



CITY OF RAWLINS, WYOMING

Basic Financial Statements

For the Year Ended June 30, 2024

(With Independent Auditors' Report Thereon)

TABLE OF CONTENTS

INTRODUCTORY SECTION

Transmittal Letter	i-iv
--------------------------	------

INDEPENDENT AUDITORS' REPORT	1-3
------------------------------------	-----

MANAGEMENT DISCUSSION AND ANALYSIS	4-17
--	------

BASIC FINANCIAL STATEMENTS:

Government-Wide Financial Statements:

Statement of Net Position.....	18
--------------------------------	----

Statement of Activities	19
-------------------------------	----

Fund Financial Statements:

Balance Sheet – Governmental Funds	20
--	----

Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position.....	21
---	----

Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	22
---	----

Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities	23
---	----

Statement of Net Position – Proprietary Funds	24
---	----

Statement of Revenues, Expenses, and Changes in Net Position – Proprietary Funds	25
---	----

Statement of Cash Flows – Proprietary Funds	26
---	----

Notes to Basic Financial Statements	27-52
---	-------

REQUIRED SUPPLEMENTAL INFORMATION SECTION:

Statement of Revenues, Expenditures and Changes in Fund Balance, Budget and Actual – General Fund	53
--	----

Schedule of Proportionate Share of the Net Pension Liability (Asset) Wyoming Retirement System	54
---	----

Schedule of Contributions Wyoming Retirement System	55
--	----

SUPPLEMENTAL INFORMATION SECTION:

Combining Balance Sheet – Nonmajor Governmental Funds	56
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds	57

OTHER REPORTS:

Independent Auditors’ Report on Internal Control over Financial Reporting and on Compliance and other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	58-59
Schedule of Findings and Responses	60-61

INTRODUCTORY SECTION



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

January 13, 2025

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, 2024.

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 Carver, Florek and James, CPAs, 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, 2024, 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 City is not subject to the federally mandated "Single Audit" for fiscal year 2024. A Single Audit, previously known as the OMB Circular A-133 audit, in an organization-wide financial statement and federal awards' audit of a non-federal entity that expense \$750,000 or more in federal funds in one year. In previous years, the City received American Rescue Plan Act of 2021 (ARPA) funds that made the City subject to the Single Audit. No such funds were received in fiscal year 2024. Moving forward the City is looking toward federal funds to rehabilitate its water transmission line. Receiving such funds will require the City to perform a Single Audit. 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 City's Basic Financial statements incorporates the reporting model prescribed by the Governmental Accounting Standards Board (GASAB) 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, 2024 have been included.

Profile of the Government

The City of Rawlins 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 of Rawlins 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. Additional 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 at year end and are generally re-established in the following year as an obligation against that years' 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 of Rawlins 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 landscapes and buildings 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 of Rawlins currently continues to enjoy a vigorous economic environment and local indicators point to continued 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 in fiscal year 2024 decreased approximately 15.55% from fiscal year 2023. A lesser general revenue source is property tax which increased approximately 57.50%.

The State of Wyoming has a low unemployment rate of 2.9% near the close of fiscal year 2024. 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.

The City of Rawlins 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 8 to the financial statements.

Respectfully submitted,

Thomas Sarvey
City Manager

INDEPENDENT AUDITORS' REPORT

INDEPENDENT AUDITORS' REPORT

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

Report on the Audit of the Financial Statements***Opinions***

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Rawlins, Wyoming (the City), as of and for the year ended June 30, 2024, 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 present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of June 30, 2024, 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* (GAS), 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

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 twelve months beyond the financial statement date, 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 and GAS 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 and GAS, 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, budgetary comparison, and schedule of proportionate share of the net pension liability and schedule of contributions as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

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 nonmajor funds combining information is presented for purposes of additional analysis and are not a required part of the basic financial statements.

The nonmajor funds combining schedules are the responsibility of management and were derived from and relate 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 nonmajor funds combining schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information - Transmittal Letter

Management is responsible for the other information – transmittal letter. The other information comprises the transmittal letter but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 6, 2025 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Carver Florek & James, CPAs

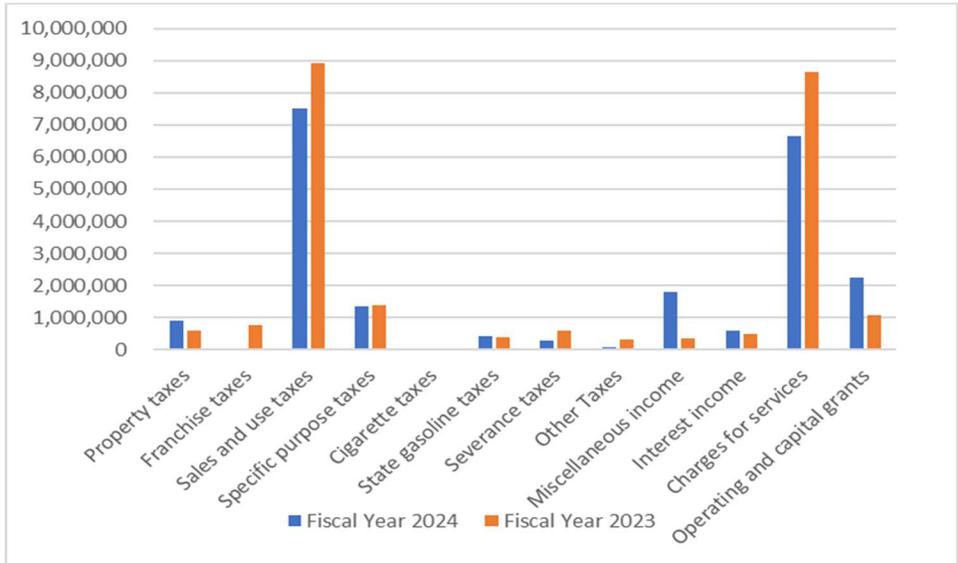
Layton, Utah
January 6, 2025

MANAGEMENT DISCUSSION AND ANALYSIS

City of Rawlins, Wyoming

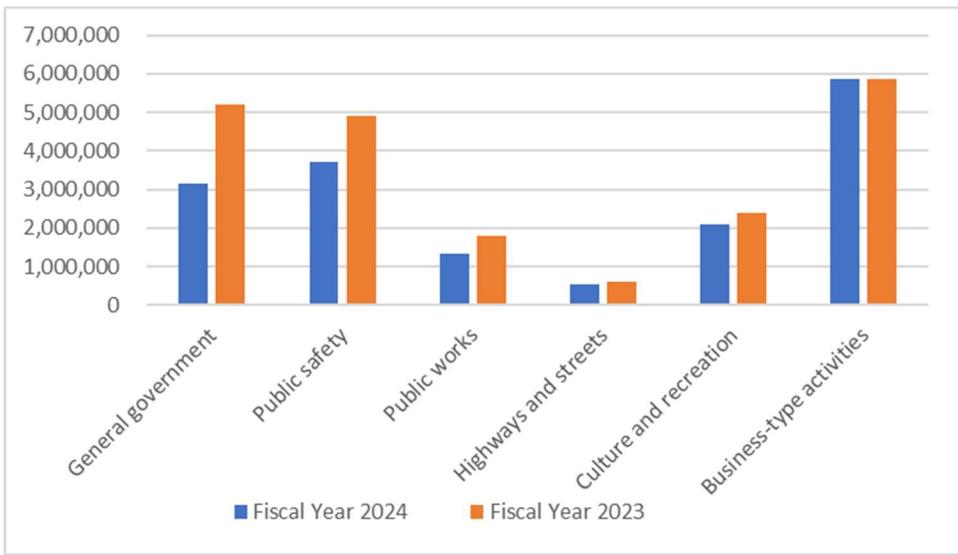
MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2024
(Unaudited)



Primary Government-wide Revenues:
Decreased \$1.66 million from prior year.

Primary Government-wide Expenses:
Decreased \$4.06 million from prior year.



City of Rawlins, Wyoming

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2024
(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, 2024. 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 \$90.29 million (net position). Of this amount, \$32.20 million (unrestricted net position) is available for spending at the City's discretion. The City's total net position, including all funds, increased by \$5.23 million. Governmental activities net position increased \$4.43 million while business-type activities net position increased by \$800 thousand.

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 \$5.23 million and \$9.39 million as of June 30, 2024, and June 30, 2023, 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 \$2.68 million or 2.58%, during fiscal year 2024. The City increased its current assets by \$4.64 million or 10.86%. The City decreased capital assets by \$1.95 million or 3.28%. Included in capital assets is asset additions of \$1.64 million and loss on asset disposals of \$8,456, offset by depreciation expense of \$3.58 million.

The City's total liabilities decreased \$5.61 million or 28.03% during fiscal year 2024. The most significant decrease is a \$4.16 million or 44.33% decrease in net pension liability. Other variances in liabilities include \$546,359 or 37.87% decrease in current liabilities and \$896,416 or 9.78% decrease in other noncurrent liabilities.

City of Rawlins, Wyoming

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2024
(Unaudited)

The City received in fiscal year 2023 \$8.91 million in sales and use taxes. In fiscal year 2024, the City received \$7.52 million in sales and use taxes for a decrease of \$1.39 million or 15.55%. This decrease is due to wind power projects occurring in fiscal year 2023.

Fund Basis:

As of June 30, 2024, unassigned fund balance for the General Fund was \$27.51 million or 251.43% of total General Fund expenditures, exclusive of transfers.

The City's Enterprise Funds Capital Equipment/Infrastructure total debt increased by \$113,006 during the current fiscal year to a total of \$6.91 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, 2024, the City's other governmental funds reported combined ending unassigned fund balance of \$485,830. This amount belongs to the Downtown Development Authority and is designated for specific operating expenditures. The restricted fund balance of \$4.84 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.

City of Rawlins, Wyoming

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2024
(Unaudited)

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).

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 of Rawlins itself (known as the primary government), but also includes the legally separate entity of the Downtown Development Authority.

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 ensure 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.

City of Rawlins, Wyoming

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2024
(Unaudited)

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 and the Capital Facilities Tax 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 statements for the General Fund and the Capital Facilities Tax Fund 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.

City of Rawlins, Wyoming

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2024
(Unaudited)

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 combining statements. The combining statements referred to earlier in connection with governmental 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 \$5.23 million, or 6.15%, from FY 2023 to FY 2024. Investments in capital assets decreased \$2.73 million, or 4.99%. Restricted net position increased \$1.45 million or 30.63%. Unrestricted net position increased \$6.86 million, or 27.05%.

Total Net Position

By far the largest portion of the City's net position (57.49%) reflects the net investment of \$51.91 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.

City of Rawlins, Wyoming

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2024
(Unaudited)

An additional portion of the City's net position, \$6.17 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 \$32.20 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, 2024 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 \$4.43 million, or 9.00%, during fiscal year 2024. This increase was composed of a decrease in net capital assets of \$926,187, an increase in restricted net position of \$1.40 million, and an increase in unrestricted net position of \$3.96 million.

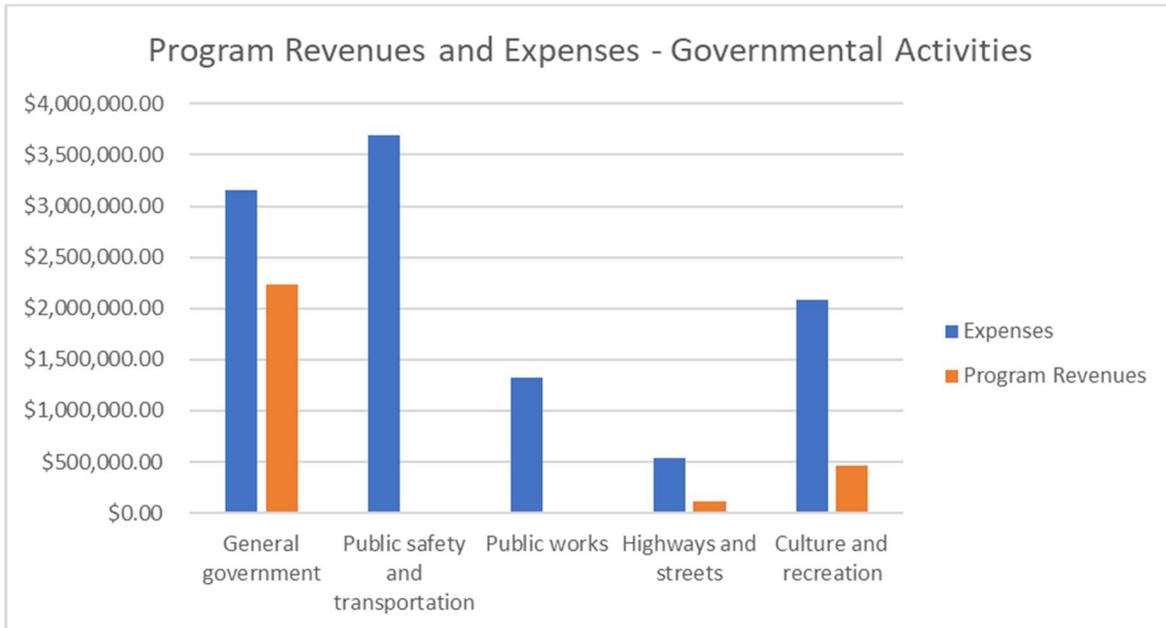
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City of Rawlins, Wyoming

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2024
(Unaudited)

