,134,954	\$ -	\$ 1,134,954	\$ -
	<u>5,372,913</u>	<u>-</u>	<u>-</u>	<u>5,372,913</u>
Total	<u>\$ 6,507,867</u>	<u>\$ -</u>	<u>\$ 1,134,954</u>	<u>\$ 5,372,913</u>

Custodial Credit Risk

Custodial credit risk for investments is the risk that, in the event of a failure of the counterparty to a transaction, the City will not be able to recover the value of the investments or collateral securities that are in possession of an outside party. The City does not have a formal policy for custodial credit risk. Investments are held in safekeeping by external custodians in the City's name.

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of the City's investments in a single issuer. Concentration of risk is not addressed in the internal investment policy. At June 30, 2020, the City held investments from the following issuers in excess of 5% of the total portfolio:

State of Wyoming Investment Pool (WYOSTAR)	\$ 5,372,913
Rawlins National Bank	<u>1,034,954</u>
Total	<u>\$ 6,407,867</u>

Foreign Currency Risk

Foreign currency risk is the risk that changes in foreign exchange rates will adversely affect the fair value of an investment or a deposit. The City's policy is not to invest in foreign currency which mitigates their exposure to foreign currency risk.

3.B. ACCOUNTS RECEIVABLE

Accounts receivable of the business-type activities consists of utilities receivable. Accounts receivable of the governmental activities consists of franchise taxes, sales taxes, use taxes, fines state grants, federal grants and other miscellaneous receivables. The City has evaluated the collectibility of the receivables and the allowance for doubtful accounts for the business-type activities and governmental activities is \$144,045 as of June 30, 2020.

3.C. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2020 was as follows:

CITY OF RAWLINS, WYOMING
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020

	<u>June 30, 2019</u>	<u>Additions</u>	<u>Disposals</u>	<u>June 30, 2020</u>
Governmental activities:				
Non-depreciable assets				
Land	\$ 2,551,948	\$ -	\$ -	\$ 2,551,948
Capital assets				
Buildings and improvements	12,240,040	57,143	-	12,297,183
Infrastructure	9,004,067	1,050,887	-	10,054,954
Furniture and equipment	<u>11,285,821</u>	<u>646,676</u>	<u>-</u>	<u>11,932,496</u>
Total at historical cost	<u>35,081,876</u>	<u>1,754,706</u>	<u>-</u>	<u>36,836,581</u>
Accumulated depreciation				
Buildings and improvements	(5,380,490)	(262,375)	-	(5,642,865)
Infrastructure	(2,676,837)	(303,099)	-	(2,979,936)
Furniture and equipment	<u>(8,400,739)</u>	<u>(591,530)</u>	<u>-</u>	<u>(8,992,268)</u>
Total accumulated depreciation	<u>(16,458,066)</u>	<u>(1,157,004)</u>	<u>-</u>	<u>(17,615,069)</u>
Governmental activities capital assets, net	<u>\$ 18,623,810</u>	<u>\$ 597,702</u>	<u>\$ -</u>	<u>\$ 19,221,512</u>
	<u>June 30, 2019</u>	<u>Additions</u>	<u>Disposals</u>	<u>June 30, 2020</u>
Business-type activities:				
Non-depreciable assets				
Construction in progress	\$ 1,754,339	\$ 842,797	\$ -	\$ 2,597,136
Capital assets				
Buildings and improvements	69,425,291	12,604	-	69,437,895
Furniture and equipment	<u>4,911,131</u>	<u>15,637</u>	<u>-</u>	<u>4,926,768</u>
Total at historical cost	<u>76,090,761</u>	<u>871,038</u>	<u>-</u>	<u>76,961,799</u>
Accumulated depreciation				
Buildings and improvements	(34,770,781)	(1,561,886)	-	(36,332,667)
Furniture and equipment	<u>(2,061,315)</u>	<u>(296,353)</u>	<u>-</u>	<u>(2,357,668)</u>
Total accumulated depreciation	<u>(36,832,096)</u>	<u>(1,858,239)</u>	<u>-</u>	<u>(38,690,335)</u>
Business-type activities capital assets, net	<u>\$ 39,258,665</u>	<u>\$ (987,201)</u>	<u>\$ -</u>	<u>\$ 38,271,464</u>
General government:				
General government			\$ 412,282	
Public safety:				
Police			170,249	
Fire			134,762	
Public works			240,861	
Culture and recreation:				
Parks			54,599	
Recreation			<u>144,251</u>	
Total depreciation expense			<u>\$ 1,157,004</u>	

CITY OF RAWLINS, WYOMING
NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2020

3.D. ACCOUNTS PAYABLE

Payables in the general fund, major governmental funds and enterprise funds are comprised of payables to vendors.

3.E. LONG-TERM DEBT

The reporting entity's long-term debt is segregated between the amounts to be repaid from governmental activities and amounts to be repaid from business-type activities. The liability for compensated absences has historically been paid for by the fund which incurred the liability for the compensated absences.

The following is a summary of changes in long-term debt obligations of the City at June 30, 2020:

	<u>June 30, 2019</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2020</u>	<u>Due Within One Year</u>
Governmental activities:					
Capital Leases:					
WAM-WCCA	\$ 6,745	\$ -	\$ 5,344	\$ 1,401	\$ 1,401
Other long-term obligations					
Compensated absences	<u>1,274,542</u>	<u>131,027</u>	<u>-</u>	<u>1,405,569</u>	<u>-</u>
	<u>\$ 1,281,287</u>	<u>\$ 131,027</u>	<u>\$ 5,344</u>	<u>\$ 1,406,970</u>	<u>\$ 1,401</u>

	<u>June 30, 2019</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2020</u>	<u>Due Within One Year</u>
Business-Type Activities:					
Loans Payable:					
Sage Creek water line	\$ 1,915,598	\$ -	\$ 74,182	\$ 1,841,416	\$ 77,149
DWSRF Loan #69	219,860	-	19,655	200,205	20,140
DWSRF Loan #80	221,077	-	19,733	201,344	20,226
CWSRF Loan #90	457,448	-	40,831	416,617	41,852
CWSRF Loan #85	644,687	-	57,635	587,052	59,056
Atlantic Rim Pipeline	743,182	-	20,295	722,887	21,108
Atlantic Rim Reservoir	1,737,718	-	44,463	1,693,255	46,241
CWSRF Loan #145	243,451	-	10,971	232,480	11,241
DWSRF Loan #147	491,918	-	22,447	469,471	23,001
SLIB MWL-15011	1,033,385	-	54,389	978,996	54,389
Bank of the West	472,600	-	472,600	-	-
Other long-term obligations					
Landfill closure and post closure costs payable	710,100	53,100	-	763,200	-
Compensated absences	<u>322,542</u>	<u>1,513</u>	<u>-</u>	<u>324,055</u>	<u>-</u>
	<u>\$ 9,213,566</u>	<u>\$ 54,613</u>	<u>\$ 837,201</u>	<u>\$ 8,430,978</u>	<u>\$ 374,403</u>

