

CITY OF RAWLINS, WYOMING

FINANCIAL STATEMENTS

JUNE 30, 2023

**CITY OF RAWLINS, WYOMING
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YEAR ENDED JUNE 30, 2023**

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City Manager
PO Box 953
Rawlins, WY 82301
Thomas E Sarvey

January 3, 2024

Honorable Mayor
Members of the City Council
Citizens of Rawlins

Wyoming State law requires all general-purpose local governments to publish within six months of the close of each fiscal year a complete set of financial statements presented in conformity with General Accepted Accounting Principles (GAAP) and audited in accordance with General Accepted Auditing Standards (GAAS) by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the Basic Financial Statements of the City of Rawlins (City) for the fiscal year ended June 30, 2023.

The responsibility for both the accuracy and the data and the completeness of the presentation, including all disclosures, rests with the management of the City. To provide a reasonable basis for making these representations, management of the City has established a comprehensive internal control framework that is designed both to protect the entities assets from loss, theft, or misuse, and to compile sufficient reliable information for the preparation of the City's financial statements in conformity with GAAP. As the cost of internal controls should not outweigh the benefits, the City's comprehensive framework of internal control has been designed to provide reasonable, rather than absolute assurance that the financial statements will be free from material misstatement. To the best of our knowledge and belief the enclosed data is accurate in all material respects and is reported in a manner designed to fairly present the financial position and results of operation of the various funds.

The City's financial statement have been audited by Atlas CPAs and Advisor PLLC, a firm of licensed certified public accountants. Based upon the audit the independent auditor concluded that there was a reasonable basis for rendering an unmodified ("clean") opinion that the City's financial statements for the fiscal year ended June 30, 2023, are fairly presented in conformity with GAAP. The independent auditor's report is located at the front of the financial section of this report. The independent audit of the City's financial statements include the federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal control and compliance with legal requirements, with special emphasis on internal control and legal requirements involving the administration of federal awards. The results of the City's Single Audit for the fiscal year ended June 30, 2023, did not report any material weaknesses. These reports are located in the Single Audit section of this report.

The City's Basic Financial statements incorporates the reporting model prescribed by the Governmental Accounting Standards Board (GASB) Statement 34. This approach emphasizes the use of City-wide

financial statements, in addition to fund financial statements, enabling the reader to obtain an overview of the City's financial position and results of operations.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement Management's Discussion and Analysis and should be read in conjunction with it. All disclosures necessary to enable the reader to gain an understanding of the financial activities for the fiscal year ended June 30, 2023 have been included.

Profile of the Government

The City is located in Carbon County, which is in south-central Wyoming. The City has an area of approximately 8.28 square miles and a population of approximately 8,013, making it the 12th largest city in the State of Wyoming.

Rawlins was incorporated in 1886 and designated the county seat of Carbon County. The City was founded in 1868 when the Union Pacific Railroad arrived. Rawlins has since become a railroad division point, a supply center for ranching, lumbering, and coal mining areas, and a tourist rest stop for nearby national forests. The City is divided into three wards and two councilpersons are elected from each ward with one at-large member. The City operates under the Council/Manager form of government.

Current staffing for the City is 124 full time employees.

The City provides a full range of services, including police and fire protection, the construction and maintenance of streets and other infrastructure, recreational activities and cultural events, provides water, sewer, and sanitation utility services, and health and welfare programs. The City also includes the financial information for the Downtown Development Authority. Addition information on this legally separate entity can be found in Note 1. of the financial statements.

Wyoming state statute requires that the City adopts the budget in July prior to the beginning of the subsequent fiscal year. Budget revisions may be adopted throughout the fiscal year. The City maintains numerous budgetary controls. The objectives of these controls are to ensure compliance with legal provisions embodied in the annual appropriated budget adopted by the City Council. Activities of all funds are included in this report. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is established by function. The City also maintains an encumbrance accounting system as one technique of accomplishing budgetary control. Encumbered amounts lapse a year end and are generally re-established in the following year as an obligation against that year's appropriated budget. As demonstrated by the statements and schedules included in the financial section of this report, the City continues to meet its responsibility for sound financial management.

Major Initiatives

Mission:

The City is dedicated to building public trust by providing exceptional services in a professional, safe, transparent, and fiscally responsible manner.

Vision:

Rawlins is a unique and vibrant city where genuine, resilient residents enjoy living in an appealing, safe, and welcoming community filled with boundless opportunities.

Directives

- Our City ensures a culture of trust through compassion, competence and integrity. Our City's ability to provide high quality services is dependent on our ability to recruit, train and retain high quality employees.
- Our City increases the visual appeal of our natural and build landscapes by leveraging available tools and resources, in partnership with community stakeholders.
- Our City is dedicated to the improvement of existing infrastructure (i.e. utilities, parks, streets) in order to support current service demands and future growth opportunities.
- Our City is committed to strengthening our residents' trust through focusing on open communication, transparency and accountability.
- Our City strengthens our businesses and community through recruitment, retention, and expansion of commerce; and development-friendly ordinances for sustainable growth.

Culture Statement

Our happiness and success depend on building and maintaining relationships of trust with one another. Trust cannot exist without compassion, competency, and integrity.

Factors Affecting Financial Condition

Local Economy: The City currently continues to enjoy a vigorous economic environment and local indicators point to continues economic strength.

State-shared sales tax is the City's leading indicator of the local economy and the City's major revenue source. Excluding special sales tax replacement revenue provided by the State to compensate local governments for elimination of sales tax on food, total sales tax revenue decreased approximately 40.70% over fiscal year 2022. A lesser general revenue source is property tax which increased approximately 4.98%.

The State of Wyoming has low unemployment rate of 3.1% near the close of fiscal year 2023. Major industries located within the governments' boundaries include energy/mineral extraction and related support companies, a medical center, utilities, a railroad and various retail establishments. Government also plays a major role for the City of Rawlins as it houses local and county agencies as well.

The City provides pension benefits for its police, fire and non-public safety employees. These benefits are provided through a state-wide plan managed by the State of Wyoming. The City has no obligation in connection with employee benefits offered through this plan beyond its monthly contribution to the State's pension fund. Additional information on the City's pension arrangement and post-employment benefits can be found in Note 4 to the financial statements.

Respectfully submitted,

Thomas Sarvey
Finance Director



INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

Opinions

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 (the City), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements presented fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of June 30, 2023, 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.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

The City's management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.



In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for one year after the date that the financial statements are issued, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.



We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management’s discussion and analysis on pages 5 through 17, the budgetary comparison information on page 63 and 66, and the pension information on pages 64 through 65 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 Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City’s basic financial statements. The supplementary information for the year ended June 30, 2023 as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The 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. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements, and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 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.



Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 3, 2024, on our consideration of the City’s 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’s 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’s internal control over financial reporting and compliance.

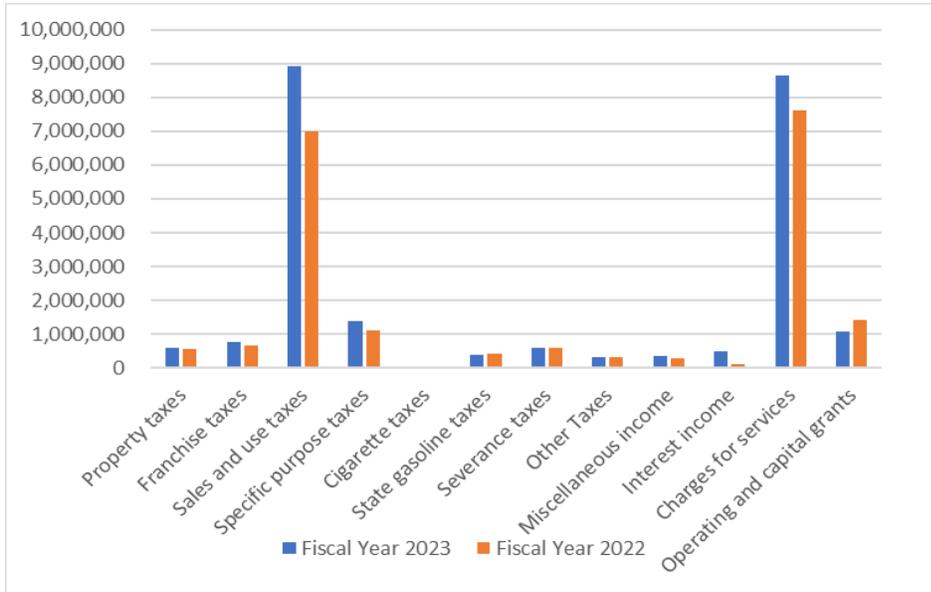
Atlas CPAs & Advisors PLLC

Casper, Wyoming
January 3, 2024

City of Rawlins, Wyoming

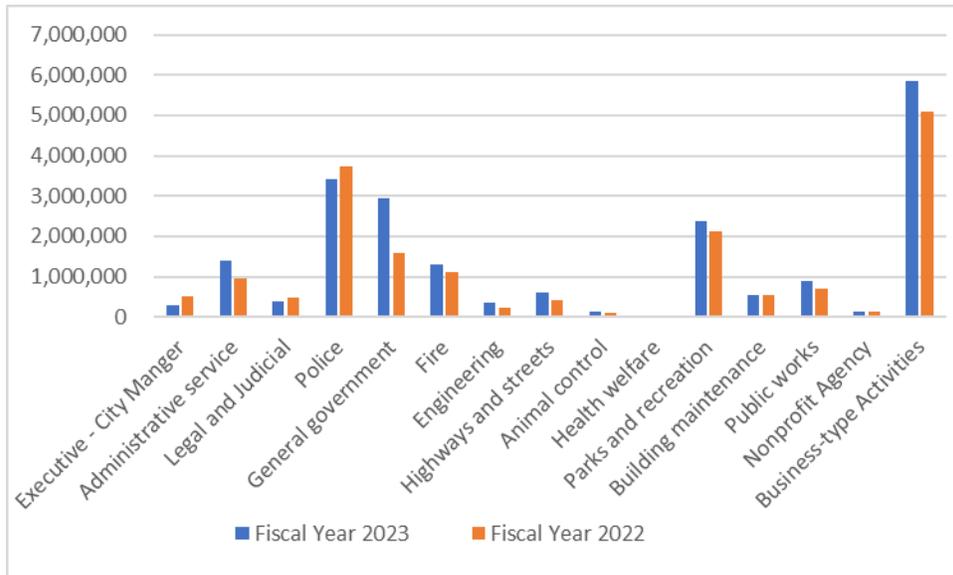
MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2023
(Unaudited)



Primary Government-wide Revenues:
Increased \$3.42 million from prior year

Primary Government-wide Expenses:
Increased \$2.99 million from prior year



City of Rawlins, Wyoming

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2023
(Unaudited)

As management of the City of Rawlins (City), we present to readers of the City's basic financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2023. We encourage readers to consider the information presented here in conjunction with additional information furnished by the letter of transmittal at the beginning of this report and the City's basic financial statements, notes to the financial statements, and various supplementary information following this section.

Financial Highlights

Government-wide:

The total assets and deferred outflows of resources of the City exceeded its total liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$84.71 million (net position). Of this amount, \$25.35 million (unrestricted net position) is available for spending at the City's discretion. The City's total net position, including all funds, increased by \$2.83 million. Governmental activities net position increased \$2.66 million while business-type activities net position increased by \$179,014.