City of Rawlins Comparative Statement of Net Position June 30, 2023 and 2024						
	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
Assets						
Current and other assets	\$39,763,550	\$36,075,026	\$7,557,298	\$6,610,511	\$47,320,848	\$42,685,537
Capital assets	21,316,073	22,242,260	38,166,541	39,190,932	59,482,614	61,433,192
Total assets	<u>61,079,623</u>	<u>58,317,286</u>	<u>45,723,839</u>	<u>45,801,443</u>	<u>106,803,462</u>	<u>104,118,729</u>
Deferred Outflows of Resources	1,374,027	3,225,004	116,663	224,836	1,490,690	3,449,840
Liabilities						
Current liabilities	589,237	542,051	970,533	900,532	1,559,770	1,442,583
Long-term liabilities	582,958	670,993	7,026,221	8,498,148	7,609,179	9,169,141
Net Pension liability	4,088,852	8,278,132	1,138,686	1,112,705	5,227,538	9,390,837
Total liabilities	<u>5,261,047</u>	<u>9,491,176</u>	<u>9,135,440</u>	<u>10,511,385</u>	<u>14,396,487</u>	<u>20,002,561</u>
Deferred Inflow of Resources	3,566,927	2,852,548	45,338	7,054	3,612,265	2,859,602
Net Position						
Invested in capital assets	21,316,073	22,242,260	30,592,469	32,391,626	51,908,542	54,633,886
Restricted	4,848,387	3,450,838	1,324,361	1,274,440	6,172,748	4,725,278
Unrestricted	<u>27,461,216</u>	<u>23,505,468</u>	<u>4,742,894</u>	<u>1,841,774</u>	<u>32,204,110</u>	<u>25,347,242</u>
Total net position	<u>\$53,625,676</u>	<u>\$49,198,566</u>	<u>\$36,659,724</u>	<u>\$35,507,840</u>	<u>\$90,285,400</u>	<u>\$84,706,406</u>

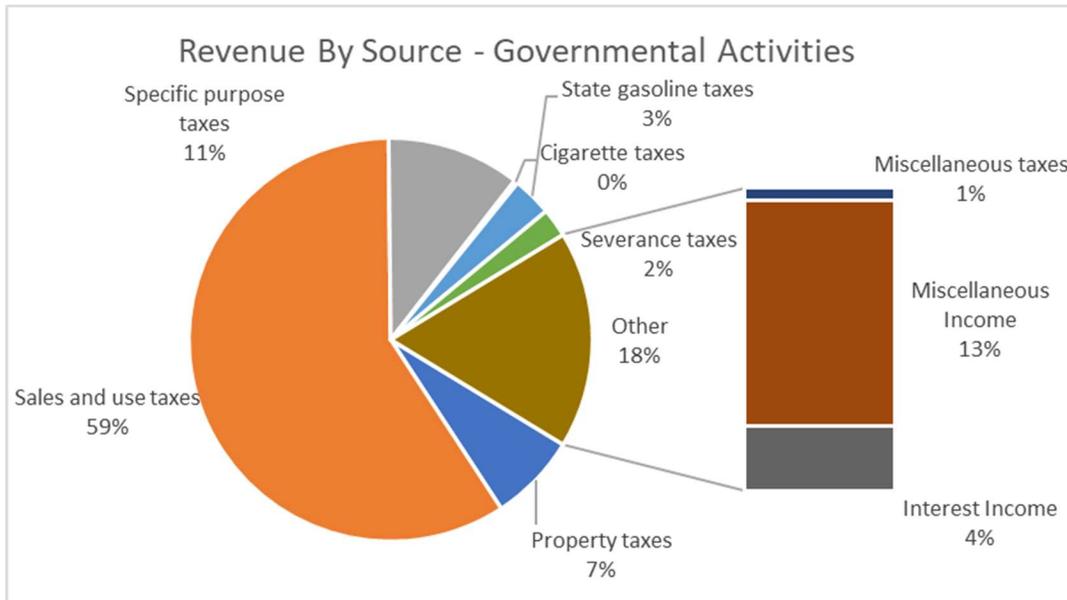


City of Rawlins, Wyoming

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2024
(Unaudited)

The governmental activities chart above illustrate operating expense and program revenues by function and revenues by source. Public safety and transportation is the largest function at 34.22% of total governmental operating expense, followed by General government at 29.22%, Culture and recreation at 19.26%, Public works at 12.28%, and Highways and streets at 5.02%.



Property 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 59% of revenue, other taxes, consisting primarily of specific purpose taxes 11%, severance taxes 2%, property taxes 7% state gasoline taxes 3%, miscellaneous taxes 1%, miscellaneous income 13%, and interest income 4% of total revenues.

Sales tax revenues, including both state shared taxes and local option one cent tax, decreased by \$1.39 million, or 15.55%.

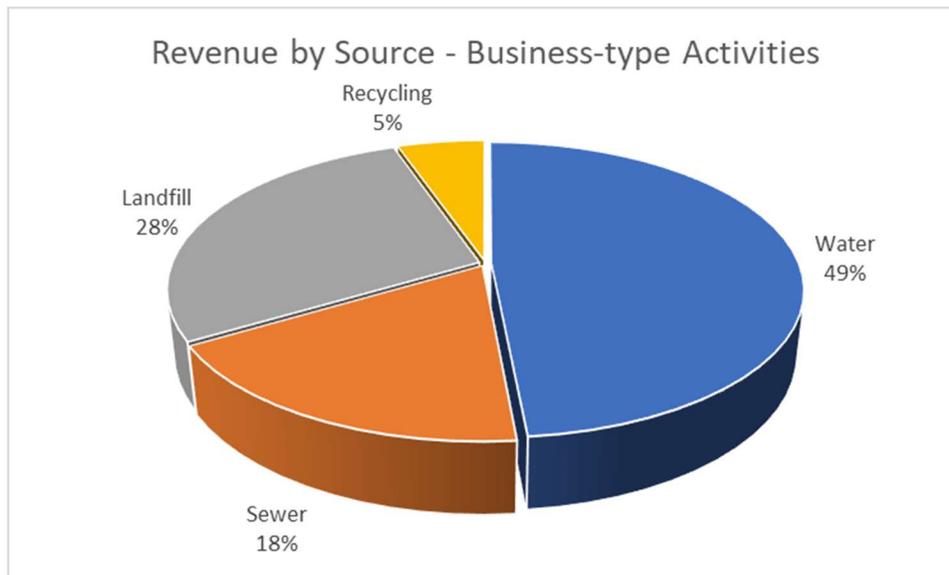
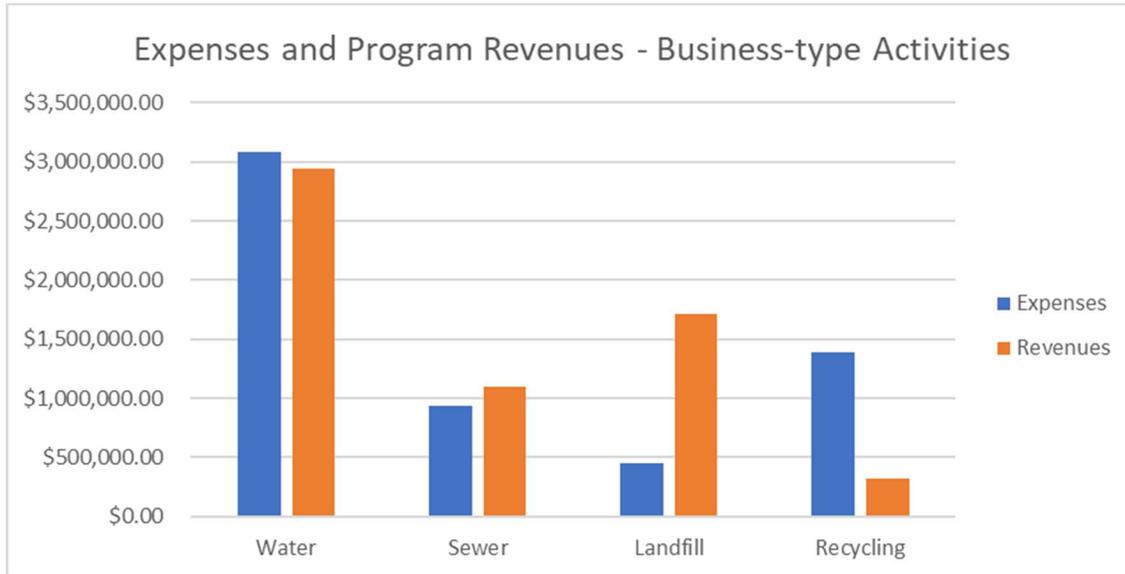
Specific purpose taxes increased by \$30,216, or 2.17% as a result of impact assistance projects in Carbon County.

City of Rawlins, Wyoming

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2024
(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 \$802,038.

City of Rawlins, Wyoming

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2024
(Unaudited)

City of Rawlins						
Comparative Statement of Activities						
June 30, 2023 and 2024						
	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
Revenues						
Charges for services	\$570,093	\$3,191,797	\$6,072,579	\$5,464,564	\$6,642,672	\$8,656,361
Operating grants and contributions	2,248,651	1,073,400	0	0	2,248,651	1,073,400
Capital grants and contributions	0	0	0	0	0	0
Taxes						
Property	901,998	572,682	0	0	901,998	572,682
Sales and use	7,525,244	8,910,961	0	0	7,525,244	8,910,961
Other	2,185,123	3,491,937	0	0	2,185,123	3,491,937
Unrestricted interest earnings	476,941	255,669	124,693	242,963	601,634	498,632
Other	1,653,523	257,483	140,140	101,753	1,793,663	359,236
Total revenues	<u>15,561,573</u>	<u>17,753,929</u>	<u>6,337,412</u>	<u>5,809,280</u>	<u>21,898,985</u>	<u>23,563,209</u>
Expenses						
General government	3,158,624	5,189,407	0	0	3,158,624	5,189,407
Public safety, transportation	3,697,789	4,888,397	0	0	3,697,789	4,888,397
Public works	1,327,524	1,805,295	0	0	1,327,524	1,805,295
Highways and streets	542,425	609,494				
Culture and recreation	2,082,085	2,390,680			2,082,085	2,390,680
Water	0	0	3,080,332	3,437,844	3,080,332	3,437,844
Sewer	0	0	938,721	954,297	938,721	954,297
Landfill	0	0	452,645	1,208,348	452,645	1,208,348
Recycling	0	0	1,389,692	245,228	1,389,692	245,228
Total Expenses	<u>10,808,447</u>	<u>14,883,273</u>	<u>5,861,390</u>	<u>5,845,717</u>	<u>16,127,412</u>	<u>20,119,496</u>
Increase (decrease) in net assets before transfers	4,753,126	2,870,656	476,022	(36,437)	5,229,148	2,834,219
Transfers	<u>(326,016)</u>	<u>(215,451)</u>	<u>326,016</u>	<u>215,451</u>	<u>0</u>	<u>0</u>
Change in Net Assets	4,427,110	2,655,205	802,038	179,014	5,229,148	2,834,219
Net Position - Beginning	<u>49,198,566</u>	<u>46,543,361</u>	<u>35,857,686</u>	<u>35,328,826</u>	<u>85,056,252</u>	<u>81,872,187</u>
Net Position - Ending	<u>\$53,625,676</u>	<u>\$49,198,566</u>	<u>\$36,659,724</u>	<u>\$35,507,840</u>	<u>\$90,285,400</u>	<u>\$84,706,406</u>

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, 2024
(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, 2024, the City's governmental funds reported a combined ending fund balance of \$33.07 million, an increase of \$4.17 million, or 14.44%. The major factor to the net increase is revenues in excess of expenditures in the amount of \$4.49 million. This is primarily due to an increase in revenues of \$152,690, or 0.99%, and a decrease in expenses of \$1.71 million, or 13.38%.

The General Fund is the City's main operating fund. The General Fund non-spendable fund balance is \$224,891, and the unassigned fund balance was \$27.51 million. The total fund balance in the General fund for fiscal year 2024 is \$27.73 million.

Enterprise Funds

Enterprise funds unrestricted net position at June 30, 2024 amounted to \$4.74 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 \$1.38 million, the Sewer Fund reported unrestricted net position of \$717,783, the Landfill Fund report unrestricted net position of \$2.63 million and the recycling fund reported unrestricted net position of \$16,664.

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 \$4.32 million. This is a decrease of \$334,302 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 \$59.48 million (net of accumulated depreciation). This investment

City of Rawlins, Wyoming

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2024
(Unaudited)

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 completed or in progress during the year are as follows:

Asset Description	Amount
CATS Bus	\$112,676
ADA City Hall	10,671
New Engine and Transmission	35,442
New Engine and Transmission	10,107
Paint Striping Machine	17,599
2023 Ford F-250	54,811
Firewall and Routers	15,993
NICE Recording System	58,585
Spillman GIS Update	45,615
(9) Firefighter Turnout Gear	32,872
(2) Scott Air-Pak X3 Pro SCBA	27,795
(4) Scott Air-Pak X3 Pro SCBA	32,060
Recreation Center ADA	56,166
VFW Baseball Fields Infill	24,000
Indoor Shooting Range	56,952
Ford Transit Irrigation Truck	39,775
Ford Transit Irrigation Truck Final Payment	22,174
Pretreatment Plant	403,478
Chlorination System	16,726
Caterpillar Compactor	567,552
Recycling Building	118,525
Baler - Wide Mouth HE-60-27	146,473

Additional information on the City's capital assets can be found in Note 1 – Summary of Significant Accounting Policies and Note 4 - Capital Assets.

City of Rawlins, Wyoming

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2024
(Unaudited)

Long-term Debt

At the end of the current fiscal year, the City had total net long-term obligations outstanding of \$13.50 million. Of this amount, \$698,653 is for accrued compensated absences, \$6.38 million relates to loans from the State of Wyoming for utility systems, \$661,760 for Landfill closure post closure care costs, \$5.23 million for Net pension liability, and \$527,552 for leases payable.

Additional information about the City's debt can be found in Note 1 – Summary of Significant Accounting Policies and Note 6 Non-Current Liabilities.