CITY OF RAWLINS, WYOMING
NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2020

Governmental Activities:

As of June 30, 2020, the governmental long-term debt of the financial reporting entity consisted of the following:

CAPITAL LEASES:

Capital leases payable to WAM, the agent for the Wyoming Local Government Energy Lease Purchase Program, due in annual installments of \$5,336, at zero interest to June 30, 2021.	<u>\$ 1,401</u>
Total Governmental Activity Debt	<u><u>\$ 1,401</u></u>

Business-type Activities:

As of June 30, 2020, the governmental long-term debt of the financial reporting entity consisted of the following:

LOANS:

Note payable to the State of Wyoming, Wyoming Water Development Commission due in annual installments of \$150,278 including interest at 4% to December 2037, secured by revenue generated by the Municipal Water System.	\$ 1,841,416
Note payable to the Office of State Lands and Investments, funded by the EPA, due in annual installments of \$25,077 including interest at 2.5% to November 2028, secured by revenue generated by the Municipal Water System.	200,205
Note payable to the Office of State Lands and Investments, funded by the EPA, due in annual installments of \$25,260 including interest at 2.5% to November 2028, secured by revenue generated by the Municipal Water System.	201,344
Note payable to the Office of State Lands and Investments, funded by the EPA, due in annual installments of \$52,267 including interest at 2.5% to November 2028, secured by revenue generated by the Municipal Water System.	416,617
Note payable to the Office of State Lands and Investments, funded by the EPA, due in annual installments of \$73,531 including interest at 2.5% to November 2028, secured by revenue generated by the Municipal Water System.	587,052

CITY OF RAWLINS, WYOMING
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020

LOANS (Continued):

Note payable to the Wyoming Water Development Commission due in annual installments of \$50,023 including interest at 4.0% to October 2041, secured by revenue generated by the Municipal Water System.	\$ 722,887
Note payable to the Office of State Lands and Investments, due in annual installments of \$131,835 including interest at 4.00% to September 2042, secured by revenue generated by the Municipal Water System.	1,693,255
Note payable to the Office of State Lands and Investments, due in annual installments of \$16,974 including interest at 2.5% to July 2036, secured by revenue generated by the Municipal Water System.	232,480
Note payable to the Office of State Lands and Investments, due in annual installments of \$46,102 including interest at 2.5% to July 2036, secured by revenue generated by the Municipal Water System.	469,471
Future note payable to the Office of State Lands and Investments, due in annual installments of \$61,940 at zero interest to July 2038.	<u>978,996</u>
Total Business-Type Activity Debt	<u><u>\$ 7,343,724</u></u>

CITY OF RAWLINS, WYOMING
NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2020

Annual Debt Service Requirements

The annual requirements to amortize all debt outstanding as of June 30, 2020, excluding obligations associated with compensated absences and Landfill Closure and Post-closure costs are as follows:

Years	Governmental Activities		Business-Type Activities		Government-Wide	
	Principal	Interest	Principal	Interest	Principal	Interest
2021	\$ 1,401	\$ -	\$ 374,403	\$ 221,945	\$ 375,804	\$ 221,945
2022	-	-	384,532	211,816	384,532	211,816
2023	-	-	395,000	201,348	395,000	201,348
2024	-	-	405,818	190,529	405,818	190,529
2025	-	-	417,001	179,347	417,001	179,347
2026-2030	-	-	2,090,235	715,336	2,090,235	715,336
2031-2035	-	-	1,659,926	441,136	1,659,926	441,136
2036-2040	-	-	1,193,406	183,232	1,193,406	183,232
2041-2044	-	-	423,404	30,052	423,404	30,052
	<u>\$ 1,401</u>	<u>\$ -</u>	<u>\$ 7,343,724</u>	<u>\$ 2,374,770</u>	<u>\$ 7,345,125</u>	<u>\$ 2,374,770</u>

3.F. LANDFILL CLOSURE AND POST-CLOSURE COSTS

State and federal laws require the City of Rawlins to place a final cover on its municipal landfill site when it stops accepting waste and to perform certain monitoring functions at the site for thirty years after closure. Although closure and post-closure care costs will be paid only near or after the date that the landfill stops accepting waste, the City reports a portion of these closure and post-closure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date.

The total landfill closure and post-closure care liability at June 30, 2020 is \$763,200. The liability includes amounts related to closing the Municipal Landfill as well as the C&D Landfill. The portion of the liability related to the Municipal Landfill is \$263,200 which is at 100% capacity. The portion of the liability related to the C&D Landfill is \$500,000 with an estimated closure date of 2045. The City will recognize the remaining estimated costs of closure and post-closure care of \$1,562,500 as the remaining capacity is filled. These amounts are based on what it would cost to perform all closure and post-closure care in 2020. The City is responsible to pay the entire liability as it comes due. Actual costs may be higher due to inflation, changes in technology or changes in regulations.

CITY OF RAWLINS, WYOMING
NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2020

3.G. INTERFUND TRANSACTIONS AND BALANCES

The City transfers amounts between funds to pay for operating expenses. Transfers also occur with the movement of capital assets between governmental and business-type activities.

Transfers for the year ended June 30, 2020 were as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
Governmental Funds:		
Major Funds:		
General Fund	\$ 2,168,368	\$ 1,658,433
Non-Major Funds	<u>411,660</u>	<u>765,749</u>
Total Governmental Funds	<u>2,580,028</u>	<u>2,424,182</u>
Proprietary Funds:		
Major Funds:		
Water Fund	769,422	532,042
Sewer Fund	46,773	202,399
Recycling Fund	-	17,221
Landfill Fund	<u>-</u>	<u>220,379</u>
Total Proprietary Funds	<u>816,195</u>	<u>972,041</u>
Total Operating Transfers	<u>\$ 3,396,223</u>	<u>\$ 3,396,223</u>

CITY OF RAWLINS, WYOMING
NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2020

During FY10, the General Fund loaned the Sewer Fund money to pay for capital expenses. Advances from/to other funds for the year ended June 30, 2020 were as follows:

	<u>Advances from Other Funds</u>	<u>Advances to Other Funds</u>
Governmental Funds:		
General Fund:		
Sewer Fund	\$ <u>516,766</u>	\$ <u> -</u>
Total General Fund	<u>516,766</u>	<u> -</u>
Total Governmental Funds	<u>516,766</u>	<u> -</u>
Proprietary Funds:		
Sewer Fund:		
General Fund	<u> -</u>	<u>516,766</u>
Total Sewer Fund	<u> -</u>	<u>516,766</u>
Total Proprietary Funds	<u> -</u>	<u>516,766</u>
Total Interfund Advances	<u>\$ 516,766</u>	<u>\$ 516,766</u>

CITY OF RAWLINS, WYOMING
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 4. OTHER NOTES

4.A. EMPLOYEE PENSION PLANS

1. Pension Plan Descriptions and Benefits

Public Employee's Pension Plan

All City full-time or regular part-time employees, other than policemen and firemen, participate in the Wyoming Retirement System's (WRS) Public Employee Pension Plan, a cost sharing multiple-employer defined benefit contributory pension plan. Participation is mandatory. Retirement benefits are administered in two tiers - the second tier applying to employees hired after September 1, 2012 – and are established by state statute. Any cost of living adjustments (COLA) provided to retirees must be granted by the state legislature, which will not approve such adjustments unless the plan is 100% funded after a potential COLA is awarded. Employees terminating participation in the plan prior to normal retirement can elect to withdraw all employee contributions plus accumulated interest through the date of termination, or, if they are vested, they may elect to remain in the Plan and be eligible for retirement benefits at age 50 (Tier 1 employees) or age 60 (Tier 2 employees). Vesting occurs after obtaining 48 months of service.