The City participates in the Public Employees' Pension Plan ("PEPP"), a statewide cost-sharing multiple-employer public employee retirement system administered by the State of Wyoming Retirement System Board. Governmental accounting standards require the City to record its proportional share of the overall plan's net position. The net pension liability is \$9.39 million and \$6.01 million as of June 30, 2023, and June 30, 2022 respectively. All plan components including the major components of participation, eligibility, investment strategy, benefit structure, contribution rates and plan administration are controlled by the State of Wyoming. Readers should be aware the City is required to record the net position but has no control of the plan elements that affect the net position.

The City's total assets increased by \$2.99 million or 2.96%, during fiscal year 2023. The City increased its current assets by \$2.98 million or 7.52%. The City increased capital assets by \$4,733. Included in capital assets is asset additions of \$5.77 million and asset disposals of \$2.22 million, offset by depreciation expense of \$3.55 million.

The City's total liabilities decreased \$3.77 million or 23.24% during fiscal year 2023. The most significant decrease is a \$3.38 million increase in net pension liability. Other variances in liabilities include \$58,094 increase in accrued compensated absences and \$368,435 increase in notes payable – long term.

The City received in fiscal year 2023 \$7.00 million in sales and use taxes. In fiscal year 2023, the City received \$8.91 million in sales and use taxes for a increase of \$1.91 million or 27.38%. This increase is due wind power projects that are beginning to take form in Carbon County.

The City increased water rates in November 2022 to assist with a proposed five year plan for the rehabilitation of the water transmission line that transports water to town from natural springs approximately 32 miles south of town. The City has received \$3.3 million in grant funding to aid with the estimated \$25 million project.

City of Rawlins, Wyoming

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2023
(Unaudited)

Fund Basis:

As of June 30, 2023, unassigned fund balance for the General Fund was \$10.31 million or 81.82% of total General Fund expenditures, exclusive of transfers. The City also assigned \$11.74 (assigned fund balance) at the end of the fiscal year to be used for specific purposes, including \$4.00 million of working capital reserve for the General Fund. As of June 30, 2023, the City has committed \$1.50 million (committed fund balance) for future funding requirements.

The City's Enterprise Funds Capital Equipment/Infrastructure total debt increased by \$545,307 during the current fiscal year to a total of \$6.80 million. All Enterprise debt is paid through the rates charged for water and sewer use and is set by the City.

As of June 30, 2023, the City's other governmental funds reported combined ending unassigned fund balance of \$465,356. This amount belongs to the Downtown Development Authority and is designated for specific operating expenditures. The restricted fund balance of \$3.45 million is designated for specific capital expenditures within the Capital Facilities Tax Fund.

Overview of the Financial Statements

Management's Discussion and Analysis is intended to serve as an introduction to the City's basic financial statements. Comparison to the prior year's activity is provided in this document. The City's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. This report also contains other supplementary information in addition to the basic financial statement themselves.

Government-wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the City's financial activities using accounting methods similar to those used by private-sector businesses. The government-wide financial statements include the statement of net position and the statement of activities. The statement of net position presents information on all the City's assets, deferred outflows of resources, deferred inflows of resources and liabilities. The difference between assets plus deferred outflows of resources and deferred inflows of resources plus liabilities is reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The statement of activities presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods such as revenues pertaining to uncollected taxes or expenses pertaining to earned but unused vacation and sick leave. The government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues, such as grant revenue (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).

City of Rawlins, Wyoming

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2023
(Unaudited)

Governmental activities of the City include those related to legislative and legal, general government, public safety, public health, community and cultural, public works and direct assistance to other entities.

Business-type activities of the City include those related to water, sewer, solid waste management and recycling activities.

The government-wide financial statements include not only the City itself (known as the primary government), but also includes the legally separate entity of the Downtown Development Authority. Financial information for this component unit is reported separately from the financial information presented for the primary government itself.

Fund Financial Statements

The fund financial statements focus on the City's major funds and provide more detailed information about the City. 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, like other state and local governments, uses fund accounting to endure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into two categories: governmental funds and proprietary 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 the City's near-term financing requirements.

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

The City maintains several individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund.

Data from the remaining governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statement, located in the other supplementary information section of this report.

The City adopts an annual appropriate budget for its funds. A budgetary comparison is provided for each of the City's governmental funds to demonstrate compliance with this budget. The budgetary comparison

City of Rawlins, Wyoming

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2023
(Unaudited)

statements for the General Fund and the Capital Facility Tax are located in the required supplementary information section of this report.

Proprietary funds are generally used to account for operations that provide services to the general public on a continuing basis or to internal City departments. Proprietary funds provide the same type of information contained in the business-type activities portion of the government-wide financial statements, only in more detail. The City maintains two different types of proprietary funds: enterprise and internal service.

Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises where the stated intent is that the costs (expenses, including depreciation and indirect costs) of providing goods and services to the general public on a continuing basis are financed or recovered primarily through user charges. The City utilizes enterprise funds to account for its water, sewer, solid waste management operations, and recycling activities.

Internal Service funds are accounting mechanisms used to accumulate and allocate costs among the City's various functions. The City uses one internal service fund to account for City's self-funded health insurance program.

Notes to the Financial Statements

The Notes to the Basic Financial Statements provide additional information and narrative disclosures that are essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's budgetary compliance of the General Fund and the non-major governmental funds. The combining statements referred to earlier in connection with governmental funds and internal service funds are presented immediately following the required supplementary information.

Government-Wide Financial Analysis

Analysis of Net Position

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The City's net position increased from one year ago. The following analysis focuses on the net position, as reported on the Statement of Net Position and the changes in net position, as reported on the Statement of Activities.

In total, the City's net position increased \$2.83 million, or 3.46%, from FY 2022 to FY 2023. Investments in capital assets decreased \$540,574 million, or 0.98%. Restricted net position increased \$1.59 million or 50.63%. Unrestricted net position increased \$1.79 million, or 7.58%.

City of Rawlins, Wyoming

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2023
(Unaudited)

Total Net Position

By far the largest portion of the city's net position (64.50%) reflects the net investment of \$54.63 million in capital assets (for example, land, building, infrastructure, machinery, and equipment), net of related debt used to acquire those assets and that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in 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.

An additional portion of the City's net position, \$4.73 million 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 \$25.35 million 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, 2023 the City is able to report positive balances in all three categories of net position, for the government as a whole and for business-type activities.

Governmental Net Position

The net position of the city's governmental activities increased \$2.66 million, or 5.70%, during fiscal year 2023. This increase was composed of a decrease in net capital assets of \$454,909, an increase in restricted net position of \$1.36 million, and an increase in unrestricted net position of \$1.78 million.

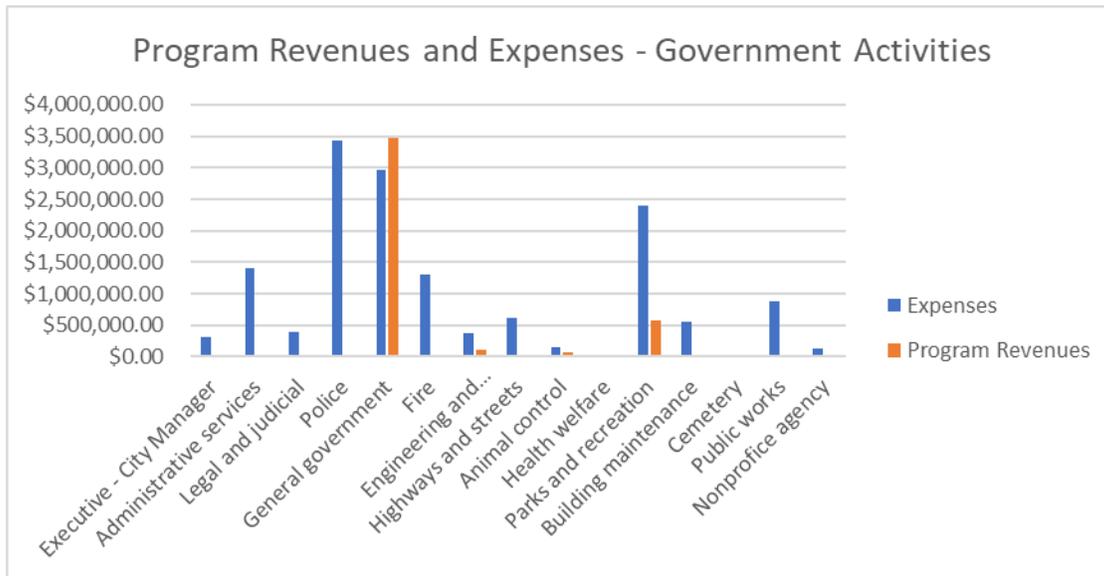
City of Rawlins, Wyoming

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2023
(Unaudited)

City of Rawlins Comparative Statement of Net Position June 30, 2022 and 2023

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Assets						
Current and other assets	\$36,075,026	\$33,519,315	\$6,610,511	\$6,182,332	\$42,685,537	\$39,701,647
Capital Assets	22,242,260	22,697,169	39,190,932	38,731,290	61,433,192	61,428,459
Total assets	58,317,286	56,216,484	45,801,443	44,913,622	104,118,729	101,130,106
Deferred Outflows of Resources	3,225,004	2,832,682	224,836	100,125	3,449,840	2,932,807
Liabilities						
Current liabilities	542,051	793,441	900,532	687,349	1,442,583	1,480,790
Long-term liabilities	17,227,257	633,009	8,498,148	8,109,236	25,725,405	8,742,245
Net Pension Liability	8,278,132	5,474,886	1,112,705	533,130	9,390,837	6,008,016
Total liabilities	26,047,440	6,901,336	10,511,385	9,329,715	36,558,825	16,231,051
Deferred Inflow of Resources	2,852,548	5,604,469	7,054	355,206	2,859,602	5,959,675
Net Position						
Invested in Capital Assets	22,242,260	22,697,169	32,391,626	32,477,291	54,633,886	55,174,460
Restricted	3,450,838	2,090,119	1,274,440	1,046,815	4,725,278	3,136,934
Unrestricted	23,505,468	21,756,073	1,841,774	1,804,720	25,347,242	23,560,793
Total net position	\$49,198,566	\$46,543,361	\$35,507,840	\$35,328,826	\$84,706,406	\$81,872,187

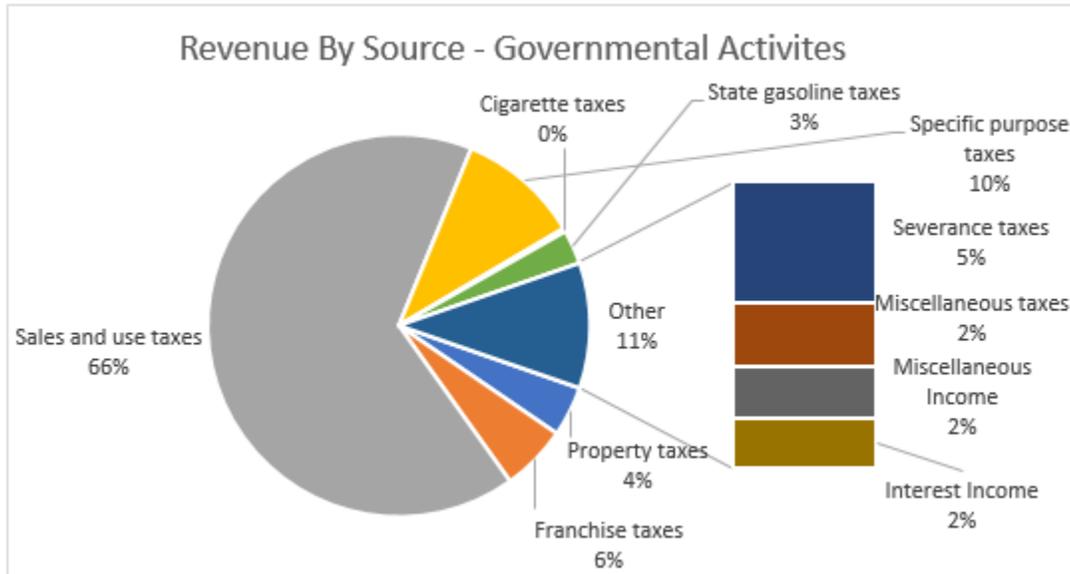


City of Rawlins, Wyoming

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2023
(Unaudited)

The governmental activities chart above illustrate operating expense and program revenues by function and revenues by source. Police is the largest function at 23.06% of total governmental operating expense, followed General Government at 19.87%, by Parks and Recreation at 16.06%, Administrative Services at 9.41%, Fire at 8.80%, and Public Works at 5.90%.