Economic Factors and Next Year's Budget

The City maintains a cautiously optimistic outlook going into fiscal year 2025 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, 2024 was 2.9%. This rate is higher than the June 2023 rate of 2.8%, and lower than the June 2023 national unemployment rate of 4.1%.

According to the Department of Administration and Information, Economic Analysis Division, the Wyoming Economic Health Index reported a value of 107.6 in June 2024. This value is higher than the June 2023 value of 107.3.

Requests for Information

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

BASIC FINANCIAL STATEMENTS

CITY OF RAWLINS, WYOMING
STATEMENT OF NET POSITION
As of June 30, 2024

	Primary Government		
	Governmental Activities	Business-type Activities	Total
<u>ASSETS</u>			
Cash and cash equivalents	\$ 29,987,866	\$ 6,306,654	\$ 36,294,520
Investments	5,919,183	1,324,361	7,243,544
Accounts receivable	85,079	604,343	689,422
Taxes receivable	524,182	-	524,182
Unbilled receivable	-	441,622	441,622
Leases receivable	1,900,427	-	1,900,427
Internal balances	1,121,922	(1,121,922)	-
Inventories	39,722	-	39,722
Prepays	185,169	2,240	187,409
Capital assets not being depreciated	2,551,948	-	2,551,948
Capital assets being depreciated, net	18,764,125	38,166,541	56,930,666
Total assets	<u>61,079,623</u>	<u>45,723,839</u>	<u>106,803,462</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
Related to pensions	1,374,027	116,663	1,490,690
Total deferred outflows of resources	<u>1,374,027</u>	<u>116,663</u>	<u>1,490,690</u>
<u>LIABILITIES</u>			
Accounts payable	451,118	85,380	536,498
Accrued payroll	138,119	36,625	174,744
Accrued interest	-	182,182	182,182
Unearned revenue	-	2,800	2,800
Noncurrent liabilities:			
Due within one year	-	663,546	663,546
Due in more than one year	582,958	6,364,461	6,947,419
Net pension liability	4,088,852	1,138,686	5,227,538
Closure and post closure costs	-	661,760	661,760
Total liabilities	<u>5,261,047</u>	<u>9,135,440</u>	<u>14,396,487</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Related to pensions	1,777,456	45,338	1,822,794
Related to leases	1,789,471	-	1,789,471
Total deferred inflows of resources	<u>3,566,927</u>	<u>45,338</u>	<u>3,612,265</u>
<u>NET POSITION</u>			
Net investment in capital assets	21,316,073	30,592,469	51,908,542
Restricted	4,848,387	1,324,361	6,172,748
Unrestricted	27,461,216	4,742,894	32,204,110
Total net position	<u>\$ 53,625,676</u>	<u>\$ 36,659,724</u>	<u>\$ 90,285,400</u>

The notes to financial statements are an integral part of this statement.

CITY OF RAWLINS, WYOMING
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2024

FUNCTIONS/PROGRAMS	Expenses	Program Revenues			Net (Expense) Revenues and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Primary Government:							
Governmental activities:							
General government	\$ 3,158,624	\$ 131,270	\$ 2,102,694	\$ -	\$ (924,660)	\$ -	\$ (924,660)
Public safety and transportation	3,697,789	-	9,084	-	(3,688,705)	-	(3,688,705)
Public works	1,327,524	-	-	-	(1,327,524)	-	(1,327,524)
Highways and streets	542,425	-	112,551	-	(429,874)	-	(429,874)
Culture and recreation	2,082,085	438,823	24,322	-	(1,618,940)	-	(1,618,940)
Total governmental activities	10,808,447	570,093	2,248,651	-	(7,989,703)	-	(7,989,703)
Business-type activities:							
Water	3,080,332	2,945,774	-	-	-	(134,558)	(134,558)
Sewer	938,721	1,092,915	-	-	-	154,194	154,194
Landfill	452,645	1,708,179	-	-	-	1,255,534	1,255,534
Recycling	1,389,692	325,711	-	-	-	(1,063,981)	(1,063,981)
Total business-type activities	5,861,390	6,072,579	-	-	-	211,189	211,189
Total primary government	\$ 16,669,837	\$ 6,642,672	\$ 2,248,651	\$ -	(7,989,703)	211,189	(7,778,514)
General revenues and transfers:							
Taxes:							
Property taxes					901,998	-	901,998
Sales and use taxes					7,525,244	-	7,525,244
Specific purpose taxes					1,363,594	-	1,363,594
Cigarette taxes					36,510	-	36,510
State gasoline taxes					404,507	-	404,507
Severance taxes					294,167	-	294,167
Miscellaneous taxes					86,345	-	86,345
Miscellaneous income					1,653,523	140,140	1,793,663
Investment earnings (losses)					476,941	124,693	601,634
Transfers					(326,016)	326,016	-
Total general revenues and transfers					12,416,813	590,849	13,007,662
Change in net position					4,427,110	802,038	5,229,148
Net position, beginning (Restated, Note 12)					49,198,566	35,857,686	85,056,252
Net position, ending					\$ 53,625,676	\$ 36,659,724	\$ 90,285,400

The notes to financial statements are an integral part of this statement.

CITY OF RAWLINS, WYOMING
BALANCE SHEET
GOVERNMENTAL FUNDS
As of June 30, 2024

	General Fund	Capital Facilities Tax	Nonmajor Funds	Total Governmental Funds
<u>ASSETS</u>				
Cash and cash equivalents	\$ 20,241,528	\$ 4,842,715	\$ 491,502	\$ 25,575,745
Investments	5,919,183	-	-	5,919,183
Taxes receivable	524,182	-	-	524,182
Accounts receivable	85,079	-	-	85,079
Leases receivable	1,900,427	-	-	1,900,427
Due from other funds	1,121,922	-	-	1,121,922
Inventories	39,722	-	-	39,722
Prepays	185,169	-	-	185,169
Total assets	<u>\$ 30,017,212</u>	<u>\$ 4,842,715</u>	<u>\$ 491,502</u>	<u>\$ 35,351,429</u>
<u>LIABILITIES</u>				
Accounts payable	\$ 357,494	\$ -	\$ -	\$ 357,494
Accrued payroll	138,119	-	-	138,119
Total liabilities	<u>495,613</u>	<u>-</u>	<u>-</u>	<u>495,613</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Related to leases	1,789,471	-	-	1,789,471
Total deferred inflows of resources	<u>1,789,471</u>	<u>-</u>	<u>-</u>	<u>1,789,471</u>
<u>FUND BALANCES</u>				
Nonspendable	224,891	-	-	224,891
Restricted	-	4,842,715	5,672	4,848,387
Unassigned	27,507,237	-	485,830	27,993,067
Total fund balances	<u>27,732,128</u>	<u>4,842,715</u>	<u>491,502</u>	<u>33,066,345</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 30,017,212</u>	<u>\$ 4,842,715</u>	<u>\$ 491,502</u>	<u>\$ 35,351,429</u>

The notes to financial statements are an integral part of this statement.

CITY OF RAWLINS, WYOMING
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
As of June 30, 2024

Total fund balance per Governmental Funds balance sheet \$ 33,066,345

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 as assets in governmental funds. Asset cost and accumulated depreciation is as follows:

Asset cost	43,075,389	
Accumulated depreciation	<u>(21,759,316)</u>	
		21,316,073

An internal service fund is used by the City's management to charge the costs of employee's health benefits to the individual funds. The assets and liabilities of the internal service fund are included with governmental activities in the government-wide statements, but reported separate from the governmental fund balance sheet. 4,318,497

Deferred outflows and inflows are not available to pay for current period expenditures and therefore the underlying resources are not reported in the governmental funds.

Pension related - deferred outflows of resources	1,374,027	
Pension related - deferred inflows of resources	<u>(1,777,456)</u>	
		(403,429)

Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as governmental fund liabilities. Long-term liabilities at year-end consist of:

Accrued compensated absences	(582,958)	
Net pension liability	<u>(4,088,852)</u>	
		<u>(4,671,810)</u>

Net position of governmental activities	<u><u>\$ 53,625,676</u></u>
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CITY OF RAWLINS, WYOMING
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2024

	General Fund	Capital Facilities Tax	Nonmajor Funds	Total Governmental Funds
<u>REVENUES</u>				
Taxes and special assessments	\$ 11,268,127	\$ 1,363,594	\$ -	\$ 12,631,721
Intergovernmental	473,446	-	11,128	484,574
Charges for services	638,477	-	-	638,477
Investment income (loss)	383,238	51,629	451	435,318
Miscellaneous	1,300,979	-	88,303	1,389,282
Total revenues	<u>14,064,267</u>	<u>1,415,223</u>	<u>99,882</u>	<u>15,579,372</u>
<u>EXPENDITURES</u>				
Current:				
General government	2,976,967	18,206	-	2,995,173
Public safety and transportation	3,891,150	-	-	3,891,150
Public works	914,247	-	-	914,247
Highways and streets	604,639	-	-	604,639
Culture and recreation	1,899,836	-	129,408	2,029,244
Capital outlay:				
General government	357,881	-	-	357,881
Public safety and transportation	151,312	-	-	151,312
Public works	63,148	-	-	63,148
Highways and streets	-	-	-	-
Culture and recreation	80,952	-	-	80,952
Total expenditures	<u>10,940,132</u>	<u>18,206</u>	<u>129,408</u>	<u>11,087,746</u>
Excess (deficiency) of revenues (over) expenditures	<u>3,124,135</u>	<u>1,397,017</u>	<u>(29,526)</u>	<u>4,491,626</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers in	84,988	-	50,000	134,988
Transfers out	(453,971)	-	-	(453,971)
Total other financing sources (uses)	<u>(368,983)</u>	<u>-</u>	<u>50,000</u>	<u>(318,983)</u>
Net change in fund balances	<u>2,755,152</u>	<u>1,397,017</u>	<u>20,474</u>	<u>4,172,643</u>
Fund balances, beginning	<u>24,976,976</u>	<u>3,445,698</u>	<u>471,028</u>	<u>28,893,702</u>
Fund balances, ending	<u>\$ 27,732,128</u>	<u>\$ 4,842,715</u>	<u>\$ 491,502</u>	<u>\$ 33,066,345</u>

The notes to financial statements are an integral part of this statement.

CITY OF RAWLINS, WYOMING
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT
OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
TO THE STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2024

Net change in fund balances - total governmental funds	\$	4,172,643
Amounts reported for governmental activities in the Statement of Activities are different because:		
Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.		
Capital outlays	653,293	
Transfer of assets to enterprise funds	(7,033)	
Loss on disposal of asset	(8,456)	
Depreciation expense	<u>(1,563,991)</u>	(926,187)
An internal service fund is used by the City's management to charge the costs of workers' health insurance and claims to the individual funds. The change in net position of the internal service fund is reported with governmental activities and investment income.		
		(334,302)
Pension revenue (expense) reported in the government-wide statement of activities does not require the use of current financial resources and therefore is not reported as an expense in governmental funds.		
		1,476,962
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds.		
		(50,041)
Some expenses reported in the statement of activities do not require current financial resources and therefore are not reported as expenditures in governmental funds.		
Compensated absences	<u>88,035</u>	<u>88,035</u>
Change in net position of governmental activities	\$	<u><u>4,427,110</u></u>

The notes to financial statements are an integral part of this statement.

CITY OF RAWLINS, WYOMING
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
As of June 30, 2024

	Business-type Activities - Enterprise Funds					Governmental
	Water	Sewer	Landfill	Recycling	Total	Internal Service Fund
ASSETS						
Current assets:						
Cash and cash equivalents	\$ 2,307,933	\$ 1,083,638	\$ 2,650,028	\$ 265,055	\$ 6,306,654	\$ 4,412,121
Investments	1,324,361	-	-	-	1,324,361	-
Accounts receivable	282,516	79,910	217,840	24,077	604,343	-
Unbilled receivables	231,127	157,332	53,163	-	441,622	-
Prepays	2,240	-	-	-	2,240	-
Total current assets	4,148,177	1,320,880	2,921,031	289,132	8,679,220	4,412,121
Noncurrent assets:						
Buildings and improvements	66,914,410	9,527,457	842,505	118,525	77,402,897	-
Furniture and equipment	2,376,332	1,477,614	3,069,750	209,599	7,133,295	-
Less accumulated depreciation	(39,574,461)	(5,242,833)	(1,524,114)	(28,243)	(46,369,651)	-
Total noncurrent assets	29,716,281	5,762,238	2,388,141	299,881	38,166,541	-
Total assets	33,864,458	7,083,118	5,309,172	589,013	46,845,761	4,412,121
DEFERRED OUTFLOWS OF RESOURCES						
Related to pensions	47,681	27,884	13,210	27,888	116,663	-
LIABILITIES						
Current liabilities:						
Accounts payable	24,988	3,362	55,660	1,370	85,380	-
Accrued payroll	14,942	7,529	9,596	4,558	36,625	-
Accrued interest	103,712	5,598	72,872	-	182,182	-
Unearned revenue	2,800	-	-	-	2,800	-
Benefit claims incurred but not reported	-	-	-	-	-	93,624
Current portion of leases payable	-	-	62,477	-	62,477	-
Current portion of notes payable	250,699	65,099	285,271	-	601,069	-
Total current liabilities	397,141	81,588	485,876	5,928	-	93,624
Noncurrent liabilities:						
Interfund advances payable	812,020	309,902	-	-	1,121,922	-
Accrued compensated absences	52,950	21,588	29,766	11,391	115,695	-
Closure and post closure costs	-	-	661,760	-	661,760	-
Net pension liability	465,389	272,166	128,932	272,199	1,138,686	-
Leases payable, less current portion	-	-	465,075	-	465,075	-
Notes payable, less current portion	4,189,295	276,850	1,317,546	-	5,783,691	-
Total noncurrent liabilities	5,519,654	880,506	2,603,079	283,590	-	-
Total liabilities	5,916,795	962,094	3,088,955	289,518	10,257,362	93,624
DEFERRED INFLOWS OF RESOURCES						
Related to pensions	18,530	10,836	5,134	10,838	45,338	-
NET POSITION						
Net investment in capital assets	25,276,287	5,420,289	(403,988)	299,881	30,592,469	-
Restricted investments	1,324,361	-	-	-	1,324,361	-
Unrestricted	1,376,166	717,783	2,632,281	16,664	4,742,894	4,318,497
Total net position	\$ 27,976,814	\$ 6,138,072	\$ 2,228,293	\$ 316,545	\$ 36,659,724	\$ 4,318,497

The notes to financial statements are an integral part of this statement.