Tier 1 Benefits

Tier 1 employees who retire at or after age 60 with four years of credited service or are eligible for full retirement under the rule of 85 (age plus years of service = 85), are entitled to a retirement benefit according to predetermined formulas and allowed to select one of seven optional methods for receiving benefits. The benefit is calculated using a multiplier of 2.125 percent for the first 15 years of service and 2.25 percent for years of service above 15 and the highest 36 months of continuous acceptable salary. Early retirement is allowed provided the employee has completed four years of service and attained age 50 but results in a reduction of benefits based on the length of time remaining to normal retirement age. The pre-retirement death benefit depends on whether the employee is vested or non-vested, and the post-retirement death benefit is governed by the option the employee selects at retirement. To be eligible for a disability benefit, employees must have at least 10 years of service and be less than age 60.

CITY OF RAWLINS, WYOMING
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020

Tier 2 Benefits

Tier 2 employees who retire at or after age 65 with four years of credited service or are eligible for full retirement under the rule of 85 (age plus years of service = 85), are entitled to a retirement benefit according to predetermined formulas and allowed to select one of seven optional methods for receiving benefits. The benefit is calculated using a multiplier of 2 percent for all years of service and the highest 60 months of continuous acceptable salary. Early retirement is allowed provided the employee has completed four years of service and attained age 55 but results in a reduction of benefits based on the length of time remaining to normal retirement age. The pre-retirement death benefit depends on whether the employee is vested or non-vested, and the post-retirement death benefit is governed by the option the employee selects at retirement. To be eligible for a disability benefit, employees must have at least 10 years of service and be less than age 65.

Contribution Rates

The statutorily required contribution is 17.12% (16.62% until 9/1/18), of which 8.00% is paid by the employee and 9.12% is paid by the City. The City is only statutorily required to contribute 8.62%, and it elects to cover an additional 0.50% of the required contribution. Employer contributions to the pension plan for the fiscal year ended June 30, 2020 totaled \$584,480, and 100% of the statutorily required contributions were made.

Paid Fireman's Pension Funds

All full-time fire and emergency service employees of the Fire Department participate in the Paid Fireman's Pension Fund ("Fund"), a cost sharing multiple-employer defined benefit contributory pension plan which is part of the Wyoming Retirement System. Participation is mandatory. Within the Paid Fireman's Pension Fund, there are two funds, Plan A and Plan B. Plan A is for those employees employed prior to July 1, 1981 and Plan B is for those employees employed after June 30, 1981. There are currently no employees for whom active contributions are being made to the Plan A fund.

Plan A Benefits

Under Plan A, to qualify for normal retirement benefits at any age, a paid fireman must have 20 years of credited service in a regularly constituted fire department. The retirement benefit is 75% of the maximum salary for a fireman first class for the first 20 years of service plus 1.5% of the maximum salary for a fireman first class for each year in excess of 20 years. The plan provides for a 3% cost of living adjustment per year. The fund also provides death and disability benefits, which are set by state statute. Participants may withdraw from the plan at any time and receive refunds of participant contributions without interest.

CITY OF RAWLINS, WYOMING
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020

Plan B Benefits

Under Plan B, to qualify for a service pension, a fireman must have 4 years of service credit and must be at least 50 years old. The retirement benefit is 2.8% of the highest average salary for each year of service up to 25 years. Benefits are capped at 70% of the highest average salary. No benefit changes are allowed by state statute, including cost of living adjustments, unless the funded ratio of the plan stays above 100% plus a margin for adverse experiences throughout the life of the benefit change. The fund also provides death and disability benefits, which are set by state statute. Vesting occurs after 48 months of service. The current benefit formula entitles plan participants to 2.8% of the highest average salary (36 highest continuous months of acceptable salary) for each year of service up to 25 years. The benefit is capped at 70% of the highest average salary. Participants may withdraw from the plan at any time and receive refunds of participant contributions without interest.

Contribution Rates

Plan B statutorily requires 21.245% of the covered employees' salary to be contributed to the Plan, of which 9.02% is paid by the employee and the remaining 12.225% is paid by the City. The City is only statutorily required to contribute 12.0%, and it elects to cover an additional 0.225% of the required contribution. Employer contributions to the pension plan for the fiscal year ended June 30, 2020 totaled \$134,687 and 100% of the statutorily required contributions were made.

Law Enforcement Pension Fund

The City of Rawlins contributes to the State of Wyoming Law Enforcement Pension Fund ("Fund"), a cost sharing multiple-employer defined benefit contributory pension plan which is part of the Wyoming Retirement System. All City policemen are mandated to participate in the Fund. Benefits vest after 48 months of service.

Benefits

Any police officer who retires at age 60 with 4 years of service or with 20 years of credited service, regardless of age, is entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 2.5% of the average salary during their highest paid five year period multiplied by the number of years of service (up to a maximum of 75% of the highest average salary). The Fund also provides death and disability benefits to participating employees. Benefit provisions and all other requirements are established by state statute. Any cost of living adjustments (COLA) provided to retirees must be granted by the state legislature, which will not approve such adjustments unless the plan is 100% funded after a potential COLA is awarded. Participants may withdraw from the Plan at any time and receive refunds of participant contributions plus accumulated interest.

CITY OF RAWLINS, WYOMING
NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2020

Contribution Rates

The Fund statutorily requires 17.20% of the covered employees' salary to be contributed to the fund, of which 8.60% is paid by the employee and the remaining 8.60% is paid by the City. The City is only statutorily required to contribute 8.60%. Employer contributions to the pension plan for the fiscal year ended June 30, 2020 totaled \$216,023, and 100% of the statutorily required contributions were made.

