



CITY OF RAWLINS, WYOMING

Basic Financial Statements

For the Year Ended June 30, 2025

(With Independent Auditor's Report Thereon)

TABLE OF CONTENTS

INDEPENDENT AUDITOR’S REPORT	1-3
BASIC FINANCIAL STATEMENTS:	
Government-Wide Financial Statements:	
Statement of Net Position.....	4
Statement of Activities	5
Fund Financial Statements:	
Balance Sheet – Governmental Funds	6
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	7
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	8
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities	9
Statement of Net Position – Proprietary Funds	10
Statement of Revenues, Expenses, and Changes in Net Position – Proprietary Funds.....	11
Statement of Cash Flows – Proprietary Funds.....	12
Notes to Basic Financial Statements	13-36
REQUIRED SUPPLEMENTAL INFORMATION SECTION:	
Statement of Revenues, Expenditures and Changes in Fund Balance, Budget and Actual – General Fund.....	37
Statement of Revenues, Expenditures and Changes in Fund Balance, Budget and Actual – Capital Facilities Tax Fund	38
Schedule of Proportionate Share of the Net Pension Liability (Asset) Wyoming Retirement System	39
Schedule of Contributions Wyoming Retirement System	40

SUPPLEMENTAL INFORMATION SECTION:

Combining Balance Sheet – Nonmajor Governmental Funds 41

Combining Statement of Revenues, Expenditures and
Changes in Fund Balances – Nonmajor Governmental Funds 42

OTHER REPORTS:

Independent Auditor’s Report on Internal Control over
Financial Reporting and on Compliance and other Matters
Based on an Audit of Financial Statements Performed in
Accordance with *Government Auditing Standards*43-44

Schedule of Findings and Responses 45-47

Prior Year Schedule of Findings and Responses48

INDEPENDENT AUDITOR'S REPORT

INDEPENDENT AUDITOR'S 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, 2025, 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, 2025, 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 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.

Management has omitted the Management Discussion and Analysis that accounting principles generally accepted in the United States of America requires to supplement the basic financial statements. Such missing information, although not part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it an essential part of the financial reporting for placing the basic financial statements in the appropriate operations, economic, or historical context, as stated above. Our opinion on the basic financial statements is not affected by this missing information.

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 information is 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 information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 16, 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 Flock & James, CPAs

Sheridan, Wyoming
December 16, 2025

BASIC FINANCIAL STATEMENTS

CITY OF RAWLINS, WYOMING
STATEMENT OF NET POSITION
As of June 30, 2025

	Primary Government		
	Governmental Activities	Business-type Activities	Total
<u>ASSETS</u>			
Cash and cash equivalents	\$ 31,972,373	\$ 9,955,977	\$ 41,928,350
Investments	6,169,576	1,384,952	7,554,528
Accounts receivable	79,541	733,654	813,195
Taxes receivable	495,492	-	495,492
Unbilled receivable	-	440,280	440,280
Leases receivable	1,781,074	-	1,781,074
Internal balances	1,064,886	(1,064,886)	-
Inventories	35,210	-	35,210
Prepays	193,886	2,495	196,381
Capital assets not being depreciated	2,781,948	-	2,781,948
Capital assets being depreciated, net	19,059,397	36,382,479	55,441,876
Total assets	<u>63,633,383</u>	<u>47,834,951</u>	<u>111,468,334</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
Related to pensions	957,440	143,440	1,100,880
Total deferred outflows of resources	<u>957,440</u>	<u>143,440</u>	<u>1,100,880</u>
<u>LIABILITIES</u>			
Accounts payable	316,509	63,069	379,578
Accrued payroll	253,297	46,268	299,565
Accrued interest	-	158,932	158,932
Unearned revenue	-	5,600	5,600
Noncurrent liabilities:			
Due within one year	143,281	717,285	860,566
Due in more than one year	429,842	5,760,874	6,190,716
Net pension liability	3,221,869	833,704	4,055,573
Closure and post closure costs	-	1,030,716	1,030,716
Total liabilities	<u>4,364,798</u>	<u>8,616,448</u>	<u>12,981,246</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Related to pensions	1,400,777	106,558	1,507,335
Related to leases	1,642,509	-	1,642,509
Total deferred inflows of resources	<u>3,043,286</u>	<u>106,558</u>	<u>3,149,844</u>
<u>NET POSITION</u>			
Net investment in capital assets	21,841,345	30,015,617	51,856,962
Restricted	5,672	1,384,952	1,390,624
Unrestricted	35,335,722	7,854,816	43,190,538
Total net position	<u>\$ 57,182,739</u>	<u>\$ 39,255,385</u>	<u>\$ 96,438,124</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, 2025

FUNCTIONS/PROGRAMS					Net (Expense) Revenues and Changes in Net Position		
	Expenses	Program Revenues			Primary Government		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Primary Government:							
Governmental activities:							
General government	\$ 3,642,249	\$ 151,949	\$ 1,637,817	\$ -	\$ (1,852,483)	\$ -	\$ (1,852,483)
Public safety and transportation	4,057,662	-	1,821	-	(4,055,841)	-	(4,055,841)
Public works	1,501,482	-	-	-	(1,501,482)	-	(1,501,482)
Highways and streets	560,176	-	128,630	-	(431,546)	-	(431,546)
Culture and recreation	2,184,209	503,284	43,703	-	(1,637,222)	-	(1,637,222)
Total governmental activities	<u>11,945,778</u>	<u>655,233</u>	<u>1,811,971</u>	<u>-</u>	<u>(9,478,574)</u>	<u>-</u>	<u>(9,478,574)</u>
Business-type activities:							
Water	2,938,403	4,111,205	-	-	-	1,172,802	1,172,802
Sewer	981,707	1,728,080	-	-	-	746,373	746,373
Landfill	1,483,328	1,786,267	-	-	-	302,939	302,939
Recycling	196,698	344,057	-	-	-	147,359	147,359
Total business-type activities	<u>5,600,136</u>	<u>7,969,609</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,369,473</u>	<u>2,369,473</u>
Total primary government	<u>\$ 17,545,914</u>	<u>\$ 8,624,842</u>	<u>\$ 1,811,971</u>	<u>\$ -</u>	<u>(9,478,574)</u>	<u>2,369,473</u>	<u>(7,109,101)</u>
General revenues and transfers:							
Taxes:							
Property taxes					926,369	-	926,369
Sales and use taxes					7,560,252	-	7,560,252
Specific purpose taxes					1,308,266	-	1,308,266
Cigarette taxes					33,280	-	33,280
State gasoline taxes					389,432	-	389,432
Severance taxes					287,117	-	287,117
Miscellaneous taxes					80,481	-	80,481
Miscellaneous income					1,875,519	106,632	1,982,151
Investment earnings (losses)					489,933	204,544	694,477
Transfers					84,988	(84,988)	-
Total general revenues and transfers					<u>13,035,637</u>	<u>226,188</u>	<u>13,261,825</u>
Change in net position					3,557,063	2,595,661	6,152,724
Net position, beginning					53,625,676	36,659,724	90,285,400
Net position, ending					<u>\$ 57,182,739</u>	<u>\$ 39,255,385</u>	<u>\$ 96,438,124</u>