CITY OF RAWLINS, WYOMING
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
For the Year Ended June 30, 2024

	Business-type Activities - Enterprise Funds					Governmental Activities
	Water	Sewer	Landfill	Recycling	Total	Internal Service Fund
<u>OPERATING REVENUES</u>						
Charges to customers	\$ 2,945,774	\$ 1,092,915	\$ 1,708,179	\$ 325,711	\$ 6,072,579	\$ 2,305,226
Other income	85,500	6,168	48,144	328	140,140	-
Total operating revenues	<u>3,031,274</u>	<u>1,099,083</u>	<u>1,756,323</u>	<u>326,039</u>	<u>6,212,719</u>	<u>2,305,226</u>
<u>OPERATING EXPENSES</u>						
Personal services	640,522	384,255	286,165	335,544	1,646,486	-
Contractual services	138,171	75,004	283,881	2,114	499,170	-
Utilities	168,968	95,645	10,671	15,301	290,585	-
Repair and maintenance	165,731	33,942	7,359	1,484	208,516	-
Other supplies and expenses	227,544	43,961	665,164	16,024	952,693	-
Depreciation expense	1,570,945	296,947	136,452	15,328	2,019,672	-
Benefit payments	-	-	-	-	-	2,681,151
Total operating expenses	<u>2,911,881</u>	<u>929,754</u>	<u>1,389,692</u>	<u>385,795</u>	<u>5,617,122</u>	<u>2,681,151</u>
Operating income (loss)	<u>119,393</u>	<u>169,329</u>	<u>366,631</u>	<u>(59,756)</u>	<u>595,597</u>	<u>(375,925)</u>
<u>NONOPERATING REVENUES (EXPENSES)</u>						
Investment income	83,256	10,487	28,667	2,283	124,693	41,623
Interest expense	(168,451)	(8,967)	(66,850)	-	(244,268)	-
Total nonoperating revenues (expenses)	<u>(85,195)</u>	<u>1,520</u>	<u>(38,183)</u>	<u>2,283</u>	<u>(119,575)</u>	<u>41,623</u>
Income (loss) before transfers	<u>34,198</u>	<u>170,849</u>	<u>328,448</u>	<u>(57,473)</u>	<u>476,022</u>	<u>(334,302)</u>
<u>TRANSFERS</u>						
Transfers in	138,973	-	7,033	264,998	411,004	-
Transfers out	(37,897)	(21,500)	(25,591)	-	(84,988)	-
Total transfers	<u>101,076</u>	<u>(21,500)</u>	<u>(18,558)</u>	<u>264,998</u>	<u>326,016</u>	<u>-</u>
Change in net position	135,274	149,349	309,890	207,525	802,038	(334,302)
Net position, beginning (Restated, Note 12)	27,841,540	5,988,723	1,918,403	109,020	35,857,686	4,652,799
Net position, ending	<u>\$ 27,976,814</u>	<u>\$ 6,138,072</u>	<u>\$ 2,228,293</u>	<u>\$ 316,545</u>	<u>\$ 36,659,724</u>	<u>\$ 4,318,497</u>

The notes to financial statements are an integral part of this statement.

CITY OF RAWLINS, WYOMING
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended June 30, 2024

	Business-type Activities - Enterprise Funds					Governmental Activities
	Water	Sewer	Landfill	Recycling	Total	Internal Service Fund
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>						
Receipts from customers	\$ 2,872,571	\$ 1,028,277	\$ 1,704,228	\$ 325,711	\$ 5,930,787	\$ 2,305,226
Other operating cash receipts	85,500	6,168	48,144	328	140,140	-
Payments to suppliers	(714,599)	(249,165)	(986,857)	(35,778)	(1,986,399)	(2,681,151)
Payments to employees	(736,977)	(347,478)	(250,978)	(177,413)	(1,512,846)	75,051
Net cash provided (used) by operating activities	1,506,495	437,802	514,537	112,848	2,571,682	(300,874)
<u>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</u>						
Interfund activity	101,076	(76,342)	(25,591)	264,998	264,141	-
Net cash provided (used) by noncapital financing activities	101,076	(76,342)	(25,591)	264,998	264,141	-
<u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</u>						
Purchases of property and equipment	(155,699)	-	(567,552)	(264,998)	(988,249)	-
Proceeds from borrowing on long-term debt	-	-	567,552	-	567,552	-
Principal payments on notes payable	(242,233)	(63,533)	(148,777)	-	(454,543)	-
Net cash provided (used) by capital and related financing activities	(397,932)	(63,533)	(148,777)	(264,998)	(875,240)	-
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>						
Proceeds (purchases) from sales (of) investments, net	(49,921)	-	-	-	(49,921)	-
Investment income	83,256	10,487	28,666	2,282	124,691	41,623
Interest expense	(173,926)	(9,998)	-	-	(183,924)	-
Net cash provided (used) by investing activities	(140,591)	489	28,666	2,282	(109,154)	41,623
Net increase (decrease) in cash and cash equivalents	1,069,048	298,416	368,835	115,130	1,851,429	(259,251)
Cash and cash equivalents, beginning	1,238,885	785,222	2,281,193	149,925	4,455,225	4,671,372
Cash and cash equivalents, ending	<u>\$ 2,307,933</u>	<u>\$ 1,083,638</u>	<u>\$ 2,650,028</u>	<u>\$ 265,055</u>	<u>\$ 6,306,654</u>	<u>\$ 4,412,121</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:						
Operating income (loss)	\$ 119,393	\$ 169,329	\$ 366,631	\$ (59,756)	\$ 595,597	\$ (375,925)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:						
Depreciation	1,570,945	296,947	136,452	15,328	2,019,672	-
(Increase) decrease in accounts receivable	(9,539)	4,099	(16,953)	(374)	(22,767)	-
(Increase) decrease in unbilled receivables	(75,865)	(64,638)	(3,951)	-	(144,454)	-
(Increase) decrease in prepaids	(138)	-	-	-	(138)	-
(Increase) decrease in accounts payable	(118,613)	(852)	2,593	181	(116,691)	(756)
(Increase) decrease in accrued payroll	(4,646)	(4,712)	(2,829)	(481)	(12,668)	-
(Increase) decrease in unearned revenue	2,800	-	-	-	2,800	-
(Increase) decrease in benefit claims incurred but not reported	-	-	-	-	-	75,807
(Increase) decrease in landfill closure costs	-	-	89,106	-	89,106	-
(Increase) decrease in pension related balances	32,611	36,062	(53,115)	156,880	172,438	-
(Increase) decrease in compensated absences	(10,453)	1,567	(3,397)	1,070	(11,213)	-
Net cash provided (used) by operating activities	<u>\$ 1,506,495</u>	<u>\$ 437,802</u>	<u>\$ 514,537</u>	<u>\$ 112,848</u>	<u>\$ 2,571,682</u>	<u>\$ (300,874)</u>

The notes to financial statements are an integral part of this statement.

CITY OF RAWLINS, WYOMING
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2024

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. 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.

Financial Reporting Entity

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 an elected mayor and seven elected 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.

Blended Component Unit

The City's Downtown Development Authority was created to administer funds collected for the purpose of the beautification of the downtown area of the City of Rawlins.

Basis of Presentation

The City's basic financial statements consist of government-wide statements, including a Statement of Net Position, Statement of Activities. Basic financial statements also include fund financial statements.

Government-Wide Financial Statements

The statement of net position and the statement of activities display information about the City as a whole. Both the governmental and business-type activities are presented on a consolidated basis by column and are reflected on a full accrual, economic resource basis which incorporates long-term assets, receivables and long-term debt and obligations. These statements include the financial activities of the primary government, except fiduciary funds. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which generally rely on fees and charges for support.

The statement of net position presents the financial condition of the activities of the City at year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the City's activities. Direct expenses are those specifically associated with a service, program, or department and therefore, are clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants, and contributions that are restricted to meeting the operational or capital requirements of a particular program and interest earned on grants that is required to be used to support a particular program. Revenues, such as taxes, that are not classified as program revenues are presented as general revenues of the City. The comparison of direct expenses with program revenues identifies the extent to which each function is self-financing or draws from general revenues of the City.

CITY OF RAWLINS, WYOMING
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Financial Statements

Separate fund 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.

The following is a brief description of the specific funds used by the City.

Governmental Funds

Governmental Funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses, and balances of current financial resources. Assets are assigned to the various governmental funds according to the purpose for which they may be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following are the City's governmental funds.

Major Governmental Funds:

General Fund

The General Fund is used to account for all financial transactions of the City not properly accounted for in other funds.

The revenue of the fund is derived mainly from sales and use taxes, other taxes, intergovernmental sources and charges for services with expenditures relating to general government, public safety, public works, culture and recreation, debt payments and capital outlays.

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.

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 City reports the following major enterprise funds:

Water Fund

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

CITY OF RAWLINS, WYOMING
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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 the self-funded health plan provided by the City. The internal service fund is accounted for using the accrual basis of accounting.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

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

Governmental fund level financial statements are reported using current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Measurable and available revenues include revenues expected to be received within 60 days after the fiscal year ends. Expenditures generally are recorded when a fund liability is incurred; however, expenditures related to compensated absences and claims and judgments, are recorded only when the liability has matured, and payment is due.

The proprietary funds are accounted for using the accrual basis of accounting as follows:

1. Revenues are recognized when earned, and expenses are recognized when the liabilities are incurred.
2. Current year contributions, administrative expenses and benefit payments, which are not received or paid until the subsequent year, are accrued.

Proprietary funds distinguish operating revenues and expenses from non-operating. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations.

CITY OF RAWLINS, WYOMING
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities and Net Position

Cash, Cash Equivalents, 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 ownership 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.

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.

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.

Interfund Receivables and Payables

During the course of operations, activity occurs between individual funds for goods provided or services rendered. These receivables and payables are classified as inter-fund receivables/payables in the fund financial statements, and are eliminated in the statement of net position, except those between the governmental activities and business-type activities. Activity that constitutes reimbursement to a fund for expenditures initially made from it, that are properly applicable to another fund, are recorded as expenditures in the reimbursing fund and as a reduction of expenditures in the fund that is reimbursed. All other inter-fund activity is reported as operating transfers.

Receivables and Allowance for Doubtful Accounts

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. 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 receivables.

In the fund financial statements, 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. Nonexchange 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.

CITY OF RAWLINS, WYOMING
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Proprietary fund 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.

Prepaid Expenses

Certain prepaid expenses exist year to year depending on the timing of payments to various contracts and services. The most common types of expenditures that are prepaid are the payment of insurance, technology services or maintenance contracts. Prepaid expenses are equally offset by the fund balance reserve which indicates that they do not constitute “available spendable resources” even though they are a component of net current assets.

Capital Assets and Depreciation

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 \$10,000 or more and an estimated useful life in excess of two years.

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:

<u>Classes of Assets</u>	<u>Useful Life</u>
Buildings and improvements	25-40 years
Improvements	10-40 years
Equipment and machinery	5-20 years
Utility System	25-40 years
Infrastructure	20-40 years

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

CITY OF RAWLINS, WYOMING
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 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.

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.

Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements and all payables, accrued liabilities, and long-term obligations payable from proprietary funds are reported on the proprietary fund financial statements.

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the funds.

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 net pension liability.

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 while payment of principal and interest is reported as expenditures. The accounting basis used for proprietary funds is the same in the fund statements as it is in the government-wide statements.

CITY OF RAWLINS, WYOMING
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Deferred Inflows/Outflows of Resources

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an expense or expenditure until then. In addition to liabilities, the statement of net position will report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until then.

Both deferred inflows and outflows are reported in the statement of net position or fund balance sheet, but are not recognized in the financial statements as revenues, expenses or expenditures, until the period(s) to which they relate. The City reports the following deferred inflows and outflows of resources:

Pension related amounts – In the government-wide and proprietary fund statements of net position, a deferred outflow or deferred inflow of resources is reported for the unrecognized items not yet charged to expense related to the net pension liability. This includes the unamortized portion of the net difference between projected and actual earnings on plan investments and other differences between expected and actual experience. Deferred outflows for the net difference between projected and actual investment earnings are recognized over time, while the deferred inflows or deferred outflows for the differences between expected and actual experience for economic/demographic assumptions are recognized over the remaining service life for all active and inactive members.

Net Position

For government-wide reporting as well as in proprietary funds, the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources is called net position. Net position is comprised of three components: net investment in capital assets, restricted, and unrestricted.

- a) Net investment in capital assets consists of capital assets, net of accumulated depreciation/amortization and reduced by outstanding balances of bonds, notes, and other debt that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are included in this component of net position.
- b) Restricted net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Assets are reported as restricted when constraints are placed on asset use either by external parties or by law through constitutional provision or enabling legislation.
- c) Unrestricted net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that does not meet the definition of the two preceding categories.