2. *Pension Liabilities, Pension Expenses, and Deferred Outflows and Inflows of Resources Related to Pension*

Net Pension Asset and Liabilities

As of June 30, 2020, the net pension liability recorded for the City of Rawlins represents its proportionate share of the excess of the total pension liability over the pension plan fiduciary net position for the Wyoming Retirement System plans of which the City is a participant. The City reported net pension liabilities as follows for the fiscal years ended June 30, 2020 and June 30, 2019:

	Proportionate Share of Net Pension Liability as of June 30, 2020	Proportionate Share of Net Pension Liability as of June 30, 2019
Public Employee Pension	\$ 4,444,373	\$ 5,798,602
Fire Pension A	3,387,406	2,920,409
Fire Pension B	153,829	456,142
Law Enforcement Pension	<u>671,339</u>	<u>1,926,996</u>
Aggregate Net Pension Liability	<u>\$ 8,656,947</u>	<u>\$ 11,102,149</u>

Of the City's proportionate share of the net pension liability, \$931,610 is attributable to business-type activities (\$475,585 for the Water Fund, \$214,177 for the Sewer Fund, \$176,300 for the Landfill Fund, and \$65,548 for the Recycling Fund) through employee participation in the Public Employee Pension Plan. The remainder of the proportionate share of the net pension liability and asset is attributable to governmental activities.

The measurement date of the Wyoming Retirement System pension plan fiduciary net position was December 31, 2019 and the actuarial determination of the total pension liability was January 1, 2020. The City's proportionate share of the net pension liability and asset was determined per plan by calculating the percentage of the City's total contributions (employer and employee) to the total contributions received by Wyoming Retirement System during the plan measurement period (January 1, 2019 to December 31, 2019). The City's proportionate share of the net pension liability or asset for each plan as of December 31, 2019 and December 31, 2018 is as follows:

CITY OF RAWLINS, WYOMING
NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2020

	<u>Proportionate Share as of December 31, 2019</u>	<u>Proportionate Share as of December 31, 2018</u>
Public Employee Pension	0.189128%	0.190412%
Fire Pension A	1.299972%	1.286523%
Fire Pension B	2.164331%	2.173841%
Law Enforcement Pension	0.778827%	0.796042%

Pension Expense

The measurement of pension expense fundamentally changed with the implementation of GASB Statement 68. Pension expense is calculated for the pension plan measurement period and includes changes in the net pension liability and the amortization of specific deferred inflows and outflows of resources. For the fiscal year ended June 30, 2020, the City recognized a total pension expense of \$6,045,462.

Pension expense attributable to business-type activities totals \$35,989. The remainder of pension expense is attributable to governmental activities.

Deferred Outflows and Inflows of Resources Related to Pensions

At June 30, 2020, the City reported the following deferred outflows and inflows of resources related to pensions:

<u>Deferred Outflows of Resources</u>	<u>Public Employee Pension</u>	<u>Fire Pension A</u>	<u>Fire Pension B</u>	<u>Law Enforcement Pension</u>	<u>Total</u>
Amounts related to the change in the City's proportionate share of assumptions or other inputs	\$ -	\$ -	\$ -	\$ -	\$ -
Amounts related to the change in the City's proportionate share of assumptions or other inputs	156,642	-	399,485	559,041	1,115,168
Difference between expected and actual experience	-	-	8,834	119,439	128,273
Contributions subsequent to measurement date	<u>148,440</u>	<u>-</u>	<u>38,478</u>	<u>55,248</u>	<u>242,166</u>
Total Deferred Outflows Related to Pensions	<u>\$ 308,082</u>	<u>\$ -</u>	<u>\$ 446,797</u>	<u>\$ 733,728</u>	<u>\$ 1,485,607</u>

CITY OF RAWLINS, WYOMING
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020

<u>Deferred Inflows of Resources</u>	Public Employee Pension	Fire Pension A	Fire Pension B	Law Enforcement Pension	Total
Proportionate share of differences between the projected and actual earnings on pension plan investments	\$ 663,146	\$ 4,734,015	\$ 154,274	\$ 239,954	\$ 5,791,389
Amounts related to the change in the City's proportionate share of assumptions or other inputs	-	-	486,957	670,270	1,157,227
Difference between expected and actual experience	87,641	-	132,358	56,025	276,024
Amounts related to the change in the City's proportionate share of net pension liability	<u>29,216</u>	<u>-</u>	<u>1,995</u>	<u>32,525</u>	<u>63,736</u>
Total Deferred Inflows Related to Pensions	<u>\$ 780,003</u>	<u>\$ 4,734,015</u>	<u>\$ 775,584</u>	<u>\$ 998,774</u>	<u>\$ 7,288,376</u>

The \$242,166 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2021.

Deferred outflows of resources related to business-type activities total \$63,949. Deferred inflows of resources related to pensions attributable to business-type activities total \$163,500.

Other amounts reported as deferred outflows of resources related to pensions will be recognized in pension expense as follows for the years ended June 30:

2021	\$	(127,569)
2022		(127,569)
2023		(127,569)
2024		(35,510)
2025		(35,510)
Thereafter		<u>(35,155)</u>
	\$	<u>(701,556)</u>

CITY OF RAWLINS, WYOMING
NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2020

Actuarial Assumptions

Actuarial valuations are performed annually with the most recent valuation date of January 1, 2019. Actuarial methods and assumptions are disclosed below for the Wyoming Retirement System pension plans in which the City participates. Significant assumptions are based on an experience study that covered a five-year period ending December 31, 2017. More detail about the actuarial methods and assumptions or the experience study can be found on the Wyoming Retirement System website.

	Public Employee Pension	Fire Pension A	Fire Pension B	Law Enforcement Pension
Valuation date	1/1/2019	1/1/2019	1/1/2019	1/1/2019
Actuarial cost method	Individual entry age normal	Individual entry age normal	Individual entry age normal	Individual entry age normal
Amortization method	Level percent of payroll closed	Level dollar open	Level percent of payroll closed	Level percent of payroll closed
Remaining amortization period	29	10	29	29
Asset valuation method	5-year	5-year	5-year	5-year
Actuarial assumptions:				
Investment rate of return	7.00%	7.00%	7.00%	7.00%
Projected salary increases including inflation	2.50% to 6.50%	4.50%	4.50% to 7.50%	4.75% to 8.75%
Assumed inflation rate	2.25%	2.25%	2.25%	2.25%
Mortality	*	*	*	*

* Mortality assumptions:

Pre-Retirement Mortality:
 RP-2014 Employee Mortality Table, fully generational, projected with Scale MP-2017
 Males: No set back with multiplier of 100%
 Females: No set back with multiplier of 100%

Post-Retirement Mortality:
 RP-2014 Healthy Annuitant Mortality Table, fully generational, projected with Scale MP-2017
 Males: No set back with multiplier of 100%
 Females: No set back with multiplier of 88%

Disabled Mortality:
 RP-2014 Disabled Mortality Table, fully generational, projected with Scale MP-2017
 Males: No set back with multiplier of 100%
 Females: No set back with multiplier of 100%

CITY OF RAWLINS, WYOMING
NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2020

Wyoming Retirement System assumes a 7.00% long-term investment rate of return for its pension plans. The long-term rate of return is determined through a 4.75% net real rate of return and an inflation rate of 2.25%. For the fiscal year ended December 31, 2019, WRS pension plans saw an annual money-weighted real rate of return, net of expenses, of 18.72% compared to the 7.00% expected rate of return.

The assumed asset allocation of the WRS pension plan portfolio, the long term expected rate of return for each asset class and the expected rate of return is presented arithmetically and geometrically below over a 20 year time frame.