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

CITY OF RAWLINS, WYOMING
BALANCE SHEET
GOVERNMENTAL FUNDS
As of June 30, 2025

	General Fund	Capital Facilities Tax	Nonmajor Funds	Total Governmental
<u>ASSETS</u>				
Cash and cash equivalents	\$ 20,860,197	\$ 6,200,458	\$ 453,067	\$ 27,513,722
Investments	6,169,576	-	-	6,169,576
Taxes receivable	495,492	-	-	495,492
Accounts receivable	79,541	-	-	79,541
Leases receivable	1,781,074	-	-	1,781,074
Due from other funds	1,064,886	-	-	1,064,886
Inventories	35,210	-	-	35,210
Prepays	193,886	-	-	193,886
Total assets	<u>\$ 30,679,862</u>	<u>\$ 6,200,458</u>	<u>\$ 453,067</u>	<u>\$ 37,333,387</u>
<u>LIABILITIES</u>				
Accounts payable	\$ 316,509	\$ -	\$ -	\$ 316,509
Accrued payroll	253,297	-	-	253,297
Total liabilities	<u>569,806</u>	<u>-</u>	<u>-</u>	<u>569,806</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Related to leases	1,642,509	-	-	1,642,509
Total deferred inflows of resources	<u>1,642,509</u>	<u>-</u>	<u>-</u>	<u>1,642,509</u>
<u>FUND BALANCES</u>				
Nonspendable	229,096	-	-	229,096
Assigned	-	6,200,458	-	6,200,458
Restricted	-	-	5,672	5,672
Unassigned	28,238,451	-	447,395	28,685,846
Total fund balances	<u>28,467,547</u>	<u>6,200,458</u>	<u>453,067</u>	<u>35,121,072</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 30,679,862</u>	<u>\$ 6,200,458</u>	<u>\$ 453,067</u>	<u>\$ 37,333,387</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, 2025

Total fund balance per Governmental Funds balance sheet \$ 35,121,072

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	45,142,398	
Accumulated depreciation	(23,301,053)	
		21,841,345

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.

4,458,651

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	957,440	
Pension related - deferred inflows of resources	(1,400,777)	
		(443,337)

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	(573,123)	
Net pension liability	(3,221,869)	
		(3,794,992)

Net position of governmental activities		\$ 57,182,739
---	--	---------------

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

CITY OF RAWLINS, WYOMING
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2025

	General Fund	Capital Facilities Tax	Nonmajor Funds	Total Governmental Funds
<u>REVENUES</u>				
Taxes and special assessments	\$ 11,096,537	\$ 1,308,266	\$ -	\$ 12,404,803
Intergovernmental	461,540	-	6,413	467,953
Charges for services	730,106	-	-	730,106
Investment income (loss)	391,015	56,302	432	447,749
Miscellaneous	1,171,898	-	153,161	1,325,059
Total revenues	<u>13,851,096</u>	<u>1,364,568</u>	<u>160,006</u>	<u>15,375,670</u>
<u>EXPENDITURES</u>				
Current:				
General government	3,520,494	6,825	-	3,527,319
Public safety and transportation	4,006,880	-	-	4,006,880
Public works	1,108,237	-	-	1,108,237
Highways and streets	615,875	-	-	615,875
Culture and recreation	1,832,170	-	248,441	2,080,611
Capital outlay:				
General government	274,000	-	-	274,000
Public safety and transportation	607,192	-	-	607,192
Culture and recreation	1,185,817	-	-	1,185,817
Total expenditures	<u>13,150,665</u>	<u>6,825</u>	<u>248,441</u>	<u>13,405,931</u>
Excess (deficiency) of revenues (over) expenditures	<u>700,431</u>	<u>1,357,743</u>	<u>(88,435)</u>	<u>1,969,739</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers in	34,988	-	50,000	84,988
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>34,988</u>	<u>-</u>	<u>50,000</u>	<u>84,988</u>
Net change in fund balances	<u>735,419</u>	<u>1,357,743</u>	<u>(38,435)</u>	<u>2,054,727</u>
Fund balances, beginning	<u>27,732,128</u>	<u>4,842,715</u>	<u>491,502</u>	<u>33,066,345</u>
Fund balances, ending	<u>\$ 28,467,547</u>	<u>\$ 6,200,458</u>	<u>\$ 453,067</u>	<u>\$ 35,121,072</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, 2025

Net change in fund balances - total governmental funds	\$	2,054,727
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		2,067,009
Depreciation expense		<u>(1,541,737)</u>
		525,272
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.		
		140,154
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.		
		827,075
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>9,835</u>
		<u>9,835</u>
Change in net position of governmental activities	\$	<u><u>3,557,063</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, 2025