Property taxes, franchise taxes, sales and use taxes, specific purpose taxes, cigarette taxes, state gasoline taxes, severance taxes, miscellaneous taxes, miscellaneous income and interest income are general revenues used to support overall government functions; therefore, these are not shown as program revenues. Sales and use tax make up 64% of revenue, other taxes, consisting primarily of specific purpose taxes 10%, franchise taxes 6%, severance taxes 4%, property taxes 4% state gasoline taxes 3%, miscellaneous taxes 2%, miscellaneous income 3%, and interest income 4% of total revenues.

Sales tax revenues, including both state shared taxes and local option one cent tax, increased by \$1.92 million, or 27.38%.

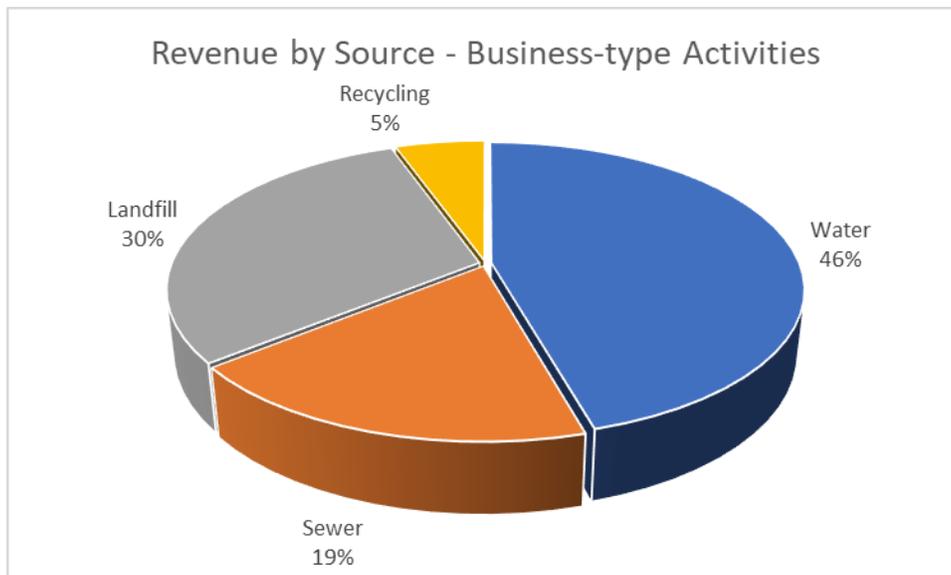
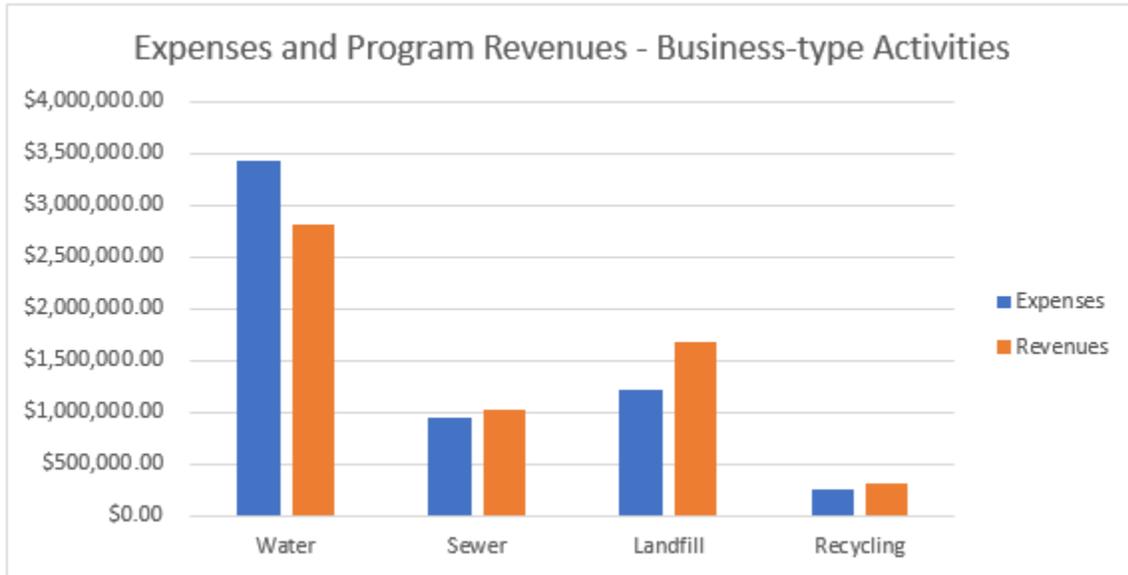
Specific purpose taxes increased by \$277,509 as a result of impact assistance projects in Carbon County.

City of Rawlins, Wyoming

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2023
(Unaudited)

Business-Type Activities



The previous charts illustrate expenses and program revenues, and revenues by source. The City's Water Fund is the largest business-type operation based on activities, followed by the Landfill, Sewer, and Recycling Funds. The utilities are mainly funded by fees for services.

Business-type activities increased the City's overall net position by \$179,014.

City of Rawlins, Wyoming

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2023
(Unaudited)

City of Rawlins Comparative Statement of Activities June 30, 2022 and 2023

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Revenues						
Charges for Services	\$3,191,797	\$2,846,912	\$5,464,564	\$4,774,574	\$8,656,361	\$7,621,486
Operating Grants and contributions	1,073,400	674,862	0	755,380	1,073,400	1,430,242
Capital grants and contributions	0	0	0	0	0	0
Taxes						
Property	572,682	546,985	0	0	572,682	546,985
Sales and Use	8,910,961	6,995,413	0	0	8,910,961	6,995,413
Other	3,491,937	3,159,095	0	0	3,491,937	3,159,095
Unrestricted interest earnings	255,669	92,196	242,963	13,290	498,632	105,486
Other	257,483	187,463	101,753	92,592	359,236	280,055
Total Revenues	17,753,929	14,502,926	5,809,280	5,635,836	23,563,209	20,138,762
Expenses						
General government	2,957,602	1,593,639	0	0	2,957,602	1,593,639
Public Safety	4,741,631	4,868,206	0	0	4,741,631	4,868,206
Public Works	2,414,789	1,867,675	0	0	2,414,789	1,867,675
Health, welfare and recreation	2,658,546	2,266,112	0	0	2,658,546	2,266,112
Non-departmental	2,110,705	2,064,072	0	0	2,110,705	2,064,072
Water	0	0	3,437,844	2,950,922	3,437,844	2,950,922
Sewer	0	0	954,297	858,379	954,297	858,379
Landfill	0	0	1,208,348	1,070,306	1,208,348	1,070,306
Recycling	0	0	245,228	198,190	245,228	198,190
Total Expenses	14,883,273	12,659,704	5,845,717	5,077,797	20,728,990	17,737,501
Increase (decrease) in net assets before transfers	2,870,656	1,843,222	(36,437)	558,039	2,834,219	2,401,261
Transfers	(215,451)	691,371	215,451	(691,371)	0	0
Change in Net Assets	2,655,205	2,534,593	179,014	(133,332)	2,834,219	2,401,261
Net Position - Beginning	46,543,361	44,008,768	35,328,826	35,462,158	81,872,187	79,470,926
Net Position - Ending	\$49,198,566	\$46,543,361	\$35,507,840	\$35,328,826	\$84,706,406	\$81,872,187

Government Funds Financial Analysis

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

City of Rawlins, Wyoming

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2023
(Unaudited)

Governmental funds

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

At June 30, 2023, the city's governmental funds reported a combined ending fund balance of \$28.89 million, an increase of \$2.41 million, or 9.10%. The major factor to the net increase is revenues in excess of expenditures in the amount of \$2.63 million. This is primarily due to an increase in revenues of \$3.07 million, or 24.83%, and a decrease in expenses of \$3.84 million, or 23.09%.

The General Fund is the City's main operating fund. The General Fund non-spendable fund balance is \$1.43 million, the committed fund balance is \$1.50 million, the assigned fund balance was \$11.74 million, and the unassigned fund balance was \$10.31 million. The total fund balance in the General fund for fiscal year 2023 is \$25.00 million.

Enterprise Funds

Enterprise funds unrestricted net position at June 30, 2023 amounted to \$1.84 million. Other factors concerning the finance of these funds are addressed in the discussion of the City's business-type activities. The Water Fund reported unrestricted net assets of \$117,800, the Sewer Fund reported unrestricted net position of \$335,020, the Landfill Fund report unrestricted net position of \$1.33 million and the recycling fund reported unrestricted net position of \$58,810.

Internal Service Fund

The internal service fund, which is used to finance and account for goods and services provide internally among City departments, had unrestricted net position of \$4.62 million. This as an increase of \$543,383 from Fiscal Year 2023.

Budgetary Highlights

The City Council adopts an annual budget for all funds. The City Council adopts budget adjustment during the year for supplemental appropriations which are generally contingent upon new or additional revenue sources or the spending of reserves.

Capital Assets

The City's investment in capital assets for its governmental and business-type activities for the current fiscal year amounts to \$54.63 million (net of accumulated depreciation). This investment in capital assets includes land, building and related system improvement, machinery and equipment, park facilities, roads, highways and bridges.

Equipment purchases and major capital projects competed or in progress during the year are as follows:

2023 North Star Ambulance – Fire Department	\$232,674
36" Riding Aerator – Parks Department	18,433

City of Rawlins, Wyoming

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2023

(Unaudited)

Pro Series Skate Park Ramp – Parks Department	71,607
Dog Park Fencing – Parks Department	26,590
Towable Air Compressor – Parks Department	26,664
Outdoor Drinking Fountain and Pet Station – Parks Department	5,383
John Deere 2030A Prognator – Golf Course	31,750
Fairway Mower – Golf Course	64,000
220 Park of Roller Skates – Recreation Center	29,767
Refinish and Paint Floor – Recreation Center	39,000
2021 Full Size Pickup – Public Works	56,038
Wheel Loader Snowplow – Public Works	11,678
City Hall Controls Upgrade – General Government	134,839
(2) Boilers – Police Department	26,294
(22) Taser T7 Bundles – Police Department	86,011
I Record Recording System – Police Department	22,694
Sign Board Trailer – Golf Course	21,000
2022 Ford F-250 Animal Control Vehicle -Animal Control	63,506
(2) APX 8500 Mobile Radios – Animal Control	10,173
(8) Pro SCBA's Cylinders and Masks – Fire Department	62,996
Life Pak Cardiac Monitor	71,984
(2) Lifepak CR2 Defibrillators	17,787
Miscellaneous – General Government	18,380
Sage Creek Basin Phase One – Water Infrastructure	2,010,704
Air Vacs for Spring Line – Water Infrastructure	32,347
Hydro Excavator – Water Department	30,771
#1 Filter Leaf and Gaskets – Water Treatment	98,451
Leak Detector Equipment – Water Department	20,356
Trench Boxes – Water Department	23,469
Line Locator - Water Department	10,431
Meraki MS390 F8 Port – Water Department	20,447
Chlorination System – Water Treatment	7,966
Caterpillar Wheel Tractor Scraper – Landfill	980,047
(2) Tube Heaters – Recycling Center	8,800

Additional information on the City's capital assets can be found in Note 1 – Summary of Significant Accounting Policies and Note 3 Detail Notes on Transaction Classes/Accounts Note 3.C. Capital Assets.