Schedule of Investment Returns

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected arithmetic returns, net of pension plan investment expense and inflation) are developed for each major asset class. These real rates of return are combined to produce the long-term expected rate of return by weighting the expected future real return by the target asset allocation percentage and by adding expected inflation. For each major class that is included in the pension plans target asset allocation as of January 1, 2019, these best estimates are summarized in the following table:

	Target Allocation	Arithmetic Real Return	Geometric Real Return
Cash	2.00%	-0.20%	-0.20%
Fixed Income	21.00%	1.67%	1.32%
Equity	48.50%	5.43%	7.42%
Marketable Alternatives	19.00%	3.46%	4.33%
Private Markets	9.50%	4.46%	5.58%
Total	100.00%	3.99%	5.30%

CITY OF RAWLINS, WYOMING
NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2020

Discount Rate

The discount rate used to measure the total pension liability for all plans was 7.00%, except for Fire Pension A, which had a discount rate of 3.09%. The projection of cash flows used to determine the discount rate assumed contributions from participating employers will be made based on the actuarially determined rates based on the Board's funding policy, which establishes the contractually required rates under Wyoming State statutes. Based on those assumptions, the System's fiduciary net position was projected to be available to make all the projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Pension Plan	Single Discount Rate	Long-Term Expected Rate of Return	Long-Term Municipal Bond Rate	Last year ending December 31 in the 2019 to 2118 projection period for which projected benefit payments are fully funded
Public Employee Pension	7.00%	7.00%	2.75%	2118
Fire Pension A	3.09%	7.00%	2.75%	2029
Fire Pension B	7.00%	7.00%	2.75%	2118
Law Enforcement	7.00%	7.00%	2.75%	2118

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

The following table presents the City's proportionate share of the net pension liability calculated using the discount rate of 7.00%, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (6.00%) or 1-percentage point higher (8.00%) than the current rate.

Pension Plan	1.0% Decrease 6.00%	Current Discount Rate 7.00%	1.0% Increase 8.00%
Public Employee Pension	\$ 6,714,698	\$ 4,444,373	\$ 2,549,578
Fire Pension B	\$ 680,897	\$ 153,829	\$ (283,292)
Law Enforcement Pension	\$ 1,496,642	\$ 671,339	\$ (3,331)

Pension Plan	1.0% Decrease 2.09%	Current Discount Rate 3.09%	1.0% Increase 4.09%
Fire Pension A	\$ 4,105,098	\$ 3,387,406	\$ 2,812,077

CITY OF RAWLINS, WYOMING
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020

3. *Payables to the Pension Plans*

The City reported payables to Wyoming Retirement System at June 30, 2019 totaling \$39,746, comprised of \$25,279 for the Public Employee Pension, \$9,251 for the Law Enforcement Pension, and \$5,216 for the Fire B Pension. The payables are short-term in nature and relate to the statutorily required contributions for June 2020 employee payroll.

Historical trend information showing the System's progress in accumulating sufficient assets to pay benefits when due is presented in the System's December 31, 2019 annual financial report for the periods for which the information is available. The report may be obtained by writing to Wyoming Retirement System, Fifth Floor West, 6101 Yellowstone Road, Cheyenne, Wyoming 82002.

4.B. RISK MANAGEMENT- CLAIMS AND JUDGEMENTS

Self-Insured Health Plan

Description

In order to maintain control over health insurance costs, the City has established an Insurance Fund (an internal service fund) to account for and finance the City's self-insured health plan. Under this program, the City, through a third-party administrator, pays covered employees' medical expenses above the employee deductible of \$750 on an 85/15 basis to \$15,000 and then 100% up to \$20,000 per individual. Costs above \$20,000 are covered by stop-loss insurance purchased from a commercial insurance company.

Claims Liabilities

The City records an estimated liability for health care claims against the City. Claims liabilities are based on estimates of the ultimate cost of reported claims (including future claim adjustment expenses) and an estimate for claims incurred but not reported based on historical experience.

Unpaid Claims Liabilities

The fund establishes a liability for both reported and unreported events, which includes estimates of both future payments of losses and related claim adjustment expenses. The third-party administrator makes year-end estimates of liabilities incurred but not reported (IBNR), based upon historical trend analysis. At June 30, 2020, 2019 and 2018, the IBNR was \$120,517, \$188,522 and \$101,030, respectively.

CITY OF RAWLINS, WYOMING
NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2020

Changes in the Fund's claims liability amount, including IBNR, from July 1, 2017 to June 30, 2020 are as follows:

Liability balance, June 30, 2017	\$ 163,021
Claims and changes in estimates	1,611,792
Claims payments	<u>(1,673,783)</u>
Liability balance, June 30, 2018	101,030
Claims and changes in estimates	1,802,926
Claims payments	<u>(1,715,434)</u>
Liability balance, June 30, 2019	188,522
Claims and changes in estimates	2,194,576
Claims payments	<u>(2,262,581)</u>
Liability balance, June 30, 2020	<u>\$ 120,517</u>
Assets available to pay claims at June 30, 2020	<u>\$ 4,031,755</u>

Premiums are paid into the internal service fund by all other funds and are available to pay claims, claim reserves and administrative costs of the program. These interfund premiums are reported as premium income of the internal service fund.

Other Liabilities

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City contracts with various insurance companies for property insurance (including boiler and machinery), general liability insurance, professional insurance and vehicle insurance. The coverage under each type of insurance policy varies in amounts and deductibles. The City has had no significant settlements exceeding insurance coverage in any of the past three fiscal years. The City has had no significant reductions in insurance coverage in the prior three years.

4.C. OPERATING LEASES

The City of Rawlins has entered into two operating leases for office equipment under various terms. The combined lease payments are \$1,416 per month. The total lease expense was \$18,647 for the year ended June 30, 2020.

CITY OF RAWLINS, WYOMING
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020

Future minimum lease commitments are as follows for the year ended June 30:

2021	\$	18,647
2022		<u>13,985</u>
Total	\$	<u>32,632</u>

4.D. COMMITMENTS AND CONTINGENCIES

Landfill Closure and Post-closure Costs

The City of Rawlins is in the process of closing their landfill. However, the City has approval from the Department of Environmental Quality (DEQ) to continue accepting Construction and Demolition (C&D) waste through 2045. Phase III (monitoring) will be ongoing for the next 30 years. Phase III will be paid for by the City through landfill fee revenue.