It is the City's policy to first use restricted net position prior to the use of unrestricted net position when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

CITY OF RAWLINS, WYOMING
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Balance

In governmental fund types, the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources is called “fund balance.” The City’s governmental funds report the following categories of fund balance, based on the nature of any limitations requiring the use of resources for specific purposes.

- a) Nonspendable fund balance represents amounts that are either not in a spendable form or are legally or contractually required to remain intact.
- b) Restricted fund balance includes amounts that can be spent only for the specific purposes stipulated by external resource providers such as grantors or enabling federal, state, or local legislation. Restrictions may be changed or lifted only with the consent of the resource providers.
- c) Committed fund balance represents amounts that can be used only for the specific purposes determined by the adoption of an ordinance committing fund balance for a specified purpose by the City’s Council prior to the end of the fiscal year. Once adopted, the limitation imposed by the ordinance remains in place until the resources have been spent for the specified purpose or the Council adopts another ordinance to remove or revise the limitation.
- d) Assigned fund balance represents amounts that are intended to be used by the City for specific purposes but do not meet the criteria to be classified as committed. The Council has by resolution authorized the finance director to assign fund balance. The Council may also assign fund balance, as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year’s appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.
- e) Unassigned fund balance represents the residual amount for the general fund that is not contained in the other classifications. The general fund is the only fund that reports a positive unassigned fund balance. Additionally, any deficit fund balance within the other governmental fund types is reported as unassigned.

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. General revenues include all taxes.

CITY OF RAWLINS, WYOMING
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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."

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.

Under GASB Standards, a receivable can be recorded at the earliest of the date of the assessment or the date a lien is placed on the property. Neither of these items occur prior to June 30th for the upcoming 2024 levy; therefore, at June 30, 2024, the property tax receivable consists of unpaid property taxes from the August 2023 levy. Effective January 1, 2022, mineral ad valorem property taxes are billed and collected monthly by the Department of Revenue, with a true-up following the annual assessment on January 1.

Operating Revenues and Expenses

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

Expenditures/Expenses

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

CITY OF RAWLINS, WYOMING
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

- Capital outlay
- Debt service

Proprietary Funds - 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, only the net transfers between governmental and business-type activities are reported.

Use of estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP) requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates. The estimate of pension liabilities is especially significant to the City. It is reasonably possible that this estimate will change within one year of the date of the financial statements due to one or more future events. The effect of the change could be material to the financial statements and could result in a loss.

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CITY OF RAWLINS, WYOMING
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2024

2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Formal budgetary integration is employed as a management control device during the year for all funds and annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America.

The City's procedures for establishing the budget each year are as follows:

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

3. 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) is operated in accordance with appropriate state laws and regulations. The reported value of the pool is the same as the fair value of the pool shares.

CITY OF RAWLINS, WYOMING
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2024

3. CASH AND INVESTMENTS (Continued)

Deposits

At June 30, 2024, 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.

Investments

As of June 30, 2024, the City had investments with weighted average maturities as shown in the following table:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Fair Value Measurement Level</u>	<u>Credit Risk Rating</u>	<u>Weighted Average Maturity in Years</u>
Certificates of Deposit - RNB Bank	1,324,361	Level 2	Unrated	0.27
Certificates of Deposit - Bolton Park	100,000	Level 2	Unrated	0.74
State of Wyoming Investment Pool (WYOSTAR)	5,819,183	Level 2	Unrated	N/A
Total	<u>\$ 7,243,544</u>			

Credit Risk - Credit risk is the risk that an insurer or other counterparty to an investment will not fulfill its obligations. This risk is generally measured by the assignment of a rating by a nationally recognized statistical rating organization as shown in the table above.

Interest Rate Risk - Interest rate risk is the risk that changes in interest rate will adversely affect the fair value of an instrument. 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 yield amounts.

Custodial Credit Risk - Custodial credit risk 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.

CITY OF RAWLINS, WYOMING
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2024

4. CAPITAL ASSETS

Capital asset activity related to governmental and business-type activities for the year ended June 30, 2024 was as follows:

	Balance at June 30, 2023	Additions	Disposals	Transfers	Balance at June 30, 2024
Governmental Activities:					
Capital assets not being depreciated:					
Land	\$ 2,551,948	\$ -	\$ -	\$ -	\$ 2,551,948
Total assets not being depreciated	<u>2,551,948</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,551,948</u>
Depreciable capital assets:					
Buildings and improvements	12,565,245	66,837	(46,541)	-	12,585,541
Infrastructure	13,596,398	-	-	-	13,596,398
Furniture and equipment	<u>15,215,185</u>	<u>586,456</u>	<u>(1,429,998)</u>	<u>(30,141)</u>	<u>14,341,502</u>
Total assets being depreciated	<u>41,376,828</u>	<u>653,293</u>	<u>(1,476,539)</u>	<u>(30,141)</u>	<u>40,523,441</u>
Accumulated depreciation for:					
Buildings and improvements	(6,416,366)	(258,444)	38,085	(176,842)	(6,813,567)
Infrastructure	(4,208,720)	(486,824)	-	(1,199)	(4,696,743)
Furniture and equipment	<u>(11,061,430)</u>	<u>(818,723)</u>	<u>1,429,998</u>	<u>201,149</u>	<u>(10,249,006)</u>
Total accumulated depreciation	<u>(21,686,516)</u>	<u>(1,563,991)</u>	<u>1,468,083</u>	<u>23,108</u>	<u>(21,759,316)</u>
Capital assets being depreciated, net	<u>19,690,312</u>	<u>(910,698)</u>	<u>(8,456)</u>	<u>(7,033)</u>	<u>18,764,125</u>
Governmental activities capital assets, net	<u>\$ 22,242,260</u>				<u>\$ 21,316,073</u>

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CITY OF RAWLINS, WYOMING
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2024

4. CAPITAL ASSETS (Continued)

	Balance at June 30, 2023	Additions	Disposals	Transfers	Balance at June 30, 2024
Business-Type Activities:					
Capital assets not being depreciated:					
Construction in progress	\$ 264,506	\$ 138,973	\$ (403,479)	\$ -	\$ -
Total assets not being depreciated	<u>264,506</u>	<u>138,973</u>	<u>(403,479)</u>	<u>-</u>	<u>-</u>
Depreciable capital assets:					
Buildings and improvements	76,880,894	522,003	-	-	77,402,897
Furniture and equipment	6,506,894	730,751	(134,490)	30,141	7,133,296
Total assets being depreciated	<u>83,387,788</u>	<u>1,252,754</u>	<u>(134,490)</u>	<u>30,141</u>	<u>84,536,193</u>
Accumulated depreciation for:					
Buildings and improvements	(41,226,687)	(1,688,988)	-	-	(42,915,675)
Furniture and equipment	(3,234,675)	(330,684)	134,490	(23,108)	(3,453,977)
Total accumulated depreciation	<u>(44,461,362)</u>	<u>(2,019,672)</u>	<u>134,490</u>	<u>(23,108)</u>	<u>(46,369,652)</u>
Capital assets being depreciated, net	<u>38,926,426</u>	<u>(766,918)</u>	<u>-</u>	<u>7,033</u>	<u>38,166,541</u>
Business-type activities capital assets, net	<u>\$ 39,190,932</u>				<u>\$ 38,166,541</u>

Depreciation expense for the fiscal year ended June 30, 2024, was charged to the following activities in the statement of activities.

Governmental Activities:

General government	\$ 384,397
Public safety and transportation	442,922
Public works	475,203
Culture and recreation	261,469
Total depreciation expense - governmental activities	<u>\$ 1,563,991</u>

Business-Type Activities

Water	\$ 1,570,945
Sewer	296,947
Landfill	136,452
Recycling	15,328
Total depreciation expense - business-type activities	<u>\$ 2,019,672</u>

CITY OF RAWLINS, WYOMING
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2024

5. INTERFUND TRANSFERS

Transfers were used to move cash to the fund for which statute or budget requires the expenditure to be made and to use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

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

The primary government's operating transfers for the year ended June 30, 2024, were as follows:

	<u>Transfers from other funds</u>	<u>Transfers to other funds</u>
Governmental funds:		
General fund	\$ 84,988	\$ 453,971
Downtown development authority fund	50,000	-
Government-wide	-	7,033
Total governmental funds	<u>134,988</u>	<u>461,004</u>
Proprietary funds:		
Water fund	138,973	37,897
Sewer fund	-	21,500
Landfill fund	7,033	25,591
Recycling fund	264,998	-
Total proprietary funds	<u>411,004</u>	<u>84,988</u>
Total interfund activity	<u>\$ 545,992</u>	<u>\$ 545,992</u>

In 2010, the General Fund loaned the Sewer Fund money to pay for capital expenses. During 2022, the General Fund gave the Water Fund money to pay for various capital expenses. Advances from/to other funds for the year ended June 30, 2024 were as follows:

	<u>Due from other funds</u>	<u>Due to other funds</u>
Governmental funds:		
General fund	\$ 1,121,922	\$ -
Total governmental funds	<u>1,121,922</u>	<u>-</u>
Proprietary funds:		
Water fund	-	812,020
Sewer fund	-	309,902
Total proprietary funds	<u>-</u>	<u>1,121,922</u>
Total due to/from activity	<u>\$ 1,121,922</u>	<u>\$ 1,121,922</u>

CITY OF RAWLINS, WYOMING
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2024

6. NONCURRENT LIABILITIES

The following is a summary of long-term liability transactions for the City for the year ended June 30, 2024:

	Balance at June 30, 2023	Additions	Reductions	Balance at June 30, 2024	Due Within One Year
Governmental Activities:					
Compensated absences	\$ 670,993	\$ -	\$ 88,035	\$ 582,958	\$ -
Net pension liability	8,278,132	-	4,189,280	4,088,852	-
Total governmental activities	<u>\$ 8,949,125</u>	<u>\$ -</u>	<u>\$ 4,277,315</u>	<u>\$ 4,671,810</u>	<u>\$ -</u>
Business-Type Activities:					
Notes payable:					
Atlantic Rim Pipeline	\$ 656,997	\$ -	\$ 23,743	\$ 633,254	\$ 24,693
Atlantic Rim Reservoir	1,548,909	-	52,015	1,496,894	54,096
BOW 0822-26	841,376	-	-	841,376	230,932
CWSRF Loan #145	197,918	-	12,094	185,824	12,392
CWSRF Loan #85	405,482	-	63,533	341,949	65,099
DWSRF Loan #147	398,753	-	24,745	374,008	25,355
DWSRF Loan #69	138,283	-	21,667	116,616	22,201
DWSRF Loan #80	139,135	-	21,782	117,353	22,326
Sage Creek Water Line	1,602,235	-	86,189	1,516,046	89,636
SLIB MWL-15011	870,219	-	108,779	761,440	54,339
Total notes payable:	<u>6,799,307</u>	<u>-</u>	<u>414,547</u>	<u>6,384,760</u>	<u>601,069</u>
Compensated absences	126,908	-	11,213	115,695	-
Lease payable	-	567,552	40,000	527,552	62,477
Landfill closure and post-closure care costs *	572,654	89,106	-	661,760	-
Net pension liability	1,112,705	25,981	-	1,138,686	-
Total business-type activities	<u>8,611,574</u>	<u>682,639</u>	<u>465,760</u>	<u>8,828,453</u>	<u>663,546</u>
Total long-term obligations	<u>\$ 17,560,699</u>	<u>\$ 682,639</u>	<u>\$ 4,743,075</u>	<u>\$ 13,500,263</u>	<u>\$ 663,546</u>

* Restated, see Note 12

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CITY OF RAWLINS, WYOMING
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2024

6. NONCURRENT LIABILITIES (Continued)

As of June 30, 2024, the business-type activities long-term debt consisted of the following:

Note payable to the State of Wyoming, Wyoming Water Development Commission due in annual installments of \$150,278 including interest at 4.0% to December 2037, secured by revenue generated by the Municipal Water System.	1,516,046
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.	116,616
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.	117,353
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.	633,254
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.	1,496,894
Note payable to Caterpillar Financial Services, due in annual installments of \$152,761 including interest at 4.75% to May 2029.	841,376
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.	185,824
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.	341,949
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.	374,008
Note payable to the Office of State Lands and Investments, due in annual installments of \$61,940 at zero interest to July 2038.	761,440
Total notes payable	6,384,760
Less current maturities	(601,069)
Notes payable, less current portion	5,783,691

CITY OF RAWLINS, WYOMING
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2024

6. NONCURRENT LIABILITIES (Continued)

Principal and interest payments due on loans payable for the years ending June 30, are as follows:

Year	Interest	Principal	Total
2025	\$ 248,482	\$ 601,069	\$ 849,551
2026	192,516	504,323	696,839
2027	175,900	520,941	696,841
2028	158,629	538,211	696,840
2029	140,681	635,157	775,838
2030-2034	529,177	1,685,852	2,215,029
2035-2039	221,790	1,410,814	1,632,604
2040-2044	42,868	488,393	531,261
	<u>\$ 1,710,043</u>	<u>\$ 6,384,760</u>	<u>\$ 8,094,803</u>

Principal and interest payments due on the lease payable for the years ending June 30, are as follows:

Year	Interest	Principal	Total
2025	\$ 30,070	\$ 62,477	\$ 92,547
2026	26,509	66,038	92,547
2027	22,745	69,803	92,548
2028	18,766	73,781	92,547
2029	14,561	77,986	92,547
2030-2034	10,116	82,432	92,548
2035-2039	6,007	95,035	101,042
	<u>\$ 128,774</u>	<u>\$ 527,552</u>	<u>\$ 656,326</u>

7. LANDFILL CLOSURE AND POST-CLOSURE COSTS

State and federal laws require the City 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 30 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 recognized at June 30, 2024 is \$661,760. 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 \$244,400 which is at 100% capacity. The portion of the liability related to the C&D Landfill is \$417,360 with an estimated of capacity used of 15.51%. The City will recognize the remaining estimated costs of closure and post-closure care costs for the C&D site of \$2,273,600 as the remaining capacity is filled. These amounts are based on estimates for what it would cost to perform all closure and post-closure care in 2024. The City is responsible to pay the entire liability as it comes due. Actual costs may be higher due to inflation, changes in technology or changes in regulations.