Long-term Debt

At the end of the current fiscal year, the City had total net long-term obligations outstanding of \$8.52 million. Of this amount, \$797,901 is for accrued compensated absences, \$6.80 million relates to loans from the State of Wyoming for utility systems, \$922,500 for Landfill closure post closure care costs. During the year, long-term debt decreased by a net \$170,734.

City of Rawlins, Wyoming

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2023
(Unaudited)

Additional information about the City's debt can be found in Note 1 – Summary of Significant Accounting Policies and Note 3 Detail Notes on Transaction Classes/Accounts Note 3.E. Long-Term Debt.

Economic Factors and Next Year's Budget

The City maintains a cautiously optimistic outlook going into fiscal year 2024 that revenues from Sales and Use tax will maintain their current levels. According to the U.S. Bureau of Labor and Statistics, the State of Wyoming's unemployment rate at June 30, 2023 was 2.9%. This rate is lower than the September 2022 rate of 3.8%, and the September 2023 national unemployment rate of 3.8%.

According to the Department of Administration and Information, Economic Analysis Division, the Wyoming Economic Health Index reported a value of 106.8 in September 2023. This value is higher than the September 2022 value of 105.1.

Requests for Information

The financial report is designed to provide a general overview of the City finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or request for additional financial information should be addressed to the Finance Director, 521 West Cedar, PO Box 953, Rawlins, Wy 82301. (tsarvey@rawlinswy.gov)

CITY OF RAWLINS, WYOMING
STATEMENT OF NET POSITION
June 30, 2023

	Primary Government		
	Governmental Activities	Business - Type Activities	Total
ASSETS			
CURRENT ASSETS			
Cash and equivalents	\$ 25,897,373	\$ 4,455,225	\$ 30,352,598
Investments, at fair value	5,673,712	1,274,440	6,948,152
Receivables:			
Accounts receivable	92,420	581,576	673,996
Taxes receivable	964,027	-	964,027
Unbilled receivable	-	297,168	297,168
Leases receivable	2,014,863	-	2,014,863
Interfund advances receivable	1,176,764	-	1,176,764
Inventories	32,954	-	32,954
Prepays	222,913	2,102	225,015
TOTAL CURRENT ASSETS	36,075,026	6,610,511	42,685,537
PROPERTY AND EQUIPMENT			
Capital assets			
Land	2,551,948	-	2,551,948
Construction in progress	-	264,506	264,506
Buildings and improvements	12,565,245	76,880,894	89,446,139
Infrastructure	13,596,398	-	13,596,398
Furniture and equipment	15,215,185	6,506,894	21,722,079
Less Accumulated depreciation	(21,686,516)	(44,461,362)	(66,147,878)
NET PROPERTY AND EQUIPMENT	22,242,260	39,190,932	61,433,192
TOTAL ASSETS	58,317,286	45,801,443	104,118,729
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pensions	3,225,004	224,836	3,449,840
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 61,542,290	\$ 46,026,279	\$ 107,568,569
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION			
CURRENT LIABILITIES			
Accounts payable	\$ 293,700	\$ 202,071	\$ 495,771
Accrued payroll	248,351	49,293	297,644
Accrued interest	-	121,838	121,838
Notes payable - current portion	-	527,330	527,330
TOTAL CURRENT LIABILITIES	542,051	900,532	1,442,583
LONG-TERM LIABILITIES			
Interfund advances payable	-	1,176,764	1,176,764
Accrued compensated absences	670,993	126,908	797,901
Closure and post closure costs	-	922,500	922,500
Net pension liability	8,278,132	1,112,705	9,390,837
Notes payable - long-term	-	6,271,976	6,271,976
TOTAL LONG-TERM LIABILITIES	8,949,125	9,610,853	18,559,978
TOTAL LIABILITIES	9,491,176	10,511,385	20,002,561
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to pensions	916,115	7,054	923,169
Deferred inflows related to leases	1,936,433	-	1,936,433
Total Deferred Inflows of Resources	2,852,548	7,054	2,859,602
NET POSITION			
Net Investment in Capital Assets	22,242,260	32,391,626	54,633,886
Restricted	3,450,838	1,274,440	4,725,278
Unrestricted	23,505,468	1,841,774	25,347,242
TOTAL NET POSITION	\$ 49,198,566	\$ 35,507,840	\$ 84,706,406

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

CITY OF RAWLINS, WYOMING
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2023

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	\$ 307,827	\$ -	\$ -	\$ -	\$ (307,827)	\$ -	\$ (307,827)
Administrative services	1,400,555	-	-	-	(1,400,555)	-	(1,400,555)
Legal and judicial	402,323	1,740	-	-	(400,583)	-	(400,583)
Police	3,431,939	-	-	-	(3,431,939)	-	(3,431,939)
General government	2,957,602	2,393,728	1,073,400	-	509,526	-	509,526
Fire	1,309,692	-	-	-	(1,309,692)	-	(1,309,692)
Engineering and development	372,423	104,814	-	-	(267,609)	-	(267,609)
Highways and streets	609,494	12,351	-	-	(597,143)	-	(597,143)
Animal control	146,766	75,509	-	-	(71,257)	-	(71,257)
Health welfare	-	8,334	-	-	8,334	-	8,334
Parks and recreation	2,390,680	577,521	-	-	(1,813,159)	-	(1,813,159)
Building maintenance	554,421	-	-	-	(554,421)	-	(554,421)
Cemetery	-	17,800	-	-	17,800	-	17,800
Public works	878,451	-	-	-	(878,451)	-	(878,451)
Nonprofit agency	121,100	-	-	-	(121,100)	-	(121,100)
TOTAL GOVERNMENTAL ACTIVITIES	14,883,273	3,191,797	1,073,400	-	(10,618,076)	-	(10,618,076)
Business - Type Activities							
Current:							
Water	3,437,844	2,491,491	-	-	-	(946,353)	(946,353)
Sewer	954,297	1,016,222	-	-	-	61,925	61,925
Landfill	1,208,348	1,655,982	-	-	-	447,634	447,634
Recycling	245,228	300,869	-	-	-	55,641	55,641
TOTAL BUSINESS-TYPE ACTIVITIES	5,845,717	5,464,564	-	-	-	(381,153)	(381,153)
TOTAL PRIMARY GOVERNMENT	\$ 20,728,990	\$ 8,656,361	\$ 1,073,400	\$ -	(10,618,076)	(381,153)	(10,999,229)
GENERAL REVENUES							
Taxes:							
Property taxes					572,682	-	572,682
Franchise taxes					752,552	-	752,552
Sales and use taxes					8,910,961	-	8,910,961
Specific purpose taxes					1,393,810	-	1,393,810
Cigarette taxes					39,910	-	39,910
State gasoline taxes					389,226	-	389,226
Severance taxes					599,534	-	599,534
Miscellaneous taxes					316,905	-	316,905
Miscellaneous income					257,483	101,753	359,236
Interest income					255,669	242,963	498,632
Transfers					(215,451)	215,451	-
TOTAL GENERAL REVENUES AND TRANSFERS					13,273,281	560,167	13,833,448
CHANGE IN NET POSITION					2,655,205	179,014	2,834,219
NET POSITION - Beginning of Year					46,543,361	35,328,826	81,872,187
NET POSITION - End of Year					\$ 49,198,566	\$ 35,507,840	\$ 84,706,406

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

CITY OF RAWLINS, WYOMING
BALANCE SHEET - GOVERNMENTAL FUNDS
June 30, 2023

	GENERAL	NON-MAJOR GOVERNMENTAL FUNDS	TOTAL
ASSETS			
Cash and cash equivalents	\$ 17,309,275	\$ 3,916,726	\$ 21,226,001
Investments, at fair value	5,673,712	-	5,673,712
Receivables:			
Taxes	913,454	-	913,454
Accounts	92,420	-	92,420
Interfund advances	1,176,764	-	1,176,764
Leases	2,014,863	-	2,014,863
Inventories	32,954	-	32,954
Prepays	222,913	-	222,913
TOTAL ASSETS	\$ 27,436,355	\$ 3,916,726	\$ 31,353,081
LIABILITIES			
Accounts payable	\$ 274,595	\$ 532	\$ 275,127
Accrued payroll	248,351	-	248,351
TOTAL LIABILITIES	522,946	532	523,478
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to leases	1,936,433	-	1,936,433
FUND BALANCE			
Nonspendable	1,432,631	-	1,432,631
Restricted	-	3,450,838	3,450,838
Committed	1,498,619	-	1,498,619
Assigned	11,739,179	-	11,739,179
Unassigned	10,306,547	465,356	10,771,903
TOTAL FUND BALANCE	24,976,976	3,916,194	28,893,170
TOTAL LIABILITIES AND FUND BALANCE	\$ 27,436,355	\$ 3,916,726	\$ 31,353,081

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, 2023

Total Fund Balances - Governmental Funds	\$	28,893,170
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	43,928,776	
Less: Accumulated depreciation	<u>(21,686,516)</u>	22,242,260
Deferred outflows of resources related to pensions are not current financial resources and are not reported in the governmental funds.		3,225,004
Deferred inflows of resources related to pensions are not current financial resources and are not reported in the governmental funds.		(916,115)
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	(670,993)	
Net pension liability	<u>(8,278,132)</u>	(8,949,125)
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>4,652,799</u>
NET POSITION OF GOVERNMENTAL ACTIVITIES	\$	<u>49,198,566</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, 2023

	GENERAL	NON-MAJOR GOVERNMENTAL FUNDS	TOTAL
REVENUES			
Taxes and special assessments	\$ 11,581,770	\$ 1,393,810	\$ 12,975,580
Intergovernmental	1,056,413	20,233	1,076,646
Charges for services	756,365	-	756,365
Investment income	224,267	18,118	242,385
Miscellaneous	257,483	118,223	375,706
TOTAL REVENUES	13,876,298	1,550,384	15,426,682
EXPENDITURES			
Current:			
General government	3,468,643	7,153	3,475,796
Public safety and transportation	4,214,265	-	4,214,265
Public works	1,037,648	-	1,037,648
Highways and streets	615,495	56,706	672,201
Culture and recreation	2,111,381	140,013	2,251,394
Capital outlay	1,149,248	-	1,149,248
TOTAL EXPENDITURES	12,596,680	203,872	12,800,552
EXCESS OF REVENUES OVER EXPENDITURES	1,279,618	1,346,512	2,626,130
OTHER FINANCING SOURCES (USES)			
Transfers in	2,977,828	50,000	3,027,828
Transfers out	(3,243,279)	-	(3,243,279)
TOTAL FINANCING SOURCES (USES)	(265,451)	50,000	(215,451)
NET CHANGE IN FUND BALANCE	1,014,167	1,396,512	2,410,679
FUND BALANCE, Beginning	23,962,809	2,519,682	26,482,491
FUND BALANCE, Ending	\$ 24,976,976	\$ 3,916,194	\$ 28,893,170