Litigation

The City, in the normal course of its activities, is involved in various claims and litigation. In the opinion of the City's Counsel, the resolution of these matters will not have a material adverse effect on the financial condition or results of operations.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF RAWLINS, WYOMING
INDEX TO ILLUSTRATIVE
REQUIRED SUPPLEMENTARY INFORMATION

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of Revenues, Expenditures and Changes in Fund

 Balance – Budget and Actual (NON-GAAP Budgetary Basis) - General Fund

Schedules of City's share of the Net Pension Liability

Schedule of Contributions

Notes to Required Supplementary Information

CITY OF RAWLINS, WYOMING
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET
AND ACTUAL (NON-GAAP BUDGETARY BASIS - GENERAL FUND)

For the Year Ended June 30, 2020

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL (BUDGETARY BASIS)	VARIANCE- POSITIVE (NEGATIVE)
REVENUES				
Taxes and special assessments	\$ 8,739,700	\$ 8,739,700	\$ 11,857,693	\$ 3,117,993
Intergovernmental	477,667	477,667	1,752,016	1,274,349
Charges for services	703,220	828,220	755,935	(72,285)
Investment income	51,550	51,550	73,421	21,871
Miscellaneous	127,570	127,570	162,857	35,287
TOTAL REVENUES	<u>10,099,707</u>	<u>10,224,707</u>	<u>14,601,922</u>	<u>4,377,215</u>
EXPENDITURES				
General government	5,922,797	5,922,797	3,167,170	(2,755,627)
Public safety and transportation	4,988,669	4,988,669	3,730,367	(1,258,302)
Public works	415,313	415,313	306,880	(108,433)
Highways and streets	2,233,020	1,733,020	837,419	(895,601)
Health and welfare	242,743	242,743	227,486	(15,257)
Culture and recreation	2,390,298	2,515,298	1,730,736	(784,562)
Debt service:				
Principal retirement	5,340	5,340	5,336	(4)
TOTAL EXPENDITURES	<u>16,198,180</u>	<u>15,823,180</u>	<u>10,005,394</u>	<u>(5,817,786)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(6,098,473)</u>	<u>(5,598,473)</u>	<u>4,596,528</u>	<u>(1,440,571)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	2,577,371	2,577,371	1,850,150	(727,221)
Transfers out	(1,986,898)	(1,986,898)	(1,252,389)	734,509
TOTAL OTHER FINANCING SOURCES (USES)	<u>590,473</u>	<u>590,473</u>	<u>597,761</u>	<u>7,288</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES AND OTHER FINANCING SOURCES	<u>(5,508,000)</u>	<u>(5,008,000)</u>	<u>5,194,289</u>	<u>(1,433,283)</u>
Fund Balance, Beginning	<u>12,349,582</u>	<u>12,349,582</u>	<u>12,349,582</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 6,841,582</u>	<u>\$ 7,341,582</u>	<u>\$ 17,543,871</u>	<u>\$ (1,433,283)</u>

Explanation of differences between budgetary revenue and expenditures and GAAP revenue and expenditures.

Revenue:

Actual total revenue budgetary basis	\$ 14,601,922
Differences - Budget to GAAP	
Tax accrual	<u>993,357</u>
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u>\$ 15,595,279</u>

Expenditures:

Actual total expenditures budgetary basis	\$ 10,005,394
Differences - Budget to GAAP	
Accounts payable	170,228
Capital outlay	1,254,706
Other expenses	<u>(175,067)</u>
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u>\$ 11,255,261</u>

See independent auditor's report and accompanying notes to required supplementary information

CITY OF RAWLINS, WYOMING
SCHEDULE OF CITY'S SHARE OF THE NET PENSION LIABILITY

Public Employee Pension Plan
Last 6 Fiscal Years*

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
City's portion of the net pension liability*	0.18913%	0.19041%	0.18725%	0.18830%	0.17254%	0.16192%
City's proportionate share of the net pension liability*	\$ 4,444,373	\$ 5,798,602	\$ 4,268,020	\$ 4,552,271	\$ 4,019,070	\$ 2,857,399
City's covered-employee payroll	\$ 3,357,261	\$ 3,359,694	\$ 3,277,692	\$ 3,425,085	\$ 3,201,025	\$ 3,040,140
City's proportionate share of the net pension liability as a percentage of its covered-employee payroll	132.38%	172.59%	130.21%	132.91%	125.56%	93.99%
Plan fiduciary net position as a percentage of the total pension liability	76.83%	69.17%	76.35%	73.42%	73.40%	79.08%

Firemen A Pension Plan
Last 6 Fiscal Years*

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
City's portion of the net pension liability*	1.29997%	1.28652%	1.27962%	1.26995%	1.25385%	1.23760%
City's proportionate share of the net pension liability*	\$ 3,387,406	\$ 2,920,409	\$ 2,862,884	\$ 2,330,018	\$ 2,325,324	\$ 2,039,937
City's covered-employee payroll	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
City's proportionate share of the net pension liability as a percentage of its covered-employee payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	27.32%	29.99%	34.28%	38.91%	40.05%	45.95%

Firemen B Pension Plan
Last 6 Fiscal Years*

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
City's portion of the net pension liability*	2.1643300%	2.17384%	1.94385%	2.24869%	2.57770%	2.05335%
City's proportionate share of the net pension liability*	\$ 153,829	\$ 456,142	\$ 801,543	\$ 709,717	\$ 659,731	\$ -
City's covered-employee payroll	\$ 605,594	\$ 624,799	\$ 542,296	\$ 605,242	\$ 662,731	\$ 571,536
City's proportionate share of the net pension liability as a percentage of its covered-employee payroll	25.40%	73.01%	147.81%	117.26%	99.55%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	95.93%	87.07%	77.98%	80.16%	79.33%	100.98%

Law Enforcement Pension Plan
Last 6 Fiscal Years*

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
City's portion of the net pension liability*	0.77883%	0.79604%	0.83899%	0.87075%	0.80909%	0.76045%
City's proportionate share of the net pension liability*	\$ 671,339	\$ 1,926,996	\$ 721,903	\$ 657,342	\$ 607,784	\$ 224,056
City's covered-employee payroll	\$ 1,238,616	\$ 1,239,382	\$ 1,237,721	\$ 1,364,146	\$ 1,297,857	\$ 1,249,544
City's proportionate share of the net pension liability as a percentage of its covered-employee payroll	54.20%	155.48%	58.33%	48.19%	46.83%	17.93%
Plan fiduciary net position as a percentage of the total pension liability	89.05%	71.22%	87.99%	88.11%	87.49%	94.76%

*The amounts presented for each fiscal year correspond with the Wyoming Retirement System measurement period, not the City's fiscal year. This schedule is to be built prospectively until it contains ten years of data.