	Business-type Activities - Enterprise Funds				Total	Governmental Activities Internal Service
	Water	Sewer	Landfill	Recycling		
<u>ASSETS</u>						
Current assets:						
Cash and cash equivalents	\$ 4,526,665	\$ 1,906,536	\$ 3,165,619	\$ 357,157	\$ 9,955,977	\$ 4,458,651
Investments	1,384,952	-	-	-	1,384,952	-
Accounts receivable	406,035	149,967	154,266	23,386	733,654	-
Unbilled receivables	226,784	160,847	52,649	-	440,280	-
Prepays	2,495	-	-	-	2,495	-
Total current assets	<u>6,546,931</u>	<u>2,217,350</u>	<u>3,372,534</u>	<u>380,543</u>	<u>12,517,358</u>	<u>4,458,651</u>
Noncurrent assets:						
Buildings and improvements	66,914,410	9,527,457	842,505	118,525	77,402,897	-
Furniture and equipment	2,519,265	1,477,614	3,069,750	209,599	7,276,228	-
Less accumulated depreciation	(41,140,655)	(5,536,502)	(1,570,441)	(49,048)	(48,296,646)	-
Total noncurrent assets	<u>28,293,020</u>	<u>5,468,569</u>	<u>2,341,814</u>	<u>279,076</u>	<u>36,382,479</u>	<u>-</u>
Total assets	<u>34,839,951</u>	<u>7,685,919</u>	<u>5,714,348</u>	<u>659,619</u>	<u>48,899,837</u>	<u>4,458,651</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>						
Related to pensions	<u>54,561</u>	<u>39,425</u>	<u>17,839</u>	<u>31,615</u>	<u>143,440</u>	<u>-</u>
<u>LIABILITIES</u>						
Current liabilities:						
Accounts payable	31,454	2,181	28,470	964	63,069	-
Accrued payroll	18,360	11,424	10,841	5,643	46,268	-
Accrued interest	99,637	5,598	53,697	-	158,932	-
Unearned revenue	5,600	-	-	-	5,600	-
Current portion of compensated absences	10,371	6,973	8,296	2,185	27,825	-
Current portion of leases payable	-	-	66,038	-	66,038	-
Current portion of notes payable	260,425	66,704	296,293	-	623,422	-
Total current liabilities	<u>425,847</u>	<u>92,880</u>	<u>463,635</u>	<u>8,792</u>	<u>991,154</u>	<u>-</u>
Noncurrent liabilities:						
Interfund advances payable	812,020	252,866	-	-	1,064,886	-
Compensated absences, less current portion	31,113	20,917	24,888	6,554	83,472	-
Closure and post closure costs	-	-	1,030,716	-	1,030,716	-
Net pension liability	317,119	229,147	103,686	183,752	833,704	-
Leases payable, less current portion	-	-	399,037	-	399,037	-
Notes payable, less current portion	3,928,871	210,146	1,139,348	-	5,278,365	-
Total noncurrent liabilities	<u>5,089,123</u>	<u>713,076</u>	<u>2,697,675</u>	<u>190,306</u>	<u>8,690,180</u>	<u>-</u>
Total liabilities	<u>5,514,970</u>	<u>805,956</u>	<u>3,161,310</u>	<u>199,098</u>	<u>9,681,334</u>	<u>-</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>						
Related to pensions	<u>40,532</u>	<u>29,288</u>	<u>13,252</u>	<u>23,486</u>	<u>106,558</u>	<u>-</u>
<u>NET POSITION</u>						
Net investment in capital assets	24,103,724	5,191,719	441,098	279,076	30,015,617	-
Restricted investments	1,384,952	-	-	-	1,384,952	-
Unrestricted	3,850,334	1,698,381	2,116,527	189,574	7,854,816	4,458,651
Total net position	<u>\$ 29,339,010</u>	<u>\$ 6,890,100</u>	<u>\$ 2,557,625</u>	<u>\$ 468,650</u>	<u>\$ 39,255,385</u>	<u>\$ 4,458,651</u>

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, 2025

	Business-type Activities - Enterprise Funds					Governmental Activities
	Water	Sewer	Landfill	Recycling	Total	Internal Service Fund
<u>OPERATING REVENUES</u>						
Charges to customers	\$ 4,111,205	\$ 1,728,080	\$ 1,786,267	\$ 344,057	\$ 7,969,609	\$ 1,967,521
Other income	97,736	3,681	5,215	-	106,632	-
Total operating revenues	<u>4,208,941</u>	<u>1,731,761</u>	<u>1,791,482</u>	<u>344,057</u>	<u>8,076,241</u>	<u>1,967,521</u>
<u>OPERATING EXPENSES</u>						
Personnel services	428,840	386,955	300,278	111,249	1,227,322	-
Contractual services	140,873	12,923	273,996	-	427,792	-
Utilities	204,468	133,296	10,075	22,212	370,051	-
Repair and maintenance	177,143	44,708	4,976	16,092	242,919	-
Other supplies and expenses	207,949	101,724	777,632	26,340	1,113,645	-
Depreciation expense	1,566,194	293,669	46,327	20,805	1,926,995	-
Benefit payments	-	-	-	-	-	1,869,551
Total operating expenses	<u>2,725,467</u>	<u>973,275</u>	<u>1,413,284</u>	<u>196,698</u>	<u>5,308,724</u>	<u>1,869,551</u>
Operating income (loss)	<u>1,483,474</u>	<u>758,486</u>	<u>378,198</u>	<u>147,359</u>	<u>2,767,517</u>	<u>97,970</u>
<u>NONOPERATING REVENUES (EXPENSES)</u>						
Investment income	129,732	23,297	46,769	4,746	204,544	42,184
Interest expense	(212,936)	(8,432)	(70,044)	-	(291,412)	-
Total nonoperating revenues (expenses)	<u>(83,204)</u>	<u>14,865</u>	<u>(23,275)</u>	<u>4,746</u>	<u>(86,868)</u>	<u>42,184</u>
Income (loss) before transfers	<u>1,400,270</u>	<u>773,351</u>	<u>354,923</u>	<u>152,105</u>	<u>2,680,649</u>	<u>140,154</u>
<u>TRANSFERS</u>						
Transfers out	(38,074)	(21,323)	(25,591)	-	(84,988)	-
Total transfers	<u>(38,074)</u>	<u>(21,323)</u>	<u>(25,591)</u>	<u>-</u>	<u>(84,988)</u>	<u>-</u>
Change in net position	1,362,196	752,028	329,332	152,105	2,595,661	140,154
Net position, beginning	27,976,814	6,138,072	2,228,293	316,545	36,659,724	4,318,497
Net position, ending	<u>\$ 29,339,010</u>	<u>\$ 6,890,100</u>	<u>\$ 2,557,625</u>	<u>\$ 468,650</u>	<u>\$ 39,255,385</u>	<u>\$ 4,458,651</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, 2025