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, 2023

Net change in fund balances - total governmental funds	\$	2,410,679
<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		1,084,145
Depreciation is reported in the government-wide financial statements		(1,539,054)
<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		(37,984)
Net pension liability		(2,803,246)
Deferred outflows of resources related to pensions		392,322
Deferred inflows of resources related to pensions		2,604,960
<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>		
		543,383
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	\$	2,655,205

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

CITY OF RAWLINS, WYOMING
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2023

	Business-Type Activities - Proprietary Funds					Governmental
	WATER	SEWER	LANDFILL	RECYCLING	TOTAL	INTERNAL SERVICE FUND
ASSETS						
CURRENT ASSETS						
Cash and cash equivalents	\$ 1,238,885	\$ 785,222	\$ 2,281,193	\$ 149,925	\$ 4,455,225	\$ 4,671,372
Investments, at fair value	1,274,440	-	-	-	1,274,440	-
Prepays	2,102	-	-	-	2,102	-
Receivables:						
Accounts	272,977	84,009	200,887	23,703	581,576	-
Unbilled receivable	155,262	92,694	49,212	-	297,168	-
TOTAL CURRENT ASSETS	2,943,666	961,925	2,531,292	173,628	6,610,511	4,671,372
CAPITAL ASSETS						
Construction in progress	264,506	-	-	-	264,506	-
Buildings and improvements	66,510,932	9,527,457	842,505	-	76,880,894	-
Furniture and equipment	2,423,252	1,515,843	2,504,673	63,126	6,506,894	-
Less Accumulated depreciation	(38,067,161)	(4,984,115)	(1,397,170)	(12,916)	(44,461,362)	-
NET CAPITAL ASSETS	31,131,529	6,059,185	1,950,008	50,210	39,190,932	-
TOTAL ASSETS	34,075,195	7,021,110	4,481,300	223,838	45,801,443	4,671,372
DEFERRED OUTFLOWS OF RESOURCES						
Deferred outflows related to pensions	101,404	55,035	43,708	24,689	224,836	-
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION						
CURRENT LIABILITIES						
Accounts payable	143,601	4,214	53,067	1,189	202,071	756
Accrued payroll	19,588	12,241	12,425	5,039	49,293	-
Accrued interest	109,187	6,629	6,022	-	121,838	-
Benefit claims incurred but not reported	-	-	-	-	-	17,817
Notes payable - current portion	242,233	63,533	221,564	-	527,330	-
TOTAL CURRENT LIABILITIES	514,609	86,617	293,078	6,228	900,532	18,573
LONG-TERM LIABILITIES						
Interfund advances payable	812,020	364,744	-	-	1,176,764	-
Accrued compensated absences	63,403	20,021	33,163	10,321	126,908	-
Closure and post closure costs	-	-	922,500	-	922,500	-
Net pension liability	501,850	272,364	216,308	122,183	1,112,705	-
Notes payable - long-term	4,439,996	341,949	1,490,031	-	6,271,976	-
TOTAL LONG-TERM LIABILITIES	5,817,269	999,078	2,662,002	132,504	9,610,853	-
TOTAL LIABILITIES	6,331,878	1,085,695	2,955,080	138,732	10,511,385	18,573
DEFERRED INFLOWS OF RESOURCES						
Deferred inflows related to pensions	3,181	1,727	1,371	775	7,054	-
NET POSITION						
Net investment in capital assets	26,449,300	5,653,703	238,413	50,210	32,391,626	-
Restricted investments	1,274,440	-	-	-	1,274,440	-
Unrestricted	117,800	335,020	1,330,144	58,810	1,841,774	4,652,799
TOTAL NET POSITION	\$ 27,841,540	\$ 5,988,723	\$ 1,568,557	\$ 109,020	\$ 35,507,840	\$ 4,652,799

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, 2023

	Business-Type Activities - Enterprise Funds					Governmental Activities
	WATER	SEWER	LANDFILL	RECYCLING	TOTAL	INTERNAL SERVICE FUND
OPERATING REVENUES						
Charges to customers	\$ 2,491,491	\$ 1,016,222	\$ 1,655,982	\$ 300,869	\$ 5,464,564	\$ 2,313,963
Other income	84,207	4,763	12,783	-	101,753	-
TOTAL OPERATING REVENUES	2,575,698	1,020,985	1,668,765	300,869	5,566,317	2,313,963
OPERATING EXPENSES						
Personal services	802,054	505,651	367,323	205,483	1,880,511	-
Contractual services	160,328	11,082	261,170	-	432,580	-
Utilities	145,967	78,671	15,242	18,701	258,581	-
Repair and maintenance	214,840	31,579	35,030	8,989	290,438	-
Other supplies and expenses	368,768	4,219	412,054	4,320	789,361	-
Depreciation expense	1,569,270	312,580	117,529	7,735	2,007,114	-
Benefit payments	-	-	-	-	-	1,783,864
TOTAL OPERATING EXPENSES	3,261,227	943,782	1,208,348	245,228	5,658,585	1,783,864
NET INCOME FROM OPERATIONS	(685,529)	77,203	460,417	55,641	(92,268)	530,099
NON-OPERATING REVENUE (EXPENSE)						
Investment income	238,326	1,002	3,446	189	242,963	13,284
Interest expense	(176,617)	(10,515)	-	-	(187,132)	-
TOTAL NON-OPERATING REVENUE (EXPENSE)	61,709	(9,513)	3,446	189	55,831	13,284
INCOME (LOSS) BEFORE TRANSFERS	(623,820)	67,690	463,863	55,830	(36,437)	543,383
TRANSFERS						
Transfers in	1,007,274	52,733	-	-	1,060,007	-
Transfers out	(367,076)	(215,955)	(261,525)	-	(844,556)	-
TRANSFERS, NET	640,198	(163,222)	(261,525)	-	215,451	-
CHANGE IN NET POSITION	16,378	(95,532)	202,338	55,830	179,014	543,383
NET POSITION, Beginning	27,825,162	6,084,255	1,366,219	53,190	35,328,826	4,109,416
NET POSITION, Ending	\$ 27,841,540	\$ 5,988,723	\$ 1,568,557	\$ 109,020	\$ 35,507,840	\$ 4,652,799

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, 2023

	Business-Type Activities - Proprietary Funds					Governmental Activities
	WATER	SEWER	LANDFILL	RECYCLING	TOTAL	INTERNAL SERVICE FUND
CASH FLOWS FROM OPERATING ACTIVITIES:						
Receipts from customers	\$ 2,491,491	\$ 1,016,222	\$ 1,655,982	\$ 300,869	\$ 5,464,564	\$ 2,313,963
Other operating cash receipts	84,207	4,763	12,783	-	101,753	-
Payments to suppliers	(1,046,509)	(130,201)	(703,332)	(42,674)	(1,922,716)	-
Payments to employees	(737,958)	(451,896)	(374,139)	(184,291)	(1,748,284)	(1,996,978)
NET CASH PROVIDED BY OPERATING ACTIVITIES	791,231	438,888	591,294	73,904	1,895,317	316,985
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:						
Transfers, net	640,198	(163,222)	(261,525)	-	215,451	-
Proceeds from interfund accounts	-	(52,733)	-	-	(52,733)	-
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	640,198	(215,955)	(261,525)	-	162,718	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:						
Purchases of property and equipment	(1,477,908)	-	(980,048)	(8,800)	(2,466,756)	-
Principal payments on notes payable	(234,066)	(62,003)	841,376	-	545,307	-
NET CASH USED BY CAPITAL AND RELATED FINANCING ACTIVITIES	(1,711,974)	(62,003)	(138,672)	(8,800)	(1,921,449)	-
CASH FLOWS FROM INVESTING ACTIVITIES:						
Investments, net	(227,625)	-	-	-	(227,625)	-
Investment income	238,326	1,002	3,446	189	242,963	13,284
Interest expense	(182,093)	(11,529)	6,022	-	(187,600)	-
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	(171,392)	(10,527)	9,468	189	(172,262)	13,284
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(451,937)	150,403	200,565	65,293	(35,676)	330,269
CASH AND CASH EQUIVALENTS, Beginning of Year	1,690,822	634,819	2,080,628	84,632	4,490,901	4,341,103
CASH AND CASH EQUIVALENTS, End of Year	\$ 1,238,885	\$ 785,222	\$ 2,281,193	\$ 149,925	\$ 4,455,225	\$ 4,671,372
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES						
Operating income (loss)	\$ (685,529)	\$ 77,203	\$ 460,417	\$ 55,641	\$ (92,268)	\$ 530,099
ADJUSTMENTS TO RECONCILE OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:						
Depreciation	1,569,270	312,580	117,529	7,735	2,007,114	-
Changes in assets and liabilities:						
(Increase) decrease in:						
Accounts receivable	(119,644)	(2,190)	(38,474)	(11,853)	(172,161)	-
Unbilled receivable	(58,886)	(1,402)	(3,597)	-	(63,885)	-
Prepays	(1,143)	959	-	-	(184)	-
Deferred outflows related to pensions	(57,110)	(32,883)	(20,065)	(14,653)	(124,711)	-
Increase (decrease) in:						
Accounts payable	23,067	(2,017)	9,135	1,189	31,374	(9,279)
Accrued payroll	335	2,769	2,211	90	5,405	-
Benefit claims incurred but not reported	-	-	-	-	-	(203,835)
Landfill closure costs	-	-	53,100	-	53,100	-
Net pension liability	266,000	154,414	90,418	68,743	579,575	-
Compensated absences	8,829	6,314	3,125	1,842	20,110	-
Deferred inflows related to pensions	(153,958)	(76,859)	(82,505)	(34,830)	(348,152)	-
NET CASH PROVIDED BY OPERATING ACTIVITIES	\$ 791,231	\$ 438,888	\$ 591,294	\$ 73,904	\$ 1,895,317	\$ 316,985

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

CITY OF RAWLINS, WYOMING
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023

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CITY OF RAWLINS, WYOMING
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023

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
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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, 2023

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, 2023

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.

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, 2023

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, 2023

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.H. for details of interfund transactions, including receivables and payables at year-end.

CITY OF RAWLINS, WYOMING
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023

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.

Leases - Lessor

The City is the lessor for non-cancellable leases of tower space and land. At the commencement of a lease, the City initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments include how the City determines (1) the discount rate it used to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

- The City uses an estimated borrowing rate as the discount rate for leases.
- The lease term includes the non-cancellable period of the lease. Lease receipts included the measurement of the lease receivable composed of fixed payments from the lessee.

The City monitors the changes in circumstances that would require a remeasurement of its lease and will re-measure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

CITY OF RAWLINS, WYOMING
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023

Subscription-Based Information Technology Arrangements

Effective July 1, 2022, the City implemented GASB No. 96, *Subscription-Based Information Technology Arrangements (SBITA)*. The City determines whether a contract conveys control of the right to use another party's (SBITA vendor's) IT software, infrastructure, or data warehouse, alone or in combination with tangible capital assets (underlying IT assets), as specified in the contract for a period of time in an exchange or exchange-like transaction. The SBITA liability is the present value of the annual payments using the City's incremental borrowing rate. The liability is amortized providing the principal and interest components of the payments over the SBITA term. The SBITA asset is measured as the SBITA liability plus any capitalized expenditures/expenses incurred in the initial implementation stage. The SBITA asset is depreciated (amortized) using a straight-line depreciation method over the term of the SBITA arrangement.