**CITY OF RAWLINS, WYOMING
SCHEDULE OF CONTRIBUTIONS**

**Public Employee Pension Plan
Last 10 Fiscal Years**

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Contractually required contributions	\$ 584,480	\$ 571,929	\$ 544,752	\$ 569,085	\$ 532,010	\$ 482,125	\$ 435,564	\$ 425,132	\$ 405,858	\$ 392,593
Contributions in relation to the contractually required contributions	<u>(584,480)</u>	<u>(571,929)</u>	<u>(544,752)</u>	<u>(569,085)</u>	<u>(532,010)</u>	<u>(482,125)</u>	<u>(435,564)</u>	<u>(425,132)</u>	<u>(405,858)</u>	<u>(392,593)</u>
Contribution deficiency (excess)	<u>\$ -</u>									
County's covered-employee payroll	<u>\$3,357,261</u>	<u>\$3,359,694</u>	<u>\$3,277,692</u>	<u>\$3,425,085</u>	<u>\$3,201,025</u>	<u>\$3,040,140</u>	<u>\$2,999,463</u>	<u>\$3,009,620</u>	<u>\$3,062,574</u>	<u>\$3,049,452</u>
Contributions as a percentage of covered-employee payroll	17.41%	17.02%	16.62%	16.62%	16.62%	15.86%	14.52%	14.13%	13.25%	12.87%

**Firemen B Pension Plan
Last 10 Fiscal Years**

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Contractually required contributions	\$ 134,687	\$ 132,738	\$ 115,211	\$ 128,159	\$ 140,797	\$ 121,324	\$ 105,468	\$ 97,299	\$ 96,047	\$ 96,600
Contributions in relation to the contractually required contributions	<u>(134,687)</u>	<u>(132,738)</u>	<u>(115,211)</u>	<u>(128,159)</u>	<u>(140,797)</u>	<u>(121,324)</u>	<u>(105,468)</u>	<u>(97,299)</u>	<u>(96,047)</u>	<u>(96,600)</u>
Contribution deficiency (excess)	<u>\$ -</u>									
County's covered-employee payroll	<u>\$ 605,594</u>	<u>\$ 624,799</u>	<u>\$ 542,296</u>	<u>\$ 605,242</u>	<u>\$ 662,731</u>	<u>\$ 571,536</u>	<u>\$ 509,936</u>	<u>\$ 474,627</u>	<u>\$ 468,521</u>	<u>\$ 471,219</u>
Contributions as a percentage of covered-employee payroll	22.24%	21.24%	21.25%	21.17%	21.24%	21.23%	20.68%	20.50%	20.50%	20.50%

**Law Enforcement Pension Plan
Last 10 Fiscal Years**

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Contractually required contributions	\$ 216,023	\$ 213,174	\$ 218,048	\$ 234,633	\$ 223,231	\$ 214,922	\$ 212,336	\$ 204,469	\$ 190,492	\$ 211,278
Contributions in relation to the contractually required contributions	<u>(216,023)</u>	<u>(213,174)</u>	<u>(218,048)</u>	<u>(234,633)</u>	<u>(223,231)</u>	<u>(214,922)</u>	<u>(212,336)</u>	<u>(204,469)</u>	<u>(190,492)</u>	<u>(211,278)</u>
Contribution deficiency (excess)	<u>\$ -</u>									
County's covered-employee payroll	<u>\$1,238,616</u>	<u>\$1,239,382</u>	<u>\$1,237,721</u>	<u>\$1,364,146</u>	<u>\$1,297,857</u>	<u>\$1,249,544</u>	<u>\$1,234,515</u>	<u>\$1,188,771</u>	<u>\$1,107,512</u>	<u>\$1,228,362</u>
Contributions as a percentage of covered-employee payroll	17.44%	17.20%	17.62%	17.20%	17.20%	17.20%	17.20%	17.20%	17.20%	17.20%

See independent auditor's report and notes to required supplementary information

CITY OF RAWLINS, WYOMING

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - BUDGETARY COMPARISONS FOR THE YEAR ENDED JUNE 30, 2020

A. Budgetary Basis

Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for all governmental funds except the capital facilities tax fund, which are approved on a “life of the project basis,” and the permanent fund, which is not budgeted. Since all accounting principles applied for purposes of developing data on a budgetary basis differ significantly from those used to present financial statements in conformity with generally accepted accounting principles, a reconciliation of the resultant timing differences has been provided on pages 54 and also on 60 through 61. All annual appropriations lapse at year end.

B. Budgetary Information

The appropriated budget is prepared by fund, function, and department. The government’s department heads, with the manager’s approval, may make transfers of appropriations within a department or division. Transfers of appropriations between departments and/or divisions require approval of the council. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the department level. The council made one supplementary budgetary appropriation during the year.

C. Excess of Expenditures over Appropriations

For the year ended June 30, 2020, there were no instances of excess of expenditures over appropriations.

**CITY OF RAWLINS, WYOMING
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2020**

	CAPITAL FACILITIES TAX	GRANTS	DOWNTOWN DEVELOPMENT AUTHORITY	TOTALS
ASSETS				
Cash and cash equivalents	\$ 68,740	\$ -	\$ 350,869	\$ 419,609
TOTAL ASSETS	<u>68,740</u>	<u>-</u>	<u>350,869</u>	<u>419,609</u>
FUND BALANCE				
Restricted	68,740	-	-	68,740
Unassigned	-	-	350,869	350,869
TOTAL FUND BALANCE	<u>68,740</u>	<u>-</u>	<u>350,869</u>	<u>419,609</u>
TOTAL FUND BALANCE	<u>\$ 68,740</u>	<u>\$ -</u>	<u>\$ 350,869</u>	<u>\$ 419,609</u>

See independent auditor's report and accompanying notes to required supplementary information

CITY OF RAWLINS, WYOMING
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
NON-MAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2020

	CAPITAL FACILITIES TAX	GRANTS	DOWNTOWN DEVELOPMENT AUTHORITY	TOTAL
REVENUES				
Taxes and special assessments	\$ 25,101	\$ -	\$ -	\$ 25,101
Intergovernmental	-	253,445	-	253,445
Investment income	144	-	128	272
Miscellaneous	-	-	110,288	110,288
TOTAL REVENUES	<u>25,245</u>	<u>253,445</u>	<u>110,416</u>	<u>389,106</u>
EXPENDITURES				
Current:				
Highways and streets	32,143	-	-	32,143
Culture and recreation	-	-	120,444	120,444
Capital outlay	<u>500,000</u>	<u>-</u>	<u>-</u>	<u>500,000</u>
TOTAL EXPENDITURES	<u>532,143</u>	<u>-</u>	<u>120,444</u>	<u>652,587</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(506,898)</u>	<u>253,445</u>	<u>(10,028)</u>	<u>(263,481)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	361,660	50,000	411,660
Transfers out	<u>-</u>	<u>(765,749)</u>	<u>-</u>	<u>(765,749)</u>
TOTAL FINANCING SOURCES (USES)	<u>-</u>	<u>(404,089)</u>	<u>50,000</u>	<u>(354,089)</u>
NET CHANGE IN FUND BALANCE	(506,898)	(150,644)	39,972	(617,570)
FUND BALANCE, Beginning	<u>575,638</u>	<u>150,644</u>	<u>310,897</u>	<u>1,037,179</u>
FUND BALANCE, Ending	<u>\$ 68,740</u>	<u>\$ -</u>	<u>\$ 350,869</u>	<u>\$ 419,609</u>

See independent auditor's report and accompanying notes to required supplementary information

CITY OF RAWLINS, WYOMING
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET
AND ACTUAL (NON-GAAP BUDGETARY BASIS - CAPITAL FACILITIES TAX FUND)
For the Year Ended June 30, 2020