	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	\$ 4,118,093	\$ 1,724,565	\$ 2,155,737	\$ 344,057	\$ 8,342,452	\$ 1,967,521
Other operating cash receipts	97,736	3,681	5,215	-	106,632	-
Payments to suppliers	(850,534)	(358,813)	(1,001,860)	(62,868)	(2,274,075)	(1,869,551)
Payments to employees	(566,988)	(417,942)	(345,807)	(193,833)	(1,524,570)	(93,624)
Net cash provided (used) by operating activities	<u>2,798,307</u>	<u>951,491</u>	<u>813,285</u>	<u>87,356</u>	<u>4,650,439</u>	<u>4,346</u>
<u>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</u>						
Interfund activity	(38,074)	(78,359)	(25,591)	-	(142,024)	-
Net cash provided (used) by noncapital financing activities	<u>(38,074)</u>	<u>(78,359)</u>	<u>(25,591)</u>	<u>-</u>	<u>(142,024)</u>	<u>-</u>
<u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</u>						
Purchases of property and equipment	(142,932)	-	-	-	(142,932)	-
Principal payments on notes payable	(250,699)	(65,099)	(229,653)	-	(545,451)	-
Interest expense	(217,011)	(8,432)	(89,219)	-	(314,662)	-
Net cash provided (used) by capital and related financing activities	<u>(610,642)</u>	<u>(73,531)</u>	<u>(318,872)</u>	<u>-</u>	<u>(1,003,045)</u>	<u>-</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>						
Proceeds (purchases) from sales (of) investments, net	(60,591)	-	-	-	(60,591)	-
Investment income	129,732	23,297	46,769	4,746	204,544	42,184
Net cash provided (used) by investing activities	<u>69,141</u>	<u>23,297</u>	<u>46,769</u>	<u>4,746</u>	<u>143,953</u>	<u>42,184</u>
Net increase (decrease) in cash and cash equivalents	2,218,732	822,898	515,591	92,102	3,649,323	46,530
Cash and cash equivalents, beginning	2,307,933	1,083,638	2,650,028	265,055	6,306,654	4,412,121
Cash and cash equivalents, ending	<u>\$ 4,526,665</u>	<u>\$ 1,906,536</u>	<u>\$ 3,165,619</u>	<u>\$ 357,157</u>	<u>\$ 9,955,977</u>	<u>\$ 4,458,651</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:						
Operating income (loss)	\$ 1,483,474	\$ 758,486	\$ 378,198	\$ 147,359	\$ 2,767,517	\$ 97,970
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:						
Depreciation	1,566,194	293,669	46,327	20,805	1,926,995	-
(Increase) decrease in accounts receivable	(123,519)	(70,057)	63,574	691	(129,311)	-
(Increase) decrease in unbilled receivables	4,343	(3,515)	514	-	1,342	-
(Increase) decrease in prepaids	(255)	-	-	-	(255)	-
(Increase) decrease in accounts payable	6,466	(1,181)	(27,190)	(406)	(22,311)	-
(Increase) decrease in accrued payroll	3,418	3,895	1,245	1,085	9,643	-
(Increase) decrease in unearned revenue	2,800	-	-	-	2,800	-
(Increase) decrease in benefit claims incurred but not reported	-	-	-	-	-	(93,624)
(Increase) decrease in landfill closure costs	-	-	368,956	-	368,956	-
(Increase) decrease in pension related balances	(133,148)	(36,108)	(21,757)	(79,526)	(270,539)	-
(Increase) decrease in compensated absences	(11,466)	6,302	3,418	(2,652)	(4,398)	-
Net cash provided (used) by operating activities	<u>\$ 2,798,307</u>	<u>\$ 951,491</u>	<u>\$ 813,285</u>	<u>\$ 87,356</u>	<u>\$ 4,650,439</u>	<u>\$ 4,346</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, 2025

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. 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 Standards, 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, 2025

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 special revenue fund that accounts for taxes and special assessments that are assigned 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, 2025

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, 2025

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, 2025

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, 2025

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 liability for compensated absences reported in the government-wide and proprietary fund statements consists of unpaid, accumulated annual and compensatory leave balances. The liability has been calculated and reported in accordance with GASB Statement No. 101.

Employee Health Plan

During fiscal year 2025, the City discontinued their self-funded health insurance plan and joined Wyoming Educators' Benefit Trust (WEBT). Accordingly, the City no longer reports an IBNR liability.

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.

CITY OF RAWLINS, WYOMING
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2025

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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, 2025

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, 2025

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 2025 levy; therefore, at June 30, 2025, the property tax receivable consists of unpaid property taxes from the August 2024 levy. 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, 2025

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.

(the remainder of the page was intentionally left blank)

CITY OF RAWLINS, WYOMING
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2025

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 hours 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.

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.

Deposits

At June 30, 2025, the City's deposits in financial institutions were not 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.

CITY OF RAWLINS, WYOMING
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2025

3. CASH AND INVESTMENTS (Continued)

Investments

As of June 30, 2025, 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	\$ 1,384,952	Level 2	Unrated	0.27
Certificates of Deposit - Bolton Park	100,000	Level 2	Unrated	0.74
State of Wyoming Investment Pool (WYOSTAR)	6,069,576	Level 2	Unrated	N/A
Total	<u>\$ 7,554,528</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.