The City did not have any SBITA's that were material or applicable to the implementation of the new standard during the year ended June 30, 2023. Therefore, GASB No. 96 did not affect the financial statement presentation and disclosure.

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:

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

CITY OF RAWLINS, WYOMING
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023

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.

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.

CITY OF RAWLINS, WYOMING
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023

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, 2023

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.

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.

CITY OF RAWLINS, WYOMING
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023

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.

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.

CITY OF RAWLINS, WYOMING
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023

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.

Coronavirus Disease (COVID-19)

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.

Subsequent Events

In preparing the financial statements, the City has evaluated events and transactions for potential disclosure through January 3, 2024, the date the financial statements were available to be issued. No events have occurred subsequent to June 30, 2023 that would require disclosure.

CITY OF RAWLINS, WYOMING
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023

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.

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.

CITY OF RAWLINS, WYOMING
NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2023

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

At June 30, 2023, 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.

Deposits

At June 30, 2023, 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, 2023, the City had \$5,573,712 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, 2023, 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 Maturity in Years</u>
Certificates of Deposit	\$ 1,374,440	\$ 1,374,440	0.08620
State of Wyoming Investment Pool (WYOSTAR)	<u>5,573,712</u>	<u>5,573,712</u>	
Total	<u>\$ 6,948,152</u>	<u>\$ 6,948,152</u>	

CITY OF RAWLINS, WYOMING
NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2023

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:

<u>Investment Type</u>	<u>Fair Value</u>	<u>AAA</u>	<u>Insured</u>	<u>Unrated</u>
Certificates of Deposit State of Wyoming Investment	\$ 1,374,440	\$ -	\$ 1,374,440	\$ -
Pool (WYOSTAR)	<u>5,573,712</u>	<u>-</u>	<u>-</u>	<u>5,573,712</u>
Total	<u>\$ 6,948,152</u>	<u>\$ -</u>	<u>\$ 1,374,440</u>	<u>\$ 5,573,712</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, 2023, the City held investments from the following issuers in excess of 5% of the total portfolio:

State of Wyoming Investment	
Pool (WYOSTAR)	\$ 5,573,712
Rawlins National Bank	<u>1,274,440</u>
Total	<u>\$ 6,848,152</u>

CITY OF RAWLINS, WYOMING
NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2023

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, leases and other miscellaneous receivables. The City has evaluated the collectability of the receivables and the allowance for doubtful accounts for the business-type activities and governmental activities is \$3,950,054 as of June 30, 2023.

3.C. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2023 was as follows:

	<u>June 30, 2022</u>	<u>Additions</u>	<u>Disposals</u>	<u>June 30, 2023</u>
Governmental activities:				
Non-depreciable assets				
Land	\$ 2,551,948	\$ -	\$ -	\$ 2,551,948
Construction in progress	65,103	141,343	206,446	-
Capital assets				
Buildings and improvements	12,565,245	-	-	12,565,245
Infrastructure	13,596,398	-	-	13,596,398
Furniture and equipment	<u>14,065,937</u>	<u>1,149,248</u>	<u>-</u>	<u>15,215,185</u>
Total at historical cost	<u>42,844,631</u>	<u>1,290,591</u>	<u>206,446</u>	<u>43,928,776</u>
Accumulated depreciation				
Buildings and improvements	(6,155,586)	(260,780)	-	(6,416,366)
Infrastructure	(3,718,214)	(490,506)	-	(4,208,720)
Furniture and equipment	<u>(10,273,662)</u>	<u>(787,768)</u>	<u>-</u>	<u>(11,061,430)</u>
Total accumulated depreciation	<u>(20,147,462)</u>	<u>(1,539,054)</u>	<u>-</u>	<u>(21,686,516)</u>
Governmental activities capital assets, net	<u>\$ 22,697,169</u>	<u>\$ (248,463)</u>	<u>\$ 206,446</u>	<u>\$ 22,242,260</u>

CITY OF RAWLINS, WYOMING
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023

	<u>June 30, 2022</u>	<u>Additions</u>	<u>Disposals</u>	<u>June 30, 2023</u>
Business-type activities:				
Non-depreciable assets				
Construction in progress	\$ 1,041,540	\$ 1,233,670	\$ 2,010,704	\$ 264,506
Capital assets				
Buildings and improvements	74,837,843	2,043,051	-	76,880,894
Furniture and equipment	<u>5,306,155</u>	<u>1,200,739</u>	<u>-</u>	<u>6,506,894</u>
Total at historical cost	<u>81,185,538</u>	<u>4,477,460</u>	<u>2,010,704</u>	<u>83,652,294</u>
Accumulated depreciation				
Buildings and improvements	(39,548,548)	(1,678,139)	-	(41,226,687)
Furniture and equipment	<u>(2,905,700)</u>	<u>(328,975)</u>	<u>-</u>	<u>(3,234,675)</u>
Total accumulated depreciation	<u>(42,454,248)</u>	<u>(2,007,114)</u>	<u>-</u>	<u>(44,461,362)</u>
Business-type activities capital assets, net	<u>\$ 38,731,290</u>	<u>\$ 2,470,346</u>	<u>\$ 2,010,704</u>	<u>\$ 39,190,932</u>

General government:		
General government	\$	393,148
Public safety:		
Police		202,671
Fire		226,623
Public works		460,968
Culture and recreation		
Parks		64,244
Recreation		<u>191,400</u>
Total depreciation expense	\$	<u><u>1,539,054</u></u>

3.D. ACCOUNTS PAYABLE

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

CITY OF RAWLINS, WYOMING
NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2023

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, 2023:

	<u>June 30,</u> <u>2022</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30,</u> <u>2023</u>	<u>Due</u> <u>Within</u> <u>One</u> <u>Year</u>
Governmental activities:					
Other long-term obligations					
Compensated absences	\$ 633,009	\$ 670,993	\$ 633,009	\$ 670,993	\$ -
	<u>\$ 633,009</u>	<u>\$ 670,993</u>	<u>\$ 633,009</u>	<u>\$ 670,993</u>	<u>\$ -</u>
	<u>June 30,</u> <u>2022</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30,</u> <u>2023</u>	<u>Due</u> <u>Within</u> <u>One</u> <u>Year</u>
Business-Type Activities:					
Loans Payable:					
Sage Creek water line	\$ 1,685,108	\$ -	\$ 82,873	\$ 1,602,235	\$ 86,189
DWSRF Loan #69	159,428	-	21,145	138,283	21,667
DWSRF Loan #80	160,386	-	21,251	139,135	21,780
CWSRF Loan #85	467,485	-	62,003	405,482	63,533
Atlantic Rim Pipeline	679,828	-	22,831	656,997	23,743
Atlantic Rim Reservoir	1,598,923	-	50,015	1,548,908	52,015
CWSRF Loan #145	209,720	-	11,802	197,918	12,094
DWSRF Loan #147	422,902	-	24,149	398,753	24,745
SLIB MWL-15011	870,219	-	-	870,219	108,777
BOW 0822-26	-	980,047	138,671	841,376	112,787
Other long-term obligations					
Landfill closure and post closure costs payable	869,400	53,100	-	922,500	-
Compensated absences	106,798	126,908	106,798	126,908	-
	<u>\$ 7,230,197</u>	<u>\$ 1,160,055</u>	<u>\$ 541,538</u>	<u>\$ 7,848,714</u>	<u>\$ 527,330</u>

CITY OF RAWLINS, WYOMING
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023

Business-type Activities:

As of June 30, 2023, the business-type activities 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.	\$ 1,602,235
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.	138,283
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.	139,135
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.	405,482

CITY OF RAWLINS, WYOMING
NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2023

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.	\$ 656,997
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.	1,548,908
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.	197,918
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.	398,753
Future note payable to the Office of State Lands and Investments, due in annual installments of \$61,940 at zero interest to July 2038.	870,219
Note payable to Caterpillar Financial Services, due in annual installments of \$152,761 including interest at 4.75% to May 2029.	<u>841,376</u>
Total Business-Type Activity Debt	<u>\$ 6,799,306</u>

Annual Debt Service Requirements

The annual requirements to amortize all debt outstanding as of June 30, 2023, excluding obligations associated with compensated absences and Landfill Closure and Post-closure costs are as follows:

Years	Business Type Activities	
	Principal	Interest
2024	\$ 527,330	\$ 223,305
2025	488,949	207,892
2026	504,965	191,875
2027	521,609	175,232
2028	538,905	157,936
2029-2033	1,903,739	552,950
2034-2038	1,609,833	279,241
2039-2043	703,976	79,711
	<u>\$ 6,799,306</u>	<u>\$ 1,868,142</u>

CITY OF RAWLINS, WYOMING
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023

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, 2023 is \$922,500. 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 \$235,000 which is at 100% capacity. The portion of the liability related to the C&D Landfill is \$687,500 with an estimated closure date of 2045. The City will recognize the remaining estimated costs of closure and post-closure care of \$1,312,500 as the remaining capacity is filled. These amounts are based on what it would cost to perform all closure and post-closure care in 2023. 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.

3.G. LEASE INCOME

The City leases tower space and land under non-cancelable operating leases with 3 different tenants. Land was leased to a tenant via a five-year lease term. Upon expiration, the City and tenant renewed the lease for ten additional five-year periods. Designated tower space was initially leased to a second tenant via a four-year lease term. Upon expiration, the City and tenants renewed the lease for an additional three additional five-year periods with a 2% increase every other year in annual rent. The third tenant leased tower space via a five-year least term. Upon expiration, the City and tenants renewed the lease for three additional five-year periods with a 2% increase over the annual rent due during the immediately preceding five-year term.

Lease income totaled \$71,987 for the year ended June 30, 2023.