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL (BUDGETARY BASIS)	VARIANCE- POSITIVE (NEGATIVE)
REVENUES				
Specific purpose tax	\$ -	\$ -	\$ 25,101	\$ 25,101
Investment income	175	-	144	144
EXPENDITURES				
Street infrastructure	73,246	500,000	32,143	467,857
EXCESS OF REVENUES AND OTHER SOURCES UNDER EXPENDITURES AND OTHER USES				
	(73,246)	(500,000)	(7,042)	(442,756)
Fund Balance, Beginning	575,638	575,638	575,638	-
Fund Balance, Ending	<u>\$ 575,813</u>	<u>\$ 75,638</u>	<u>\$ 568,596</u>	<u>\$ (442,756)</u>

**Explanation of differences between budgetary revenue and expenditures and
GAAP revenue and expenditures.**

Expenditures:

Actual total expenditures budgetary basis	\$ 32,143
Differences - Budget to GAAP	
Capital outlay	<u>500,000</u>
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u>\$ 532,143</u>

See independent auditor's report and accompanying notes to required supplementary information

CITY OF RAWLINS, WYOMING
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET
AND ACTUAL (NON-GAAP BUDGETARY BASIS - GRANTS FUND)
For the Year Ended June 30, 2020

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL (BUDGETARY BASIS)	VARIANCE- POSITIVE (NEGATIVE)
REVENUES				
Intergovernmental	\$1,855,000	\$ -	\$ 253,445	\$ 253,445
TOTAL REVENUES	<u>1,855,000</u>	<u>-</u>	<u>253,445</u>	<u>253,445</u>
EXPENDITURES				
Infrastructure	1,855,000	-	-	-
TOTAL EXPENDITURES	<u>1,855,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	-	253,445	253,445
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	361,660	(361,660)
Transfers out	-	-	(765,749)	765,749
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>(404,089)</u>	<u>404,089</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES AND OTHER FINANCING SOURCES	-	-	(150,644)	657,534
Fund Balance, Beginning	150,644	150,644	150,644	-
Fund Balance, Ending	<u>\$ 150,644</u>	<u>\$ 150,644</u>	<u>\$ -</u>	<u>\$ 657,534</u>

See independent auditor's report and accompanying notes to required supplementary information



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

The Honorable Mayor and Members of the
City Council and City Manager
City of Rawlins, Wyoming

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Rawlins, Wyoming, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the City of Rawlins, Wyoming’s basic financial statements and have issued our report thereon dated April 8, 2022.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and responses as items 2020-001 and 2020-002 that we consider to be significant deficiencies.

Compliance and Other Matters

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

The City of Rawlins, Wyoming's Response to Findings

The City of Rawlins, Wyoming's response to the findings identified in our audit is described in the accompanying schedule of findings and responses. The City's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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

A handwritten signature in blue ink that reads "Atlea CPAs & Advisors PLLC".

Casper, Wyoming
April 8, 2022

CITY OF RAWLINS, WYOMING

SCHEDULE OF FINDINGS AND RESPONSES

**FINDINGS RELATING TO THE FINANCIAL STATEMENT AUDIT AS REQUIRED
TO BE REPORTED IN ACCORDANCE WITH *GOVERNMENT AUDITING
STANDARDS***

Significant Deficiency in Internal Control

2020-001: Capital Asset Identification

**(Reported in prior year as finding
2019-002)**

Criteria

Internal policies and controls should be in place to allow accurate reporting of financial information.

Condition

During the audit, ATLAS identified several capital assets not recorded and not present on initial asset listing provided.

Cause

Limitations in staffing and turnover.

Effect or Potential Effect

A lack of appropriate staffing and segregation of duties or proper management oversight could result in material errors in key financial processes that lead to undetected material errors in the financial statements.

Recommendation

ATLAS recommends that the City establish internal controls to ensure that all assets that are above the capitalization threshold are identified and reported on the asset addition list for financial reporting purposes.

Management's Response

Management and the City Council will work to establish and implement procedures to ensure all capital assets are identified and reported appropriately on the asset addition list.

CITY OF RAWLINS, WYOMING

SCHEDULE OF FINDINGS AND RESPONSES

Significant Deficiency in Internal Control
2020-002: Financial Statement Preparation
(Reported in prior year as finding 2019-003)

Criteria

The Auditing Standards Board (ASB) issued guidance to auditors related to an entity's internal control over external financial reporting (i.e. financial statements presented in conformity with generally accepted accounting principles (GAAP) and issued to outside third parties). Many small organizations rely on their auditor to generate these annual financial statements, including the related footnotes. AU 265 emphasizes that the auditor cannot be a part of the entity's internal control over financial reporting. Consequently, the entity must have personnel who are capable of preparing external financial statements in conformity with GAAP even though the auditor may draft the statements on behalf of the entity.

Condition

The City has controls in place over the preparation of budget-basis financial reports, including in depth review by management and the Council and a high level of awareness of all transactions being reported. However, budgetary basis financial reporting (non-GAAP) differs significantly from GAAP financial reporting. In our judgement, the City's accounting personnel and those charged with governance, in the course of their assigned duties, lack the skills to prepare the external financial statements and related footnotes in accordance with GAAP.

Recommendation

In our judgement, management and those charged with governance need to understand the importance of this communication as it relates to external GAAP basis financial statements. The City should evaluate the cost/benefit of having an employee with the expertise to prepare financial statements.

Response

Management will continue to actively participate in the preparation of materials for the financial statements and will review the financial statements in order to verify that they are free from material misstatement. In addition, management will continue to provide the Council with any additional financial information requested for support of the financial statements and assist with any additional inquiries made throughout the fiscal year and during review of the statements.

CITY OF RAWLINS, WYOMING

SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS

Finding No.: 2019-001

Condition

During the audit, ACM identified material entries that were incorrectly recorded during fiscal year 2019. ACM determined that revenues were overstated in the grants fund in the amount of \$1,529,453. Additionally, expenses were overstated in the general fund in the amount of \$2,110,843, in the water fund in the amount of \$1,753,843, in the sewer fund in the amount of \$490,610, in the landfill in the amount of \$100,000 and in the recycling fund in the amount of \$50,000.

Current Status

No such entries had been noted during the 2020 audit. In 2019, the City had made several entries in error while recording the receipt of grant funds and an insurance reserve transfer.

Finding No.: 2019-002

Condition

During the audit, ATLAS identified several capital assets not recorded and not present on initial asset listing provided.

Current Status

During the 2020 audit, it was noted that the finding will be repeated. See Finding 2020-001.

Finding No.: 2019-003

Condition

The City has controls in place over the preparation of budget-basis financial reports, including in depth review by management and the Council and a high level of awareness of all transactions being reported. However, budgetary basis financial reporting (non-GAAP) differs significantly from GAAP financial reporting. In our judgement, the City's accounting personnel and those charged with governance, in the course of their assigned duties, lack the skills to prepare the external financial statements and related footnotes in accordance with GAAP.

Current Status

During the 2020 audit, it was noted that the finding will be repeated. See Finding 2020-002.