(the remainder of the page was intentionally left blank)

CITY OF RAWLINS, WYOMING
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2025

4. CAPITAL ASSETS

Capital asset activity related to governmental and business-type activities for the year ended June 30, 2025 was as follows:

	Balance at June 30, 2024	Additions	Deletions	Balance at June 30, 2025
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$ 2,551,948	\$ 230,000	\$ -	\$ 2,781,948
Total assets not being depreciated	2,551,948	230,000	-	2,781,948
Capital assets being depreciated:				
Buildings and improvements	12,585,541	431,344	-	13,016,885
Infrastructure	13,596,398	131,647	-	13,728,045
Furniture and equipment	14,341,502	1,274,018	-	15,615,520
Total assets being depreciated	40,523,441	1,837,009	-	42,360,450
Accumulated depreciation for:				
Buildings and improvements	(6,813,567)	(273,635)	-	(7,087,202)
Infrastructure	(4,696,743)	(475,458)	-	(5,172,201)
Furniture and equipment	(10,249,006)	(792,644)	-	(11,041,650)
Total accumulated depreciation	(21,759,316)	(1,541,737)	-	(23,301,053)
Capital assets being depreciated, net	18,764,125	295,272	-	19,059,397
Governmental activities capital assets, net	<u>\$ 21,316,073</u>			<u>\$ 21,841,345</u>
Business-Type Activities:				
Capital assets being depreciated:				
Buildings and improvements	\$ 77,402,897	\$ -	\$ -	\$ 77,402,897
Furniture and equipment	7,133,295	142,933	-	7,276,228
Total assets being depreciated	84,536,192	142,933	-	84,679,125
Accumulated depreciation for:				
Buildings and improvements	(42,931,458)	(1,691,209)	-	(44,622,667)
Furniture and equipment	(3,438,193)	(235,786)	-	(3,673,979)
Total accumulated depreciation	(46,369,651)	(1,926,995)	-	(48,296,646)
Capital assets being depreciated, net	38,166,541	(1,784,062)	-	36,382,479
Business-type activities capital assets, net	<u>\$ 38,166,541</u>			<u>\$ 36,382,479</u>

CITY OF RAWLINS, WYOMING
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2025

4. CAPITAL ASSETS (Continued)

Depreciation expense for the fiscal year ended June 30, 2025, was charged to the following activities in the statement of activities.

Governmental Activities:	
General government	\$ 344,004
Public safety and transportation	473,888
Public works	462,344
Culture and recreation	261,501
Total depreciation expense - governmental activities	\$ 1,541,737
 Business-Type Activities	
Water	\$ 1,566,194
Sewer	293,669
Landfill	46,327
Recycling	20,805
Total depreciation expense - business-type activities	\$ 1,926,995

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 transfers for the year ended June 30, 2025, were as follows:

	Transfers from other funds	Transfers to other funds
Governmental funds:		
General fund	\$ 34,988	\$ -
Downtown development authority fund	50,000	-
Total governmental funds	84,988	-
Proprietary funds:		
Water fund	-	38,074
Sewer fund	-	21,323
Landfill fund	-	25,591
Total proprietary funds	-	84,988
Total interfund activity	\$ 84,988	\$ 84,988

CITY OF RAWLINS, WYOMING
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2025

5. INTERFUND TRANSFERS (Continued)

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, 2025 were as follows:

	Due from other funds	Due to other funds
Governmental funds:		
General fund	\$ 1,064,886	\$ -
Total governmental funds	1,064,886	-
Proprietary funds:		
Water fund	-	812,020
Sewer fund	-	252,866
Total proprietary funds	-	1,064,886
Total due to/from activity	\$ 1,064,886	\$ 1,064,886

6. NONCURRENT LIABILITIES

The following is a summary of noncurrent liability transactions for the City for the year ended June 30, 2025:

	Balance at June 30, 2024	Additions	Reductions	Balance at June 30, 2025	Due Within One Year
Governmental Activities:					
Compensated absences	\$ 582,958	\$ -	\$ 9,835	\$ 573,123	\$ 143,281
Net pension liability	4,088,852	-	866,983	3,221,869	-
Total governmental activities	\$ 4,671,810	\$ -	\$ 876,818	\$ 3,794,992	\$ 143,281
Business-Type Activities:					
Notes payable:					
Atlantic Rim Pipeline	\$ 633,254	\$ -	\$ 24,693	\$ 608,562	\$ 25,680
Atlantic Rim Reservoir	1,496,894	-	54,096	1,442,798	56,259
BOW 0822-26	841,376	-	112,787	728,589	242,859
CWSRF Loan #145	185,824	-	12,392	173,432	12,697
CWSRF Loan #85	341,949	-	65,099	276,850	66,704
DWSRF Loan #147	374,008	-	25,355	348,653	25,980
DWSRF Loan #69	116,616	-	22,201	94,415	22,748
DWSRF Loan #80	117,353	-	22,326	95,027	22,884
Sage Creek Water Line	1,516,046	-	89,636	1,426,410	93,222
SLIB MWL-15011	761,440	-	54,389	707,051	54,389
Total notes payable:	6,384,760	-	482,974	5,901,787	623,422
Compensated absences	115,695	-	4,398	111,297	27,825
Lease payable	527,552	-	62,477	465,075	66,038
Landfill closure and post-closure care costs	661,760	368,956	-	1,030,716	-
Net pension liability	1,138,686	-	304,982	833,704	-
Total business-type activities	8,828,453	368,956	854,831	8,342,579	717,285
Total primary government	\$ 13,500,263	\$ 368,956	\$ 1,731,649	\$ 12,137,571	\$ 860,566

CITY OF RAWLINS, WYOMING
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2025

6. NONCURRENT LIABILITIES (Continued)

As of June 30, 2025, the business-type activities long-term debt consisted of the following:

Notes payable

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.	\$ 1,426,410
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.	94,415
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.	95,027
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.	608,562
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.	1,442,798
Note payable to Catepillar Financial Services, due in annual installments of \$152,761 including interest at 4.75% to May 2029.	728,589
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.	173,432
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.	276,850
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.	348,653
Note payable to the Office of State Lands and Investmetns, due in annual installments of \$61,940 at zero interest to July 2038.	707,051
Total notes payable	5,901,787
Less current maturities	(623,422)
Notes payable, less current portion	\$ 5,278,365

CITY OF RAWLINS, WYOMING
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2025

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
2026	\$ 227,132	\$ 623,422	\$ 850,554
2027	175,900	520,941	696,841
2028	158,629	538,211	696,840
2029	140,682	634,203	774,885
2030	118,273	301,939	420,212
2031-2035	445,363	1,655,695	2,101,058
2036-2040	186,296	1,216,747	1,403,043
2041-2045	30,052	410,629	440,681
	<u>\$ 1,482,327</u>	<u>\$ 5,901,787</u>	<u>\$ 7,384,114</u>