CITY OF RAWLINS, WYOMING
NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2023

3.H. 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, 2023 were as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
Governmental Funds:		
Major Funds:		
General Fund	\$ 2,977,828	\$ 3,243,279
Non-Major Funds	50,000	-
Total Governmental Funds	<u>3,027,828</u>	<u>3,243,279</u>
Proprietary Funds:		
Water Fund	1,007,274	367,076
Sewer Fund	52,733	215,955
Recycling Fund	-	261,525
Landfill Fund	-	-
Total Proprietary Funds	<u>1,060,007</u>	<u>844,556</u>
Total Operating Transfers	<u>\$ 4,087,835</u>	<u>\$ 4,087,835</u>

CITY OF RAWLINS, WYOMING
NOTES TO THE FINANCIAL STATEMENTS
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During FY10, the General Fund loaned the Sewer Fund money to pay for capital expenses. During FY22, the General Fund the Water Fund money to pay for various capital expenses. Advances from/to other funds for the year ended June 30, 2023 were as follows:

	Advances from Other Funds	Advances to Other Funds
Governmental Funds:		
General Fund:		
Water Fund	\$ 812,020	\$ -
Sewer Fund	364,744	-
Total General Fund	1,176,764	-
Total Governmental Funds	1,176,764	-
Proprietary Funds:		
Sewer Fund:		
General Fund	-	364,744
Total Sewer Fund	-	364,744
Water Fund:		
General Fund	-	812,020
Total Water Fund	-	812,020
Total Proprietary Funds	-	1,176,764
Total Interfund Advances	\$ 1,176,764	\$ 1,176,764

CITY OF RAWLINS, WYOMING
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023

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, 2023

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, 2023 totaled \$721,459, 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, 2023

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, 2023 totaled \$171,598 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, 2023

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, 2023 totaled \$268,736, 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, 2023, the net pension liability recorded for the City 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, 2023 and June 30, 2022:

	Proportionate Share of Net Pension Liability as of June 30, 2023	Proportionate Share of Net Pension Liability as of June 30, 2022
Public Employee Pension	\$ 5,637,077	\$ 2,916,626
Fire Pension A	394,683	1,007,126
Fire Pension B	212,885	(289,201)
Law Enforcement Pension	<u>3,146,192</u>	<u>2,373,465</u>
Aggregate Net Pension Liability	<u>\$ 9,390,837</u>	<u>\$ 6,008,016</u>

Of the City's proportionate share of the net pension liability, \$1,112,705 is attributable to business-type activities (\$501,850 for the Water Fund, \$272,364 for the Sewer Fund, \$216,308 for the Landfill Fund, and \$122,183 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, 2022 and the actuarial determination of the total pension liability was January 1, 2023. 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, 2022 to December 31, 2022). The City's proportionate share of the net pension liability or asset for each plan as of December 31, 2022 and December 31, 2021 is as follows:

CITY OF RAWLINS, WYOMING
NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2023

	<u>Proportionate Share as of December 31, 2022</u>	<u>Proportionate Share as of December 31, 2021</u>
Public Employee Pension	0.20627%	0.191289%
Fire Pension A	1.06733%	1.030084%
Fire Pension B	1.94061%	1.911375%
Law Enforcement Pension	0.92357%	0.834145%

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, 2023, the City recognized a total pension expense of \$(93,685).

Pension expense attributable to business-type activities totals \$100,351. The remainder of pension expense is attributable to governmental activities.

Deferred Outflows and Inflows of Resources Related to Pensions

At June 30, 2023, the City reported the following deferred outflows and inflows of resources related to pensions:

<i>Deferred Outflows of Resources</i>	<u>Public Employee Pension</u>	<u>Fire Pension A</u>	<u>Fire Pension B</u>	<u>Law Enforcement</u>	<u>Total</u>
Amounts related to the change in the City's proportionate share of assumptions or other inputs	\$ 151,285	\$ -	\$ 188,567	\$ 1,302,962	\$ 1,642,814
Projected and actual earnings on pension plan investments	485,242	94,365	125,773	220,811	926,191
Difference between expected and actual experience	28,269	-	3,596	74,288	106,153
Changes in proportion	296,899	-	-	184,310	481,209
Contributions subsequent to measurement date	<u>177,344</u>	<u>-</u>	<u>50,006</u>	<u>66,123</u>	<u>293,473</u>
Total Deferred Outflows Related to Pensions	<u>\$ 1,139,039</u>	<u>\$ 94,365</u>	<u>\$ 367,942</u>	<u>\$ 1,853,579</u>	<u>\$ 3,449,840</u>

CITY OF RAWLINS, WYOMING
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023

	Public Employee Pension	Fire Pension A	Fire Pension B	Law Enforcement	Total
<i>Deferred Outflows of Resources</i>					
Proportionate share of differences between the projected and actual earnings on pension plan investments	\$ -	\$ -	\$ -	\$ -	\$ -
Amounts related to the change in the City's proportionate share of assumptions or other inputs	-	-	191,192	486,564	677,756
Difference between expected and actual experience	35,734	-	110,462	99,217	245,413
Total Deferred Outflows Related to Pensions	\$ 35,734	\$ -	\$ 301,654	\$ 585,780	\$ 923,169

The \$293,473 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, 2024.

Deferred outflows of resources related to business-type activities total \$224,836. Deferred inflows of resources related to pensions attributable to business-type activities total \$7,054.

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:

2024	709,023
2025	709,023
2026	709,023
2027	140,975
2028	(19,932)
Thereafter	(14,914)
	\$ 2,233,198

CITY OF RAWLINS, WYOMING
NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2023

Actuarial Assumptions

Actuarial valuations are performed annually with the most recent valuation date of January 1, 2022. 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, 2020. 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	1/1/2022	1/1/2022	1/1/2022	1/1/2022
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	25	10	24	23
Asset valuation method	5-year	5-year	5-year	5-year
Actuarial assumptions:				
Investment rate of return	6.80%	6.80%	6.80%	6.80%
Projected salary increases including inflation	2.50% to 6.50%	4.50%	4.50% to 7.50%	5.25% to 9.25%
Assumed inflation rate	2.25%	2.25%	2.25%	2.25%
Mortality	*	*	*	*

* Mortality assumptions:

Pre-Retirement Mortality:

Pub-2010 Employee Mortality Table, fully generational, with MP-2020 Ultimate Scale

Males: No set back with multiplier of 100%

Females: No set back with multiplier of 100%

Post-Retirement Mortality:

Pub-2010 Healthy Annuitant Mortality Table, fully generational, with MP-2020 Ultimate Scale

Males: No set back with multiplier of 100%

Females: No set back with multiplier of 103%

Disabled Mortality:

Pub-2010 Disabled Mortality Table, fully generational, with MP-2020 Ultimate Scale

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, 2023

Wyoming Retirement System assumes a 6.80% 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, 2022, WRS pension plans saw an annual money-weighted real rate of return, net of expenses, of (6.99)% compared to the 6.80% 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, 2022, these best estimates are summarized in the following table:

	Target Allocation	Arithmetic Real Return	Geometric Real Return
Cash	0.50%	0.32%	0.30%
Gold	1.50%	0.72%	2.34%
Fixed Income	21.00%	4.05%	3.59%
Equity	51.50%	9.00%	7.09%
Marketable Alternatives	16.00%	6.02%	5.14%
Private Markets	10.50%	7.67%	6.05%
Total	100.00%	27.78%	24.51%

CITY OF RAWLINS, WYOMING
NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2023

Discount Rate

The discount rate used to measure the total pension liability for all plans was 6.80%, except for Fire Pension A, which had a discount rate of 5.53%. 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 2022 to 2121 projection period for which projected benefit payments are fully funded
Public Employee Pension	6.80%	6.80%	4.05%	2121
Fire Pension A	6.80%	6.80%	4.05%	2121
Fire Pension B	6.80%	6.80%	4.05%	2121
Law Enforcement	5.53%	6.80%	4.05%	2051

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 6.80%, 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 (5.80%) or 1-percentage point higher (7.80%) than the current rate.

Pension Plan	1.0% Decrease 5.80%	Current Discount Rate 6.80%	1.0% Increase 7.80%
Fire Pension A	\$ 545,757	\$ 394,683	\$ 264,391
Fire Pension B	\$ 787,356	\$ 212,885	\$ (263,665)
Public Employee Pension	\$ 8,323,939	\$ 5,637,077	\$ 3,410,397

Pension Plan	1.0% Decrease 4.53%	Current Discount Rate 5.53%	1.0% Increase 6.53%
Law Enforcement	\$ 4,735,199	\$ 3,146,192	\$ 1,868,961

CITY OF RAWLINS, WYOMING
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023

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, 2022 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, 2023, 2022 and 2021, the IBNR was \$17,817, \$221,652 and \$154,393, respectively.

CITY OF RAWLINS, WYOMING
NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2023

Changes in the Fund's claims liability amount, including IBNR, are as follows:

Liability balance, June 30, 2020	120,517
Claims and changes in estimates	1,761,341
Claims payments	<u>(1,727,465)</u>
Liability balance, June 30, 2021	<u>\$ 154,393</u>
Claims and changes in estimates	1,272,590
Claims payments	<u>(1,205,331)</u>
Liability balance, June 30, 2022	<u>\$ 221,652</u>
Claims and changes in estimates	1,276,818
Claims payments	<u>(1,480,653)</u>
Liability balance, June 30, 2023	<u>\$ 17,817</u>
Assets available to pay claims at June 30, 2023	<u>\$ 4,671,372</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.

CITY OF RAWLINS, WYOMING
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023

4.C. 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
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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, 2023

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL (BUDGETARY BASIS)	VARIANCE- POSITIVE (NEGATIVE)
REVENUES				
Taxes and special assessments	\$ 10,400,062	\$ 10,400,062	\$ 11,683,312	\$ 1,283,250
Intergovernmental	3,448,573	3,448,573	1,056,413	(2,392,160)
Charges for services	1,542,656	1,542,656	756,365	(786,291)
Investment income	40,000	40,000	224,267	184,267
Miscellaneous	154,650	154,650	257,483	102,833
TOTAL REVENUES	<u>15,585,941</u>	<u>15,585,941</u>	<u>13,977,840</u>	<u>(1,608,101)</u>
EXPENDITURES				
General government	3,262,956	3,262,956	3,426,979	164,023
Public safety and transportation	5,485,285	5,485,285	4,214,265	(1,271,020)
Public works	1,536,191	1,536,191	1,037,648	(498,543)
Highways and streets	949,867	949,867	615,495	(334,372)
Culture and recreation	2,536,953	2,536,953	2,111,381	(425,572)
TOTAL EXPENDITURES	<u>13,771,252</u>	<u>13,771,252</u>	<u>11,405,768</u>	<u>(2,365,484)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>1,814,689</u>	<u>1,814,689</u>	<u>2,572,072</u>	<u>(3,973,585)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	2,204,648	2,204,648	2,977,828	773,180
Transfers out	(2,134,878)	(2,134,878)	(3,243,279)	(1,108,401)
TOTAL OTHER FINANCING SOURCES (USES)	<u>69,770</u>	<u>69,770</u>	<u>(265,451)</u>	<u>(335,221)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES AND OTHER FINANCING SOURCES	<u>1,884,459</u>	<u>1,884,459</u>	<u>2,306,621</u>	<u>(4,308,806)</u>
Fund Balance, Beginning (Deficit)	<u>(993,342)</u>	<u>(2,404,510)</u>	<u>28,049,101</u>	<u>(30,453,611)</u>
Fund Balance, Ending (Deficit)	<u>\$ 891,117</u>	<u>\$ (520,051)</u>	<u>\$ 30,355,722</u>	<u>\$ (34,762,417)</u>

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

Revenue:

Actual total revenue budgetary basis	\$ 13,977,840
Differences - Budget to GAAP	
Tax accrual	<u>(101,542)</u>
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u>\$ 13,876,298</u>

Expenditures:

Actual total expenditures budgetary basis	\$ 11,405,768
Differences - Budget to GAAP	
Accounts payable	40,296
Capital outlay	1,149,248
Other expenses	<u>1,368</u>
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u>\$ 12,596,680</u>

See independent auditors' report and accompanying notes to required supplementary information

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

Public Employee Pension Plan
Last 9 Fiscal Years*

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<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*	0.20627%	0.19129%	0.18851%	0.18913%	0.19041%	0.18725%	0.18830%	0.17254%	0.16192%
City's proportionate share of the net pension liability*	\$ 5,637,077	\$ 2,916,626	\$ 4,097,098	\$ 4,444,373	\$ 5,798,602	\$ 4,268,020	\$ 4,552,271	\$ 4,019,070	\$ 2,857,399
City's covered-employee payroll	\$ 3,893,529	\$ 3,699,824	\$ 3,473,644	\$ 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	144.78%	78.83%	117.95%	132.38%	172.59%	130.21%	132.91%	125.56%	93.99%
Plan fiduciary net position as a percentage of the total pension liability	75.47%	86.03%	79.24%	76.83%	69.17%	76.35%	73.42%	73.40%	79.08%