CITY OF RAWLINS, WYOMING
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2024

8. PARTICIPATION IN THE WYOMING RETIREMENT SYSTEM

The City employees participate in either the Public Employee Pension Plan, Law Enforcement Pension Plan, Paid Fire A Pension Plan, or Paid Fire B Pension Plan within the Wyoming Retirement System (WRS or the Plan), which is a multiple employer cost sharing defined benefit plan. GASB standards require that the City recognize a liability for its proportionate share of the net pension liability. This proportion is required to be determined on a basis that is consistent with the manner in which contributions to the plan are determined. The City derived their portion of the net pension liability by applying the actual contribution as a percentage of total contributions to the Plan.

In addition to reporting the City's share of the net pension liability, deferred inflows and deferred outflows on the statement of net position and the related expense on the statement of activities, this standard requires the City to present two additional schedules in the required supplementary information section of this report, including the Schedule of Proportionate Share of the Net Pension Liability and the Schedule of Contributions.

Significant Accounting Policies

For purposes of measuring the net pension liability, deferred outflows of resources and pension expense, this information has been determined using the same basis as reported by WRS. Benefit payments are recognized when due and payable in accordance with benefit terms and investments are reported at fair value.

Actuarial Valuations

Public Employee Pension Plan - An actuarial valuation of the Plan's assets and net pension liability is performed annually. At the date of the most recent actuarial valuation, January 1, 2024, the fiduciary net position as a percentage of total pension liability increased from 75.47% on January 1, 2023 to 80.19% on January 1, 2024. The net pension liability as a percentage of covered payroll decreased from 151.36% to 120.86% as of January 1, 2023, and 2024, respectively. The net pension liability was \$2.27 billion as of January 1, 2024 compared to \$2.27 billion as of January 1, 2023. This is a decrease from the prior year.

Law Enforcement Pension Plan - An actuarial valuation of the Plan's assets and net pension liability is performed annually. At the date of the most recent actuarial valuation, January 1, 2024, the fiduciary net position as a percentage of total pension liability increased from 70.30 percent on January 1, 2023 to 86.90 percent on January 1, 2024. The net pension liability as a percentage of covered payroll decreased from 211.06 percent to 80.76 percent as of January 1, 2023, and 2024, respectively. The net pension liability was \$135.1 million as of January 1, 2024 compared to \$340.7 million as of January 1, 2023. This is a decrease from the prior year.

Paid Fire A Pension Plan - An actuarial valuation of the Plan's assets and net pension liability is performed annually. At the date of the most recent actuarial valuation, January 1, 2024, the fiduciary net position as a percentage of total pension liability increased from 77.49% on January 1, 2023 to 89.37% on January 1, 2024. The net pension liability was \$15.5 million as of January 1, 2024 compared to \$37.0 million as of January 1, 2023. This is a decrease from the prior year.

Paid Fire B Pension Plan - An actuarial valuation of the Plan's assets and net pension liability is performed annually. At the date of the most recent actuarial valuation, January 1, 2024, the fiduciary net position as a percentage of total pension liability increased from 94.92% on January 1, 2023 to 100.40% on January 1, 2024. The net pension liability as a percentage of covered payroll decreased from 35.10% to -2.76% as of January 1, 2023 and 2024, respectively. The net pension asset was \$922,682 as of January 1, 2024 compared to a net pension liability of \$11.0 million as of January 1, 2023. This is a decrease from the prior year.

CITY OF RAWLINS, WYOMING
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2024

8. PARTICIPATION IN THE WYOMING RETIREMENT SYSTEM (Continued)

Determination of Tier 1 versus Tier 2 Employees - Public Employee Plan

Tier 1 employees are those whose first contribution to the Plan is on or before September 1, 2012; whereas, Tier 2 employees are those whose first contribution to the Plan is after September 1, 2012.

Vesting

Participants are fully vested within the Plan after the equivalent of four years of service for the Public Employee, Law Enforcement Plan, and Paid Fire B Plan. Under Paid Fire A Plan, 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.

Contributions

As a condition of participation in the Plan, employers and/or employees are required to contribute certain percentages of salary and wages as authorized by Wyoming State Statute and specified by the WRS Board. Contributions are actuarially determined as an amount that is expected to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded actuarial accrued liability. The statutorily required contribution rate for the year ended June 30, 2024 was 18.62 percent.

The Law Enforcement Pension Plan requires a contribution of 17.2 percent of eligible wages.

The Paid Fire A Pension Plan currently has no employees for whom actively contribute to this plan.

The Paid Fire B Pension Plan requires a contribution of 27.245 percent of eligible wages.

Benefits – Public Employee Pension Plan

The Public Employees Plan provides retirement, disability and death benefits according to predetermined formulas and allows retirees to select one of seven optional methods for receiving benefits, including two joint and survivor forms of benefits: a 100% joint and survivor annuity, and a 50% joint and survivor annuity. The benefit amounts under these options are determined on an actuarially equivalent basis. Any cost of living adjustment (COLA) provided to retirees must be granted by the State Legislature. In addition, a COLA will not be approved by the legislature unless the plan is 100% funded after the COLA is awarded.

Employees terminating prior to normal retirement can elect to withdraw all employee contributions plus accumulated interest through date of termination or, if they are vested, they may elect to remain in the Plan and be eligible for unreduced retirement benefits at age 60 (Tier 1 employee) or 65 (Tier 2 employee).

Tier 1, the Plan allows for normal retirement after four years of service and attainment of age 60. Early retirement is allowed provided the employee has completed four years of service and attained age 50 or 25 years of service but will result in a reduction of benefits based on the length of time remaining to age 60.

Tier 2, the Plan allows for normal retirement after four years of service and attainment of age 65. Early retirement is allowed provided the employee has completed four years of service and attained age 55, or 25 or more years of service but will result in a reduction of benefits based on the length of time remaining to age 65. All employees may also retire upon normal retirement on the basis that the sum of the member's age and service is at least 85.

CITY OF RAWLINS, WYOMING
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2024

8. PARTICIPATION IN THE WYOMING RETIREMENT SYSTEM (Continued)

Benefits – Law Enforcement Pension Plan

The Plan statutorily provides retirement, disability and death benefits according to predetermined amounts determined by salary, age and years of service of the participant. Any COLA provided to retirees must be granted by the State Legislature. In addition, a COLA will not be approved by the legislature unless the plan is 100 percent funded after the COLA is awarded. Participants may withdraw from the Plan at any time and receive refunds of participant contributions plus accumulated interest.

Benefits – Paid Fire A Pension Plan

The Plan statutorily provides retirement, disability and death benefits according to a percentage of a firefighter first class salary. Participants may withdraw from the Plan at any time and receive refunds of participant contributions without interest.

Benefits – Paid Fire B Pension Plan

The Plan provides retirement, disability and death benefits according to predetermined formulas. The State Legislature grants any cost of living adjustment provided to retirees. In addition, a COLA will not be approved by the legislature unless the plan is 100% funded after the COLA is awarded. Participants may withdraw from the Plan at any time and receive refunds of participant contributions without interest.

Actuarial Assumptions

An actuarial valuation of each WRS defined benefit plan is performed annually. The funded status of each plan is shown in the Schedules of Funding Progress, which is located in the Actuarial section of the WRS ACFR.

For all plans except the Paid Firemen’s Pension Plan A, beginning July 1, 2012 all future COLA’s must be granted by the State Legislators. In addition, the WRS board cannot recommend the COLA unless the plan is considered actuarially sound and the unfunded liability must not drop below 100% after the award of the COLA. The results of the actuarial valuation are dependent upon the actuarial assumptions used. Actual results can and almost certainly will differ, as actual experience deviates from the assumptions. Even seemingly minor changes in the assumptions can materially change the liabilities, calculated contributions rates and funding periods.

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 rates of return by the target asset allocation percentage and by adding expected inflation. For each major asset class that is included in the Plan’s target asset allocation as of January 1, 2024 the best estimates are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Geometric Real Return</u>	<u>Arithmetic Real Return</u>
Tactical Cash	0.50%	-0.30%	-0.30%
Gold	1.50%	2.13%	0.70%
Fixed income	20.00%	3.38%	3.80%
Equity	51.50%	6.52%	8.20%
Marketable alternatives	16.00%	4.39%	5.23%
Private markets	10.50%	5.97%	7.48%
Total	<u>100.00%</u>	<u>5.39%</u>	<u>6.61%</u>

CITY OF RAWLINS, WYOMING
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2024

8. PARTICIPATION IN THE WYOMING RETIREMENT SYSTEM (Continued)

Discount Rate

Projected benefit payments are required to be discounted to their actuarial present values using a single discount rate that reflects 1) a long-term expected rate of return on pension plan investments (to the extent that the Plan's fiduciary net position is projected to be sufficient to pay benefits using a 100-year analysis) and 2) a tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating (which is published by the Federal Reserve) as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met). For purposes of this valuation, the expected rate of return on pension plan investments is 6.80% and the municipal bond rate is 3.77%, which is based upon fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's 20-Year Municipal GO AA Index as of December 31, 2023.

The projection of cash flows used to determine the rate assumed that plan member contributions and employer contributions will be made at the current contribution rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive 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 Liabilities, Pension Expense (Revenue), and Deferred Outflows of Resources and Deferred Inflows of Resources related to Pensions

At June 30, 2024, the City reported a total liability of \$3,943,336, \$1,131,415, \$168,643 and (\$15,856) for its proportionate share of the net pension liability (asset) for the Public Employees' Plan, the Law Enforcement Plan, the Fire Pay A Plan and the Fire Pay B Plan. The net pension liability was determined by an actuarial valuation as of January 1, 2023, applied to all prior periods included in the measurement. Actuarial valuation involves estimates of the reported amounts and assumptions about the probability of occurrence of events far into the future. Amounts determined regarding the net pension liability are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. An experience study was conducted covering the five-year period ending December 31, 2020. The net pension liability as of December 31, 2023 is based on the results of an actuarial valuation as of January 1, 2023, rolled forward to a measurement date of December 31, 2023, and taking into consideration information from the recent experience study.

The following table presents the changes in the City's proportionate share of the net pension liability as compared to the prior year:

Plan Name	Proportionate Share of the Net Pension Liability (The City's Percentage of total Plan contributions)		
	2024	2023	Increase (Decrease)
Public Employee Pension Plan	0.17370%	0.20627%	(0.000326)
Wyoming Law Enforcement Pension Plan	0.83756%	0.92357%	(0.000860)
Paid Fire A Plan	1.08677%	1.06733%	0.000194
Paid Fire B Plan	1.71849%	1.94061%	(0.002221)

CITY OF RAWLINS, WYOMING
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2024

8. PARTICIPATION IN THE WYOMING RETIREMENT SYSTEM (Continued)

At June 30, 2024, the composition of the City's net pension liability is as follows:

	Net Pension Liability (Asset)
Governmental Activities:	
Public Employee Plan	\$ 2,804,650
Law Enforcement Plan	1,131,415
Paid Fire A Plan	168,643
Paid Fire B Plan	(15,856)
Total	\$ 4,088,852
Business-Type Activities:	
Water, Public Employee Pension	\$ 465,389
Sewer, Public Employee Pension	272,166
Landfill, Public Employee Pension	128,932
Recycling, Public Employee Pension	272,199
Total	\$ 1,138,686

At June 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Public Employee Pension Plan	Law Enforcement Pension Plan	Paid Fire A Plan	Paid Fire B Plan
Pension expense (revenue)	\$ (842,524)	\$ (130,737)	\$ (153,648)	\$ (177,615)
Deferred outflows of resources				
Difference between expected and actual experience	\$ 76,185	\$ 98,410	\$ -	\$ 38,199
Changes of assumptions	40,478	634,752	-	96,669
Net difference between projected and actual earning on pension plan investments	-	-	21,973	-
Contributions subsequent to the measurement date	287,347	121,805	-	74,872
Total deferred outflows of resources	\$ 404,010	\$ 854,967	\$ 21,973	\$ 209,740
Deferred inflows of resources				
Difference between expected and actual experience	\$ 17,226	\$ 59,069	\$ -	\$ 65,632
Changes of assumptions	-	1,343,914	-	96,863
Net difference between projected and actual earning on pension plan investments	139,780	68,226	-	32,084
Total deferred inflows of resources	\$ 157,006	\$ 1,471,209	\$ -	\$ 194,579

CITY OF RAWLINS, WYOMING
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2024

8. PARTICIPATION IN THE WYOMING RETIREMENT SYSTEM (Continued)

The City reported \$287,347, \$121,805, \$0, and \$74,872 for the Public Employee Plan, Law Enforcement Plan, Fire Pay A Plan, and Fire Pay B Plan, respectively, as deferred outflows of resources related to the pension resulting from the City's contributions subsequent to the measurement date that will be recognized as a reduction of the net pension liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the pension will be recognized in pension expense as follows:

	Public Employee Plan		Law Enforcement Plan	
	Deferred	Deferred	Deferred	Deferred
	Outflows	Inflows	Outflows	Inflows
	of Resources	of Resources	of Resources	of Resources
2024	\$ 69,964	\$ (157,628)	\$ 593,582	\$ (618,220)
2025	28,975	(54,994)	117,926	(561,346)
2026	17,724	248,678	21,654	(201,535)
2027	-	(193,062)	-	(90,108)
2028	-	-	-	-
Thereafter	-	-	-	-
	\$ 116,663	\$ (157,006)	\$ 733,162	\$ (1,471,209)

	Paid Fire A Plan		Paid Fire B Plan	
	Deferred	Deferred	Deferred	Deferred
	Outflows	Inflows	Outflows	Inflows
	of Resources	of Resources	of Resources	of Resources
2024	\$ 10,679	\$ -	\$ 55,854	\$ (132,369)
2025	15,604	-	25,486	(55,806)
2026	13,016	-	24,456	45,682
2027	(17,326)	-	19,582	(49,931)
2028	-	-	6,662	(2,155)
Thereafter	-	-	2,828	-
	\$ 21,973	\$ -	\$ 134,868	\$ (194,579)

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

The following table sets forth the City's proportionate share of the net pension liability calculated using the discount rate, shown below, and what would be if it were calculated using a discount rate that is both one percentage point higher and lower than the current rate:

Plan Name	1% Decrease	Discount Rate	1% Increase
Public Employee Plan	\$ 6,262,148	\$ 3,943,336	\$ 2,021,743
Law Enforcement Plan	2,283,137	1,131,415	189,608
Paid Fire A Plan	294,755	168,643	58,650
Paid Fire B Plan	529,889	(15,856)	(468,886)
Total	\$ 9,369,929	\$ 5,227,538	\$ 1,801,115

Other Detailed Information

For more detailed information regarding the Plan see the separately issued 2023 Wyoming Retirement System Annual Comprehensive Financial Report which is available at <http://retirement.state.wy.us/default.aspx>.