Leases payable

Lease payable for a Caterpillar Compactor due in annual installments of \$92,548 including interest at 5.7% to August 2030.	\$ 465,075
Total leases payable	465,075
Less current maturities	(66,038)
Leases payable, less current portion	\$ 399,037

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

Year	Interest	Principal	Total
2026	\$ 26,509	\$ 66,038	\$ 92,547
2027	22,745	69,803	92,548
2028	18,766	73,781	92,547
2029	14,561	77,987	92,548
2030	10,116	82,432	92,548
2031-2035	6,007	95,034	101,041
	<u>\$ 98,704</u>	<u>\$ 465,075</u>	<u>\$ 563,779</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, 2025 is \$1,030,716. 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 \$282,000 which is at 100% capacity. The portion of the liability related to the C&D Landfill is \$748,716 with an estimated of capacity used of 27.10%. The City will recognize the remaining estimated costs of closure and post-closure care costs for the C&D site of \$2,762,788 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 2025. 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, 2025

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, 2025, the fiduciary net position as a percentage of total pension liability increased from 80.19 percent on January 1, 2024 to 82.46 percent on January 1, 2025. The net pension liability as a percentage of covered payroll decreased from 120.86 percent to 102.93 percent as of January 1, 2024, and 2025, respectively. The net pension liability was \$2.09 billion as of January 1, 2025 compared to \$2.28 billion as of January 1, 2024. 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, 2025, the fiduciary net position as a percentage of total pension liability increased from 86.90 percent on January 1, 2024 to 87.88 percent on January 1, 2025. The net pension liability as a percentage of covered payroll decreased from 80.76 percent to 74.93 percent as of January 1, 2024, and 2025, respectively. The net pension liability was \$134.3 million as of January 1, 2025 compared to \$135.1 million as of January 1, 2024. 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, 2025, the fiduciary net position as a percentage of total pension liability increased from 89.37 percent on January 1, 2024 to 93.35 percent on January 1, 2025. The net pension liability was \$15.5 million as of January 1, 2025 compared to \$8.6 million as of January 1, 2024. 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, 2025, the fiduciary net position as a percentage of total pension liability increased from 100.40% on January 1, 2024 to 103.89 percent on January 1, 2025. The net pension liability (asset) as a percentage of covered payroll increased from (2.76) percent to (25.83) percent as of January 1, 2024 and 2025, respectively. The net pension asset was \$11.0 million as of January 1, 2025 compared to a net pension asset of \$9.7 million as of January 1, 2024. This is an increase from the prior year.

CITY OF RAWLINS, WYOMING
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2025

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, 2025 was 18.62 percent.

Effective July 1, 2024, the Law Enforcement Pension Plan's statutorily required total contribution rate increased from 18.20 percent to 19.00 percent of each participant's salary, which is all paid by the City.

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, 2025

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, 2025 the best estimates are summarized in the following table:

Asset Class	Target Allocation	Geometric Real Return	Arithmetic Real Return
Tactical Cash	0.50%	0.41%	0.40%
Gold	1.50%	2.33%	0.90%
Fixed income	20.00%	3.79%	4.22%
Equity	51.50%	6.51%	8.19%
Marketable alternatives	16.00%	4.54%	5.38%
Private markets	10.50%	6.23%	7.74%
Total	100.00%	5.53%	6.75%

CITY OF RAWLINS, WYOMING
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2025

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 4.08%, 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, 2024.

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, 2025, the City reported a total liability of \$3,096,164, \$993,705, \$95,937 and (\$130,233) 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, 2024 is based on the results of an actuarial valuation as of January 1, 2024, rolled forward to a measurement date of December 31, 2024, 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:

<u>Plan Name</u>	Proportionate Share of the Net Pension Liability (The City's Percentage of total Plan contributions)		
	December 31, 2024	December 31, 2023	Increase (Decrease)
Public Employee Pension Plan	0.14846%	0.20627%	(0.000578)
Wyoming Law Enforcement Pension Plan	0.73983%	0.92357%	(0.001837)
Paid Fire A Plan	1.11717%	1.06733%	0.000498
Paid Fire B Plan	1.33890%	1.94061%	(0.006017)

CITY OF RAWLINS, WYOMING
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2025

8. PARTICIPATION IN THE WYOMING RETIREMENT SYSTEM (Continued)

At June 30, 2025, the composition of the City's net pension liability is as follows:

	Net Pension Liability (Asset)
Governmental Activities:	
Public Employee Plan	\$ 2,262,460
Law Enforcement Plan	993,705
Paid Fire A Plan	95,937
Paid Fire B Plan	(130,233)
Total	\$ 3,221,869
 Business-Type Activities:	
Water, Public Employee Pension	\$ 317,119
Sewer, Public Employee Pension	229,147
Landfill, Public Employee Pension	103,686
Recycling, Public Employee Pension	183,752
Total	\$ 833,704

At June 30, 2025, 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	Total
Pension expense (revenue)	\$ (737,141)	\$ (221,162)	\$ (21,875)	\$ (117,436)	\$ (1,097,614)
Deferred outflows of resources					
Difference between expected and actual experience	\$ 200,759	\$ 187,927	\$ -	\$ 37,146	\$ 388,686
Changes of assumptions	-	77,627	-	37,793	77,627
Net difference between projected and actual earning on pension plan investments	-	-	-	-	-
Contributions subsequent to the measurement date	331,944	148,099	-	79,585	480,043
Total deferred outflows of resources	\$ 532,703	\$ 413,653	\$ -	\$ 154,524	\$ 1,100,880
Deferred inflows of resources					
Difference between expected and actual experience	\$ 3,727	\$ 24,874	\$ -	\$ 26,857	\$ 28,601
Changes of assumptions	-	726,791	-	21,392	726,791
Net difference between projected and actual earning on pension plan investments	392,004	194,777	28,858	88,055	586,781
Total deferred inflows of resources	\$ 395,731	\$ 946,442	\$ 28,858	\$ 136,304	\$ 1,507,335

CITY OF RAWLINS, WYOMING
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2025