Firemen A Pension Plan
Last 9 Fiscal Years*

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<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*	1.06733%	1.03008%	1.09723%	1.29997%	1.28652%	1.27962%	1.26995%	1.25385%	1.23760%
City's proportionate share of the net pension liability*	\$ 394,683	\$ 1,007,126	\$ 3,552,703	\$ 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%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	77.49%	42.90%	21.77%	27.32%	29.99%	34.28%	38.91%	40.05%	45.95%

Firemen B Pension Plan
Last 9 Fiscal Years*

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<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 (asset)*	1.94061%	1.91138%	1.84078%	2.16433%	2.17384%	1.94385%	2.24869%	2.57770%	2.05335%
City's proportionate share of the net pension liability (asset)*	\$ 212,885	\$ (289,201)	\$ (42,891)	\$ 153,829	\$ 456,142	\$ 801,543	\$ 709,717	\$ 659,731	\$ -
City's covered-employee payroll	\$ 627,435	\$ 653,177	\$ 583,130	\$ 605,594	\$ 624,799	\$ 542,296	\$ 605,242	\$ 662,731	\$ 571,536
City's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	33.93%	-44.28%	-7.36%	25.40%	73.01%	147.81%	117.26%	99.55%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	94.92%	107.43%	101.27%	95.93%	87.07%	77.98%	80.16%	79.33%	100.98%

Law Enforcement Pension Plan
Last 9 Fiscal Years*

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<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*	0.92357%	0.83415%	0.79030%	0.77883%	0.79604%	0.83899%	0.87075%	0.80909%	0.76045%
City's proportionate share of the net pension liability*	\$ 3,146,192	\$ 2,373,465	\$ 538,370	\$ 671,339	\$ 1,926,996	\$ 721,903	\$ 657,342	\$ 607,784	\$ 224,056
City's covered-employee payroll	\$ 1,589,816	\$ 1,471,599	\$ 1,328,215	\$ 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	197.90%	161.28%	40.53%	54.20%	155.48%	58.33%	48.19%	46.83%	17.93%
Plan fiduciary net position as a percentage of the total pension liability	70.30%	75.62%	91.82%	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.

See independent auditors' report and notes to required supplementary information

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

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

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contributions	\$ 721,459	\$ 640,423	\$ 613,749	\$ 584,480	\$ 571,929	\$ 544,752	\$ 569,085	\$ 532,010	\$ 482,125	\$ 435,564
Contributions in relation to the contractually required contributions	<u>(721,459)</u>	<u>(640,423)</u>	<u>(613,749)</u>	<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>
Contribution deficiency (excess)	<u>\$ -</u>									
County's covered-employee payroll	<u>\$3,893,529</u>	<u>\$3,699,824</u>	<u>\$3,473,644</u>	<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>
Contributions as a percentage of covered-employee payroll	18.53%	17.31%	17.67%	17.41%	17.02%	16.62%	16.62%	16.62%	15.86%	14.52%

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

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contributions	\$ 171,598	\$ 148,511	\$ 130,464	\$ 134,687	\$ 132,738	\$ 115,211	\$ 128,159	\$ 140,797	\$ 121,324	\$ 105,468
Contributions in relation to the contractually required contributions	<u>(171,598)</u>	<u>(148,511)</u>	<u>(130,464)</u>	<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>
Contribution deficiency (excess)	<u>\$ -</u>									
County's covered-employee payroll	<u>\$ 627,435</u>	<u>\$ 653,177</u>	<u>\$ 583,130</u>	<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>
Contributions as a percentage of covered-employee payroll	27.35%	22.74%	22.37%	22.24%	21.24%	21.25%	21.17%	21.24%	21.23%	20.68%

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

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contributions	\$ 268,736	\$ 235,848	\$ 228,682	\$ 216,023	\$ 213,174	\$ 218,048	\$ 234,633	\$ 223,231	\$ 214,922	\$ 212,336
Contributions in relation to the contractually required contributions	<u>(268,736)</u>	<u>(235,848)</u>	<u>(228,682)</u>	<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>
Contribution deficiency (excess)	<u>\$ -</u>									
County's covered-employee payroll	<u>\$1,589,816</u>	<u>\$1,471,599</u>	<u>\$1,328,215</u>	<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>
Contributions as a percentage of covered-employee payroll	16.90%	16.03%	17.22%	17.44%	17.20%	17.62%	17.20%	17.20%	17.20%	17.20%

See independent auditors' report and notes to required supplementary information

CITY OF RAWLINS, WYOMING

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
- BUDGETARY COMPARISONS
FOR THE YEAR ENDED JUNE 30, 2023**

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 61 and also on 67. 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, 2023, 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, 2023**

	CAPITAL FACILITIES TAX	GRANTS	DOWNTOWN DEVELOPMENT AUTHORITY	TOTALS
ASSETS				
Cash and cash equivalents	\$ 3,445,698	\$ 5,672	\$ 465,356	\$ 3,916,726
TOTAL ASSETS	<u>3,445,698</u>	<u>5,672</u>	<u>465,356</u>	<u>3,916,726</u>
LIABILITIES				
Accounts payable	532	-	-	532
TOTAL LIABILITIES	<u>532</u>	<u>-</u>	<u>-</u>	<u>532</u>
FUND BALANCE				
Restricted	3,445,166	5,672	-	3,450,838
Unassigned	-	-	465,356	465,356
TOTAL FUND BALANCE	<u>3,445,166</u>	<u>5,672</u>	<u>465,356</u>	<u>3,916,194</u>
TOTAL FUND BALANCE	<u>\$ 3,445,698</u>	<u>\$ 5,672</u>	<u>\$ 465,356</u>	<u>\$ 3,916,194</u>

CITY OF RAWLINS, WYOMING
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
NON-MAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2023

	CAPITAL FACILITIES TAX	GRANTS	DOWNTOWN DEVELOPMENT AUTHORITY	TOTAL
REVENUES				
Taxes and special assessments	\$ 1,393,810	\$ -	\$ -	\$ 1,393,810
Grants	-	20,233	-	20,233
Investment income	17,943	-	175	18,118
Miscellaneous	-	-	118,223	118,223
TOTAL REVENUES	1,411,753	20,233	118,398	1,550,384
EXPENDITURES				
Current:				
General government	-	7,153	-	7,153
Highways and streets	56,706	-	-	56,706
Culture and recreation	-	7,408	132,605	140,013
TOTAL EXPENDITURES	56,706	14,561	132,605	203,872
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	1,355,047	5,672	(14,207)	1,346,512
OTHER FINANCING SOURCES				
Transfers in	-	-	50,000	50,000
TOTAL FINANCING SOURCES	-	-	50,000	50,000
NET CHANGE IN FUND BALANCE	1,355,047	5,672	35,793	1,396,512
FUND BALANCE, Beginning	2,090,119	-	429,563	2,519,682
FUND BALANCE, Ending	<u>\$ 3,445,166</u>	<u>\$ 5,672</u>	<u>\$ 465,356</u>	<u>\$ 3,916,194</u>

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, 2023

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL (BUDGETARY BASIS)	VARIANCE- POSITIVE (NEGATIVE)
REVENUES				
Specific purpose tax	\$ 400,000	\$ 400,000	\$ 1,393,810	\$ 993,810
Investment income	4,000	4,000	17,943	13,943
EXPENDITURES				
Street infrastructure	3,472,808	3,472,808	56,706	3,416,102
EXCESS OF REVENUES AND OTHER SOURCES UNDER EXPENDITURES AND OTHER USES	(3,068,808)	(3,068,808)	1,355,047	(2,408,349)
Fund Balance, Beginning	465,443	6,438	2,090,119	2,083,681
Fund Balance, Ending (Deficit)	<u>\$ (2,603,365)</u>	<u>\$ (3,062,370)</u>	<u>\$ 3,445,166</u>	<u>\$ (324,668)</u>

See independent auditors' 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 (the City), as of and for the year ended June 30, 2023, 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 January 3, 2024.

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.

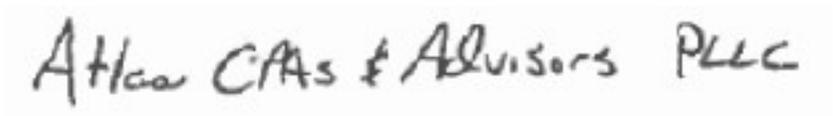
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

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*.

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 black ink that reads "Atlea CAs & Advisors PLLC". The text is written in a cursive, slightly slanted style.

Casper, Wyoming
January 3, 2024

CITY OF RAWLINS, WYOMING
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS

No prior year findings existed.

CITY OF RAWLINS, WYOMING

SINGLE AUDIT

JUNE 30, 2023

**CITY OF RAWLINS, WYOMING
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**REPORT ON COMPLIANCE FOR EACH MAJOR
FEDERAL PROGRAM AND
REPORT ON INTERNAL CONTROL OVER COMPLIANCE
IN ACCORDANCE WITH THE
UNIFORM GUIDANCE**

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the City of Rawlins, Wyoming’s (the “City”) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City’s major federal programs for the year ended June 30, 2023. The City’s major federal programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (GAS); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the “Uniform Guidance”). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor’s Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the City’s compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the City’s federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expression an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly this report is not suitable for any other purpose.

Attea CPAs & Advisors PLLC

Casper, Wyoming
January 3, 2024

City of Rawlins, Wyoming
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2023

Federal Grantor/Pass-through Grantor/Program Title	Assistance Listings	Grant Number	Federal Expenditures	Amounts Passed-Through to Subrecipients
U.S. Department of Justice Pass-Through Program				
Pass-through from Wyoming, Division of Victim Services				
Crime Victim Assistance	16.575	*	\$ 33,721	\$ -
Total U.S. Department of Justice Pass-Through Programs			<u>33,721</u>	<u>-</u>
Total U.S. Department of Justice			<u>33,721</u>	<u>-</u>
U.S. Department of Treasury				
Coronavirus State and Local Fiscal Recovery Funds (M)	21.027	*	739,793	-
Total U.S. Department of the Treasury			<u>739,793</u>	<u>-</u>
Total Expenditures of Federal Awards			<u>\$ 773,514</u>	<u>\$ -</u>

(M) Denotes Major Program

*Pass-Through Entity Identifying Number not available

CITY OF RAWLINS, WYOMING

**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2023**

NOTE 1 – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the “schedule”) includes the federal award activity of the City of Rawlins under programs of the federal government for the year ended June 30, 2023. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of the City of Rawlins, it is not intended to and does not present the financial position, changes in net position or cash flows of the City of Rawlins.

The reporting entity for the City of Rawlins is based upon criteria established by the Governmental Accounting Standards Board. The City of Rawlins is the primary government according to GASB criteria.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through entity identifying numbers are presented where available. The underlying accounting records for some grant programs are maintained on the modified accrual basis of accounting. Under the modified accrual basis, revenues are recorded when susceptible to accrual, i.e., both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded when the liability is incurred.

NOTE 3 – INDIRECT COST RATE

The City of Rawlins has not elected to use the 10% de minimis indirect cost rate.

CITY OF RAWLINS, WYOMING
SCHEDULE OF FINDINGS AND
QUESTIONED COSTS
For the Year Ended June 30, 2023

SECTION II – FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

No findings were reported.

SECTION III – MAJOR FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No findings were reported.

SCHEDULE OF PRIOR AUDIT FINDINGS

No findings were reported.