CITY OF RAWLINS, WYOMING
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2024

9. SELF-FUNDED EMPLOYEE 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, 2024, and 2023, the IBNR was \$93,624, and \$17,817, respectively.

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.

10. CONTINGENCIES AND COMMITMENTS

At various times, claims and lawsuits are pending against the City. The City is of the opinion that the liability, if any, arising from such claims will not have a material adverse effect on its financial statements. Under the terms of Federal and state grants, periodic audits are required, and certain costs may be questioned as not being appropriate expenditures under the terms of the grants. Such audits could lead to reimbursement to the grantor agencies. City management believes disallowances, if any, would not be significant to the City's financial statements.

Risk of loss

The City is subject to risk of loss from various events, including torts, theft, damage to assets, business interruption, errors and omissions, and job-related injuries to employees, as well as acts of God.

Landfill Closure and Post-Closure Costs

The City 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.

CITY OF RAWLINS, WYOMING
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2024

10. CONTINGENCIES AND COMMITMENTS (Continued)

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.

11. RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; business interruption; errors and omissions; employee injuries and illnesses; natural disasters; and employee health, dental, and accident benefits. 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 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 past three years.

12. PRIOR PERIOD ADJUSTMENT

In the prior period the landfill closure liability was recognized based on a passage of time, furthermore the estimated closure liability had not been updated since 2013. In the current year, the City updated this approach to align with GASB 18 and has updated the closure liability estimate, adjusting for inflation, and has calculated the closure liability based on the estimated capacity used. Accordingly, the beginning net position has been increased by \$349,846 and the beginning closure liability as listed in Note 6 has been decreased by \$349,846.

13. SUBSEQUENT EVENTS

Subsequent events have been evaluated through January 6, 2025, the date the financial statements were available to be issued, and there were no matters that materially affect the carrying amounts of assets, liabilities, and fund balance as of June 30, 2024.

REQUIRED SUPPLEMENTAL INFORMATION

CITY OF RAWLINS, WYOMING
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
For the Year Ended June 30, 2024

	<u>Budgeted Amounts</u>			Variance with Final Budget
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<u>REVENUES</u>				
Taxes and special assessments	\$ 10,672,729	\$ 10,672,729	\$ 11,268,127	\$ 595,398
Intergovernmental	1,011,125	1,011,125	473,446	(537,679)
Charges for services	710,500	710,500	638,477	(72,023)
Investment income	347,500	347,500	383,238	35,738
Miscellaneous	168,741	168,741	1,300,979	1,132,238
Total revenues	<u>12,910,595</u>	<u>12,910,595</u>	<u>14,064,267</u>	<u>1,153,672</u>
<u>EXPENDITURES</u>				
General government	5,278,074	5,704,830	3,334,848	(2,369,982)
Public safety and transportation	5,029,051	5,203,525	4,042,462	(1,161,063)
Public works	1,365,468	1,706,050	977,395	(728,655)
Highways and streets	853,357	742,197	604,639	(137,558)
Culture and recreation	2,861,145	3,829,593	1,980,788	(1,848,805)
Total expenditures	<u>15,387,095</u>	<u>17,186,195</u>	<u>10,940,132</u>	<u>(6,246,063)</u>
Excess (deficiency) of revenues (over) expenditures	<u>(2,476,500)</u>	<u>(4,275,600)</u>	<u>3,124,135</u>	<u>7,399,735</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfer in	84,988	84,988	84,988	-
Transfer out	-	-	(453,971)	(453,971)
Total other financing sources (uses)	<u>84,988</u>	<u>84,988</u>	<u>(368,983)</u>	<u>(453,971)</u>

The notes to financial statements are an integral part of this statement.

CITY OF RAWLINS, WYOMING
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET)
WYOMING RETIREMENT SYSTEM
Last 10 Years Ended December 31

	The City's Proportion of Net Pension Liability	The City's Proportionate Share of the Net Pension Liability	The City's Covered Employee Payroll	The City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
<u>Public Employee Pension Plan</u>					
December 31, 2024	0.17370%	\$ 3,943,336	\$ 3,533,108	111.61%	80.19%
December 31, 2023	0.20627%	\$ 5,637,077	\$ 3,893,529	144.78%	75.47%
December 31, 2022	0.19129%	\$ 2,916,626	\$ 3,699,824	78.83%	86.03%
December 31, 2021	0.18851%	\$ 4,097,098	\$ 3,473,644	117.95%	79.24%
December 31, 2020	0.18913%	\$ 4,444,373	\$ 3,357,261	132.38%	76.83%
December 31, 2019	0.19410%	\$ 5,798,602	\$ 3,359,694	172.59%	69.17%
December 31, 2018	0.18725%	\$ 4,268,020	\$ 3,277,692	130.21%	76.35%
December 31, 2017	0.18830%	\$ 4,552,271	\$ 3,425,085	132.91%	73.42%
December 31, 2016	0.17254%	\$ 4,019,070	\$ 3,201,025	125.56%	73.40%
December 31, 2015	0.16192%	\$ 2,857,399	\$ 3,040,140	93.99%	79.08%
<u>Firemen A Pension Plan</u>					
December 31, 2024	1.08677%	\$ 168,643	\$ -	0.00%	89.37%
December 31, 2023	1.06733%	\$ 394,683	\$ -	0.00%	77.49%
December 31, 2022	1.03008%	\$ 1,007,126	\$ -	0.00%	42.90%
December 31, 2021	1.09723%	\$ 3,552,703	\$ -	0.00%	21.77%
December 31, 2020	1.29997%	\$ 3,387,406	\$ -	0.00%	27.32%
December 31, 2019	1.28652%	\$ 2,920,409	\$ -	0.00%	29.99%
December 31, 2018	1.27962%	\$ 2,862,884	\$ -	0.00%	34.28%
December 31, 2017	1.26995%	\$ 2,330,018	\$ -	0.00%	38.91%
December 31, 2016	1.25385%	\$ 2,325,324	\$ -	0.00%	40.05%
December 31, 2015	1.23760%	\$ 2,039,937	\$ -	0.00%	45.95%
<u>Firemen B Pension Plan</u>					
December 31, 2024	1.71849%	\$ (15,856)	\$ 624,554	-2.54%	100.40%
December 31, 2023	1.94061%	\$ 212,885	\$ 627,435	33.93%	94.92%
December 31, 2022	1.91138%	\$ (289,201)	\$ 653,177	-44.28%	107.43%
December 31, 2021	1.84078%	\$ (42,891)	\$ 583,130	-7.36%	101.27%
December 31, 2020	2.16433%	\$ 153,829	\$ 605,594	25.40%	95.93%
December 31, 2019	2.17384%	\$ 456,142	\$ 624,799	73.01%	87.07%
December 31, 2018	1.94385%	\$ 801,543	\$ 542,296	147.81%	77.98%
December 31, 2017	2.24869%	\$ 709,717	\$ 605,242	117.26%	80.16%
December 31, 2016	2.57770%	\$ 659,731	\$ 662,731	99.55%	79.33%
December 31, 2015	2.05335%	\$ -	\$ 571,536	0.00%	100.98%
<u>Law Enforcement Pension Plan</u>					
December 31, 2024	0.83756%	\$ 1,131,415	\$ 1,519,968	74.44%	86.90%
December 31, 2023	0.92357%	\$ 3,146,192	\$ 1,589,816	197.90%	70.30%
December 31, 2022	0.83415%	\$ 2,373,465	\$ 1,471,599	161.28%	75.62%
December 31, 2021	0.79030%	\$ 538,370	\$ 1,328,215	40.53%	91.82%
December 31, 2020	0.77883%	\$ 671,339	\$ 1,238,616	54.20%	89.05%
December 31, 2019	0.79604%	\$ 1,926,996	\$ 1,239,382	155.48%	71.22%
December 31, 2018	0.83899%	\$ 721,903	\$ 1,237,721	58.33%	87.99%
December 31, 2017	0.87075%	\$ 657,342	\$ 1,364,146	48.19%	88.11%
December 31, 2016	0.80909%	\$ 607,784	\$ 1,297,857	46.83%	87.49%
December 31, 2015	0.76045%	\$ 224,056	\$ 1,249,544	17.93%	94.76%

The notes to financial statements are an integral part of this statement.

CITY OF RAWLINS, WYOMING
SCHEDULE OF CONTRIBUTIONS
WYOMING RETIREMENT SYSTEM
Last 10 Years Ended June 30

	Contractually Required Contributions	Actual Contributions in Relation to Contractually Required Contributions	Contribution Deficiency (Excess)	The City's Covered Employee Payroll	Contributions as a Percentage of Covered Employee Payroll
<u>Public Employee Pension Plan</u>					
June 30, 2024	\$ 589,128	\$ 589,128	\$ -	\$ 3,163,953	18.62%
June 30, 2023	\$ 721,459	\$ 721,459	\$ -	\$ 3,893,529	18.53%
June 30, 2022	\$ 640,423	\$ 640,423	\$ -	\$ 3,699,824	17.31%
June 30, 2021	\$ 613,749	\$ 613,749	\$ -	\$ 3,473,644	17.67%
June 30, 2020	\$ 584,480	\$ 584,480	\$ -	\$ 3,357,261	17.41%
June 30, 2019	\$ 571,929	\$ 571,929	\$ -	\$ 3,359,694	17.02%
June 30, 2018	\$ 544,752	\$ 544,752	\$ -	\$ 3,277,692	16.62%
June 30, 2017	\$ 569,085	\$ 569,085	\$ -	\$ 3,425,085	16.62%
June 30, 2016	\$ 532,010	\$ 532,010	\$ -	\$ 3,201,025	16.62%
June 30, 2015	\$ 482,125	\$ 482,125	\$ -	\$ 3,040,140	15.86%
<u>Firemen B Pension Plan</u>					
June 30, 2024	\$ 159,880	\$ 159,880	\$ -	\$ 586,823	27.25%
June 30, 2023	\$ 171,598	\$ 171,598	\$ -	\$ 627,435	27.35%
June 30, 2022	\$ 148,511	\$ 148,511	\$ -	\$ 653,177	22.74%
June 30, 2021	\$ 130,464	\$ 130,464	\$ -	\$ 583,130	22.37%
June 30, 2020	\$ 134,687	\$ 134,687	\$ -	\$ 605,594	22.24%
June 30, 2019	\$ 132,738	\$ 132,738	\$ -	\$ 624,799	21.24%
June 30, 2018	\$ 115,211	\$ 115,211	\$ -	\$ 542,296	21.25%
June 30, 2017	\$ 128,159	\$ 128,159	\$ -	\$ 605,242	21.17%
June 30, 2016	\$ 140,797	\$ 140,797	\$ -	\$ 662,731	21.24%
June 30, 2015	\$ 121,324	\$ 121,324	\$ -	\$ 571,536	21.23%
<u>Law Enforcement Pension Plan</u>					
June 30, 2024	\$ 250,993	\$ 250,993	\$ -	\$ 1,459,259	17.20%
June 30, 2023	\$ 268,736	\$ 268,736	\$ -	\$ 1,589,816	16.90%
June 30, 2022	\$ 235,848	\$ 235,848	\$ -	\$ 1,471,599	16.03%
June 30, 2021	\$ 228,682	\$ 228,682	\$ -	\$ 1,328,215	17.22%
June 30, 2020	\$ 216,023	\$ 216,023	\$ -	\$ 1,238,616	17.44%
June 30, 2019	\$ 213,174	\$ 213,174	\$ -	\$ 1,239,382	17.20%
June 30, 2018	\$ 218,048	\$ 218,048	\$ -	\$ 1,237,721	17.62%
June 30, 2017	\$ 234,633	\$ 234,633	\$ -	\$ 1,364,146	17.20%
June 30, 2016	\$ 223,231	\$ 223,231	\$ -	\$ 1,297,857	17.20%
June 30, 2015	\$ 214,922	\$ 214,922	\$ -	\$ 1,249,544	17.20%

The notes to financial statements are an integral part of this statement.

SUPPLEMENTAL INFORMATION

**CITY OF RAWLINS, WYOMING
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 As of June 30, 2024**

	Grants	Downtown Development Authority	Total Nonmajor Governmental Funds
<u>ASSETS</u>			
Cash and cash equivalents	\$ 5,672	\$ 485,830	\$ 491,502
Total assets	\$ 5,672	\$ 485,830	\$ 491,502
<u>FUND BALANCES</u>			
Restricted	5,672	-	5,672
Unassigned	-	485,830	485,830
Total fund balances	5,672	485,830	491,502
Total liabilities, deferred inflows of resources, and fund balances	\$ 5,672	\$ 485,830	\$ 491,502

The notes to financial statements are an integral part of this statement.