8. PARTICIPATION IN THE WYOMING RETIREMENT SYSTEM (Continued)

The City reported \$331,944, \$148,099, \$0, and \$79,585 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, 2025. 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 Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
	2025	\$ 87,193	\$ (146,067)	\$ 159,093
2026	77,644	113,471	74,054	(226,265)
2027	35,922	(264,069)	32,407	(127,839)
2028	-	(99,066)	-	(48,247)
2029	-	-	-	-
Thereafter	-	-	-	-
	\$ 200,759	\$ (395,731)	\$ 265,554	\$ (946,442)

	Paid Fire A Plan		Paid Fire B Plan	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
	2025	\$ -	\$ 5,923	\$ 22,202
2026	-	3,264	21,400	13,632
2027	-	(27,928)	17,603	(60,861)
2028	-	(10,117)	7,537	(23,637)
2029	-	-	4,549	-
Thereafter	-	-	1,647	-
	\$ -	\$ (28,858)	\$ 74,938	\$ (136,304)

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	\$ 5,157,556	\$ 3,096,164	\$ 1,389,074
Law Enforcement Plan	2,084,499	993,705	101,878
Paid Fire A Plan	216,251	95,937	(9,332)
Paid Fire B Plan	325,317	(130,233)	(508,250)
Total	\$ 7,783,623	\$ 4,055,573	\$ 973,370

Other Detailed Information

For more detailed information regarding the Plan see the separately issued 2024 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, 2025

9. 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.

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.

10. 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.

11. SUBSEQUENT EVENTS

Subsequent events have been evaluated through December 16, 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, 2025.

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, 2025

	<u>Budgeted Amounts</u>		<u>Actual Amounts - Budgetary Basis</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES</u>				
Taxes and special assessments	\$ 10,808,367	\$ 10,808,367	\$ 11,125,227	\$ 316,860
Intergovernmental	1,444,520	1,444,520	456,577	(987,943)
Charges for services	1,678,352	1,678,352	776,558	(901,794)
Investment income	361,238	361,238	316,954	(44,284)
Miscellaneous	254,988	254,988	1,048,036	793,048
Total revenues	<u>14,547,465</u>	<u>14,547,465</u>	<u>13,723,352</u>	<u>(824,113)</u>
<u>EXPENDITURES</u>				
General government	7,033,941	7,048,244	4,774,265	(2,273,979)
Public safety and transportation	4,882,949	5,084,773	4,342,689	(742,084)
Public works	1,212,964	1,224,041	1,189,078	(34,963)
Highways and streets	737,111	744,454	615,875	(128,579)
Health and welfare	-	922	-	(922)
Culture and recreation	2,550,382	2,645,625	2,311,741	(333,884)
Total expenditures	<u>16,417,347</u>	<u>16,748,059</u>	<u>13,233,648</u>	<u>(3,514,411)</u>
Excess (deficiency) of revenues (over) expenditures	<u>(1,869,882)</u>	<u>(2,200,594)</u>	<u>489,704</u>	<u>2,690,298</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfer in	84,988	84,988	34,988	(50,000)
Transfer out	-	-	-	-
Total other financing sources (uses)	<u>84,988</u>	<u>84,988</u>	<u>34,988</u>	<u>(50,000)</u>
Net change in fund balances	<u>\$ (1,784,894)</u>	<u>\$ (2,115,606)</u>	<u>\$ 524,692</u>	<u>\$ 2,640,298</u>
<u>BUDGETARY TO GAAP REPORTING RECONCILIATION</u>				
Excess of (deficiency of) revenues over (under) expenditures - budget basis			\$ 524,692	
Revenue accruals			127,744	
Expenditure accruals			82,983	
Net change in fund balance - GAAP basis			<u>\$ 735,419</u>	

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

CITY OF RAWLINS, WYOMING
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - CAPITAL FACILITIES TAX FUND
For the Year Ended June 30, 2025

	<u>Budgeted Amounts</u>		<u>Actual Amounts - Budgetary Basis</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES</u>				
Taxes and special assessments	\$ 1,375,000	\$ 1,375,000	\$ 1,308,266	\$ (66,734)
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Investment income	40,000	40,000	56,302	16,302
Miscellaneous	-	-	-	-
Total revenues	<u>1,415,000</u>	<u>1,415,000</u>	<u>1,364,568</u>	<u>(50,432)</u>
<u>EXPENDITURES</u>				
General government	1,415,000	1,415,000	6,825	(1,408,175)
Public safety and transportation	-	-	-	-
Public works	-	-	-	-
Highways and streets	-	-	-	-
Health and welfare	-	-	-	-
Culture and recreation	-	-	-	-
Total expenditures	<u>1,415,000</u>	<u>1,415,000</u>	<u>6,825</u>	<u>(1,408,175)</u>
Excess (deficiency) of revenues (over) expenditures	<u>-</u>	<u>-</u>	<u>1,357,743</u>	<u>1,357,743</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,357,743</u>	<u>\$ 1,357,743</u>

BUDGETARY TO GAAP REPORTING RECONCILIATION

Excess of (deficiency of) revenues over (under) expenditures - budget basis	\$ 1,357,743
Revenue accruals	-
Expenditure accruals	-
Net change in fund balance - GAAP basis	<u>\$ 1,357,743</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 (Asset)	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	0.14846%	\$ 3,096,164	\$ 3,533,108	87.63%	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	1.11717%	\$ 95,937	\$ -	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	1.33890%	\$ (130,233)	\$ 624,554	-20.85%	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	0.73983%	\$ 993,705	\$ 1,519,968	65.38%	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

	<u>Contractually Required Contributions</u>	<u>Actual Contributions in Relation to Contractually Required Contributions</u>	<u>Contribution Deficiency (Excess)</u>	<u>The City's Covered Employee Payroll</u>	<u>Contributions as a Percentage of Covered Employee Payroll</u>
<u>Public Employee Pension Plan</u>					
June 30, 2025	\$ 644,112	\$ 644,112	\$ -	\$ 3,459,249	18.62%
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%
<u>Firemen B Pension Plan</u>					
June 30, 2025	\$ 153,151	\$ 153,151	\$ -	\$ 562,124	27.25%
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%
<u>Law Enforcement Pension Plan</u>					
June 30, 2025	\$ 288,673	\$ 288,673	\$ -	\$ 1,519,331	19.00%
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%