CITY OF RAWLINS, WYOMING
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2024

	Grants	Downtown Development Authority	Total Nonmajor Governmental Funds
<u>REVENUES</u>			
Intergovernmental	\$ -	\$ 11,128	\$ 11,128
Investment income (loss)	-	451	451
Miscellaneous	-	88,303	88,303
Total revenues	-	99,882	99,882
<u>EXPENDITURES</u>			
Current:			
Culture and recreation	-	129,408	129,408
Total expenditures	-	129,408	129,408
Excess (deficiency) of revenues (over) expenditures	-	(29,526)	(29,526)
<u>OTHER FINANCING SOURCES (USES)</u>			
Transfers in	-	50,000	50,000
Total other financing sources (uses)	-	50,000	50,000
Net change in fund balances	-	20,474	20,474
Fund balances, beginning	5,672	465,356	471,028
Fund balances, ending	\$ 5,672	\$ 485,830	\$ 491,502

The notes to financial statements are an integral part of this statement.

OTHER REPORTS

**INDEPENDENT AUDITORS' 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
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, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated January 6, 2025.

Report on 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) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, as described in the accompanying schedule of findings and responses, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

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 City's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompanying schedule of findings and responses as item 2024-003 to be a material weaknesses.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying schedule of findings and responses as items 2024-001 and 2024-002 to be significant deficiencies.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from 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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

The City's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the City's response to the findings identified in our audit and described in the accompanying schedule of findings and responses. The City's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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 City'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.

Carver Flock & James, CPAs

Layton, Utah
January 6, 2025

CITY OF RAWLINS, WYOMING
SCHEDULE OF FINDINGS AND RESPONSES
For the Year Ended June 30, 2024

2024-001: Segregation of Duties – Significant Deficiency

- Criteria: Segregation of duties is a basic, key internal control and often one of the most difficult to achieve, especially in a small organization. The concept is that one individual should not be able to handle or dominate transactions from initiation to posting, having access to both assets and accounting records.
- Condition/Cause: The City has a limited number of administrative staff and accordingly a proper segregation of duties does not exist. Neither is it practicable for the City to maintain such segregation.
- Effect: The concentration of closely related duties and responsibilities by a small staff makes it difficult to establish a complete system of automatic internal checks on the accuracy and reliability of the accounting records.
- Recommendation: Although the City’s staff is not large enough to permit a complete segregation of duties for an effective system of internal control over financial reporting, we recommend that those responsible for governance be aware that the condition exists.
- Response from Management: The City is aware that the headcount of employees within the Finance Office does not allow proper segregation of duties. In response, the City has several processes in place that aim to enhance internal controls and improve the accuracy and reliability of accounting records. These processes include the issuance and review of monthly financial statements, implementation of budgetary controls, management review of account reconciliations, and constant review of payroll and accounts payable procedures.

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CITY OF RAWLINS, WYOMING
SCHEDULE OF FINDINGS AND RESPONSES
For the Year Ended June 30, 2024

2024-002: Bank Signers – Significant Deficiency

Criteria: The City should have a process to ensure that when changes to management occur, the bank is notified and changes to the listing of approved signers are processed in a timely manner. This process will help the City in safeguarding cash held in the bank.

Condition: During our audit, we request a listing of current, approved, signers on the City’s bank accounts. We found that the previous City Manager was still listed as a bank signer.

Cause: This was caused by a lack of communication between the City and the bank.

Effect: The City’s assets are not properly safeguarded.

Recommendation: We recommend that the City take action to remove previous management from the bank account.

Response from Management: The City has taken action to remove previous management from the bank accounts. The City feels that safeguards have been in place to ensure that only current authorized signers have access to checks. Checks are stored in locked cabinets and processed in a controlled environment. The City does understand of importance of maintaining current signer cards at the bank and will ensure that future changes are handled immediately.

2024-003: Landfill Closure Liability - Material Weakness

Criteria: GASB 18 specifically requires that the estimated total current cost should be assigned to periods based on usage (cubic yards, airspace or other measurement) rather than on the passage of time.

Condition: During our audit, we found that the prior year landfill closure liability was not calculated based on usage rather it was passed on the passage of time. This approach is specifically addressed by GASB 18 and is not in line with guidance given in GASB 18.

Cause: Misapplication of the GASB 18 standard.

Effect: The City’s prior year landfill closure liability was overstated.

Recommendation: We recommend that the City follow the provisions of GASB 18 in recognizing the landfill closure liability.

Response from Management: In previous years, the City followed the guidance of subsequent auditors which was not in compliance with GASB 18. The City has rectified the situation by developing a tracking system that complies with the provisions of GASB 18.

January 6, 2025

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

We have audited the financial statements of the City of Rawlins, Wyoming (the City) as of and for the year ended June 30, 2024, and have issued our report thereon dated January 6, 2025. Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility in Relation to the Financial Statement Audit

As communicated in our engagement letter dated March 26, 2024 our responsibility, as described by professional standards, is to form and express an opinion(s) about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, as part of our audit, we considered the internal control of the City solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

We have provided our findings regarding significant control deficiencies over financial reporting, and other matters noted during our audit in a separate letter to you dated January 6, 2025.

Planned Scope and Timing of the Audit

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

Compliance with All Ethics Requirements Regarding Independence

The engagement team, others in our firm, as appropriate, our firm, and our network firms have complied with all relevant ethical requirements regarding independence.

Qualitative Aspects of the Entity's Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the City is included in Note 1 to the financial statements. There were no new accounting policies adopted during the year. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments.

The most sensitive accounting estimates affecting the financial statements were:

- Management's estimate of the capitalization and depreciation, which is based on the City's capitalization policy, see Note 1. We evaluated the key factors and assumptions used to develop the capitalization and depreciation in determining that it is reasonable in relation to the financial statements taken as a whole.

We evaluated the key factors and assumptions used to develop the accounting estimate above and determined that it is reasonable in relation to the basic financial statements taken as a whole and in relation to the applicable opinion units.

Financial Statement Disclosures

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the City's financial statements relate to:

- The disclosure of GASB 68 information related to the City's participation in the Wyoming Retirement System as described in Note 8 of the financial statements.

Significant Difficulties Encountered during the Audit

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregated, to the financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the City's financial statements or the auditor's report. No such disagreements arose during the course of the audit.

Representations Requested from Management

We have requested certain written representations from management, which are included in the attached letter dated January 6, 2025.

Management's Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

Other Significant Matters, Findings, or Issues

In the normal course of our professional association with the City, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, operating and regulatory conditions affecting the entity, and operational plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as The City's auditors.

Other Significant Matters, Findings, or Issues

This report is intended solely for the information and use of the Mayor, the Members of the City Council, and management of the City and is not intended to be and should not be used by anyone other than these specified parties.

Sincerely,

Carver Flook & James, CPAs

City of Rawlins

P.O. Box 953
Rawlins, Wyoming 82301

MANAGEMENT REPRESENTATION LETTER



January 6, 2025

Carver Florek & James, CPA's

This representation letter is provided in connection with your audit of the basic financial statements of the City of Rawlins, Wyoming (the City) as of June 30, 2024, and for the year then ended, and the related notes to the financial statements, for the purpose of expressing opinions on whether the basic financial statements present fairly, in all material respects, the financial position, results of operations, and cash flows, where applicable, of the various opinion units of the City in accordance with accounting principles generally accepted for governments in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information such that, in the light of surrounding circumstances, 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.

We confirm that, to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves as of January 6, 2025:

Financial Statements

- We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated March 26, 2024, for the preparation and fair presentation of the financial statements of the various opinion units referred to above in accordance with U.S. GAAP.
- We acknowledge our responsibility 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.
- We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- We acknowledge our responsibility for compliance with the laws, regulations, and provisions of contracts and grant agreements.
- We have reviewed, approved, and taken responsibility for the financial statements and related notes.
- We have a process to track the status of audit findings and recommendations.
- We have identified and communicated to you all previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
- Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.
- All related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.
- All events subsequent to the date of the financial statements and for which U.S. GAAP requires adjustment or disclosure have been adjusted or disclosed.
- The effects of uncorrected misstatements summarized in the attached schedule and aggregated by you during the current engagement are immaterial, both individually and in the aggregate, to the applicable opinion units and to the financial statements as a whole.
- The effects of all known actual or possible litigation and claims have been accounted for and disclosed in accordance with U.S. GAAP.
- All component units, as well as joint ventures with an equity interest, are included and other joint ventures and related organizations are properly disclosed.
- All funds and activities are properly classified.
- All funds that meet the quantitative criteria in GASB Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, GASB Statement No. 37, *Basic*

Financial Statements—and Management's Discussion and Analysis—for State and Local Governments: Omnibus as amended, and GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, for presentation as major are identified and presented as such and all other funds that are presented as major are considered important to financial statement users.

- All components of net position, nonspendable fund balance, and restricted, committed, assigned, and unassigned fund balance are properly classified and, if applicable, approved.
- Our policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position/fund balance are available is appropriately disclosed and net position/fund balance is properly recognized under the policy.
- All revenues within the statement of activities have been properly classified as program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
- All expenses have been properly classified in or allocated to functions and programs in the statement of activities, and allocations, if any, have been made on a reasonable basis.
- All interfund and intra-entity transactions and balances have been properly classified and reported.
- Special items and extraordinary items have been properly classified and reported.
- Deposit and investment risks have been properly and fully disclosed.
- Capital assets, including infrastructure assets, are properly capitalized, reported, and if applicable, depreciated.
- All required supplementary information is measured and presented within the prescribed guidelines.
- With regard to investments and other instruments reported at fair value:
 - The underlying assumptions are reasonable and they appropriately reflect management's intent and ability to carry out its stated courses of action.
 - The measurement methods and related assumptions used in determining fair value are appropriate in the circumstances and have been consistently applied.
 - The disclosures related to fair values are complete, adequate, and in accordance with U.S. GAAP.
 - There are no subsequent events that require adjustments to the fair value measurements and disclosures included in the financial statements.
- With respect to the non-attest service of assisting in the preparation of the financial statements, we have performed the following:
 - Made all management decisions and performed all management functions;
 - Assigned a competent individual to oversee the services;
 - Evaluated the adequacy of the services performed;
 - Evaluated and accepted responsibility for the result of the service performed; and
 - Established and maintained internal controls, including monitoring ongoing activities.

Information Provided

- We have provided you with:
 - Access to all information, of which we are aware that is relevant to the preparation and fair presentation of the financial statements of the various opinion units referred to above, such as records, documentation, meeting minutes,⁷ and other matters;
 - Additional information that you have requested from us for the purpose of the audit;
- All transactions have been recorded in the accounting records and are reflected in the financial statements.
- We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- We have provided to you our analysis of the entity's ability to continue as a going concern, including significant conditions and events present, and if necessary, our analysis of management's plans, and our ability to achieve those plans.
- We have no knowledge of any fraud or suspected fraud that affects the entity and involves:
 - Management;
 - Employees who have significant roles in internal control; or
 - Others where the fraud could have a material effect on the financial statements.
- We have no knowledge of any allegations of fraud, or suspected fraud, affecting the entity's financial statements communicated by employees, former employees, vendors, regulators, or others.

- We not aware of any pending or threatened litigation, claims, and assessments whose effects should be considered when preparing the financial statements.
- We have disclosed to you the identity of all the entity's related parties and the nature of all the related party relationships and transactions of which we are aware.
- There have been no communications from regulatory agencies concerning noncompliance with or deficiencies in accounting, internal control, or financial reporting practices.
- The City has no plans or intentions that may materially affect the carrying value or classification of assets and liabilities.
- We have disclosed to you all guarantees, whether written or oral, under which the City is contingently liable.
- We have disclosed to you all nonexchange financial guarantees, under which we are obligated and have declared liabilities and disclosed properly in accordance with GASB Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*, for those guarantees where it is more likely than not that the entity will make a payment on any guarantee.
- For nonexchange financial guarantees where we have declared liabilities, the amount of the liability recognized is the discounted present value of the best estimate of the future outflows expected to be incurred as a result of the guarantee. Where there was no best estimate but a range of estimated future outflows has been established, we have recognized the minimum amount within the range.
- We have disclosed to you all significant estimates and material concentrations known to management that are required to be disclosed in accordance with GASB Statement No. 62 (GASB-62), *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. Significant estimates are estimates at the balance sheet date that could change materially within the next year. Concentrations refer to volumes of business, revenues, available sources of supply, or markets or geographic areas for which events could occur that would significantly disrupt normal finances within the next year.
- We have identified and disclosed to you the laws, regulations, and provisions of contracts and grant agreements that could have a direct and material effect on financial statement amounts, including legal and contractual provisions for reporting specific activities in separate funds.
- There are no:
 - Violations or possible violations of laws or regulations, or provisions of contracts or grant agreements whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency, including applicable budget laws and regulations.
 - Unasserted claims or assessments that our lawyer has advised are probable of assertion and must be disclosed in accordance with GASB-62.
 - Other liabilities or gain or loss contingencies that are required to be accrued or disclosed by GASB-62
 - Continuing disclosure consent decree agreements or filings with the Securities and Exchange Commission and we have filed updates on a timely basis in accordance with the agreements (Rule 240, 15c2-12).
- The City has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset or future revenue been pledged as collateral, except as disclosed to you.
- We have complied with all aspects of grant agreements and other contractual agreements that would have a material effect on the financial statements in the event of noncompliance.

Signature: Thomas Danney

Title: City Manager