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, 2025**

	Grants	Downtown Development Authority	Total Nonmajor Governmental Funds
<u>ASSETS</u>			
Cash and cash equivalents	\$ 5,672	\$ 447,395	\$ 453,067
Total assets	\$ 5,672	\$ 447,395	\$ 453,067
<u>FUND BALANCES</u>			
Restricted	5,672	-	5,672
Unassigned	-	447,395	447,395
Total fund balances	5,672	447,395	453,067
Total liabilities, deferred inflows of resources, and fund balances	\$ 5,672	\$ 447,395	\$ 453,067

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, 2025

	<u>Grants</u>	<u>Downtown Development Authority</u>	<u>Total Nonmajor Governmental Funds</u>
<u>REVENUES</u>			
Intergovernmental	\$ -	\$ 6,413	\$ 6,413
Investment income (loss)	-	432	432
Miscellaneous	-	153,161	153,161
Total revenues	<u>-</u>	<u>160,006</u>	<u>160,006</u>
<u>EXPENDITURES</u>			
Current:			
Culture and recreation	-	248,441	248,441
Total expenditures	<u>-</u>	<u>248,441</u>	<u>248,441</u>
Excess (deficiency) of revenues (over) expenditures	<u>-</u>	<u>(88,435)</u>	<u>(88,435)</u>
<u>OTHER FINANCING SOURCES (USES)</u>			
Transfers in	-	50,000	50,000
Total other financing sources (uses)	<u>-</u>	<u>50,000</u>	<u>50,000</u>
Net change in fund balances	<u>-</u>	<u>(38,435)</u>	<u>(38,435)</u>
Fund balances, beginning	<u>5,672</u>	<u>485,830</u>	<u>491,502</u>
Fund balances, ending	<u>\$ 5,672</u>	<u>\$ 447,395</u>	<u>\$ 453,067</u>

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

OTHER REPORTS

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

The Honorable Mayor and Members of the City Council
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 (*Government Auditing Standards*), 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, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated December 16, 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.

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. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and responses as items 2025-001, 2025-002, 2025-003, and 2025-004 that we consider 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 instances of noncompliance or other matters that are required to be reported under Government Auditing Standards, and which are described in the accompanying schedule of findings and response as item 2025-005.

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 Florek & James, CPAs

Sheridan, Wyoming
December 16, 2025

CITY OF RAWLINS, WYOMING
SCHEDULE OF FINDINGS AND RESPONSES
For the Year Ended June 30, 2025

2025-001: 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 addition of a full-time Finance Director adds a natural layer of oversight not available prior to this. While the City recognizes its limited size, it is the goal of new administration to better direct staff and implement policies and procedures that provide for a stricter segregation of the duties in the office. In addition, to the above listed items a Fiscal Policy & Procedure manual will be instituted by the Director of Finance to better outline how duties will be divided between staff.

2025-002: Misclassification of Revenue – Significant Deficiency

Criteria: Interfund transfers represent flows of resources between funds without equivalent flows of goods or services in return and should not be used to record external revenue sources.

Condition: During our audit we noted that the General Fund recorded approximately \$123,000 of miscellaneous revenues as an interfund transfer rather than as revenue. This misclassification resulted in an understatement of revenues and an overstatement of interfund transfers on the City’s governmental fund financial statements.

Cause: Unknown.

Effect: The misclassification resulted in revenues in the General Fund being understated by approximately \$123,000. Interfund transfers were overstated by \$123,000.

Recommendation: We recommend that the City implements controls to more closely monitor the coding of interfund transactions and revenue.

CITY OF RAWLINS, WYOMING
SCHEDULE OF FINDINGS AND RESPONSES
For the Year Ended June 30, 2025

Response from Management: The addition of a Director of Finance will result in more consistent oversight for the classification of all revenue sources. New processes will be put into place with the addition of a Fiscal Policy & Procedure Manual that better defines the sources of revenue and their classifications.

2025-003: 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 previous employees were still listed as a bank signers.

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 employees from the bank account.

Response from Management: Fiscal staff have been in touch with the bank in question and the signers are being updated. A list of bank accounts and corresponding signature pages is now being maintained to prevent such errors from happening in the future.

2025-004: Missing Board Approval for Selected Expenditures – Significant Deficiency

Criteria: Proper authorization is an essential internal control to ensure transparency, accountability, and safeguarding of public funds.

Condition: During our testing of expenditures, we found three instances where management was unable to provide evidence of required governing board approval. The total dollar value associated with these invoices totaled \$255,162.

Cause and Effect: Undetermined.

Recommendation: We recommend that all transactions receive documented approval from the City Council.

Response from Management: New procedures around expenditures are being implemented as part of the Fiscal Policy & Procedure Manual. Expenditures will be transitioned to an electronic record that will flag transactions that do not have proper approval prior to payment. The Director of Finance will oversee these processes to ensure proper approvals.

CITY OF RAWLINS, WYOMING
SCHEDULE OF FINDINGS AND RESPONSES
For the Year Ended June 30, 2025

2025-005: Insufficient Insurance and Collateralization of City Deposits – Noncompliance

Criteria: State law and the City’s investment policy require that public deposits be secured through a combination of FDIC coverage and pledged collateral held in the City’s name at a third-party custodian. These requirements help ensure that public funds are protected against loss in the event of a financial institution’s failure.

Condition: During our review of the City’s deposits held in financial institutions, we noted that a portion of the City’s bank balances exceeded the level of protection provided by Federal Deposit Insurance Corporation (FDIC) insurance and were not fully secured by pledged collateral held in the City’s name. As of June 30, 2025, deposits totaling approximately \$434,000 were inadequately insured or collateralized.

Cause: Undetermined

Effect: The City's deposits are not fully secured, resulting in non-compliance.

Recommendation: We recommend that the City continues to coordinate with the bank to ensure that all deposits are fully insured or collateralized.

Response from Management: The Finance Director has been tasked with the monitoring of bank relationships to ensure all parts of the depository process are followed.

CITY OF RAWLINS, WYOMING
PRIOR YEAR SCHEDULE OF FINDINGS AND RESPONSES
For the Year Ended June 30, 2025

2024-001: Recurring, see finding 2025-001

2024-002: Recurring, see finding 2025-003

2024-003: Resolved