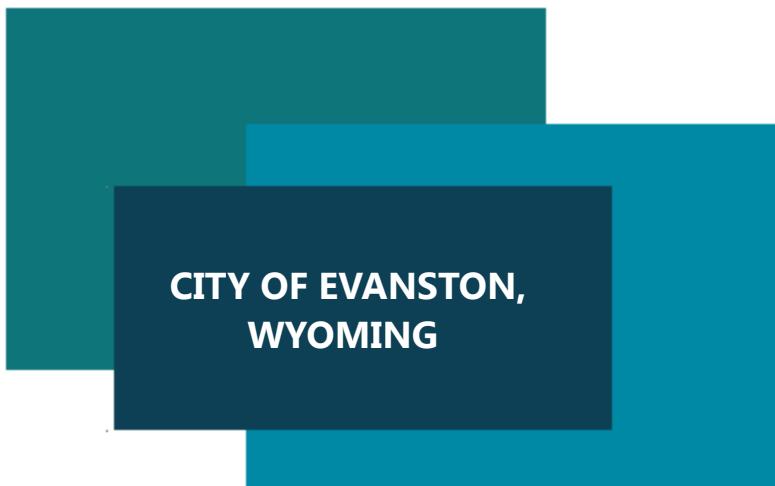


CITY OF EVANSTON,  
WYOMING

**Financial Report**

**June 30, 2024**





**CITY OF EVANSTON,  
WYOMING**

**Financial Report**

**June 30, 2024**

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**INDEPENDENT AUDITOR'S REPORT**

Honorable Mayor and Members  
of the City Council  
City of Evanston, 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 Evanston, Wyoming, ("City"), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of June 30, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). 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.



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### ***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 *Government Auditing Standards* 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 *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

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

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, pension schedules, and other post-employment benefit schedules 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 GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The other supplementary information, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 GAAS. In our opinion, the other supplementary information, as listed in the table of contents, 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, 2024 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 the City's 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.



Porter, Muirhead, Cornia & Howard  
Certified Public Accountants

Casper, Wyoming  
December 16, 2024

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## **Management's Discussion and Analysis**

### **(Unaudited)**

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As management of the City of Evanston, Wyoming, we offer readers of the City of Evanston, Wyoming's financial statements this narrative overview and analysis of the financial activities of the City of Evanston, Wyoming for the fiscal year ended June 30, 2024.

### ***Financial Highlights***

The assets and deferred outflows of resources of the City of Evanston, Wyoming exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$103,465,694 (*net position*). Of this amount, \$43,348,690 (*unrestricted net position*) may be used to meet the government's ongoing obligations to citizens and creditors.

- The government's total net position increased by \$2,191,363.
- As of the close of the current fiscal year, the City of Evanston, Wyoming's governmental funds reported combined ending fund balances of \$36,730,329.
- At the end of the current fiscal year, fund balance for the general fund was \$34,716,109 which was an increase from the previous year.

### ***Overview of the Financial Statements***

This discussion and analysis is intended to serve as an introduction to the City of Evanston, Wyoming's financial statements. The City of Evanston, Wyoming's financial statements comprise three components:

- 1) Government-wide financial statements,
- 2) Fund financial statements, and
- 3) Notes to the financial statements.

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

**Government-Wide Financial Statements.** The *government-wide financial statements* are designed to provide readers with a broad overview of the City of Evanston, Wyoming's finances, in a manner like a private-sector business.

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

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

Both government-wide financial statements distinguish functions of the City of Evanston, Wyoming that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City of Evanston, Wyoming include.

- General government,
- Public safety,
- Public works, and
- Health, welfare, and recreation

**Management's Discussion and Analysis**  
**(Unaudited)**

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The business-type activities of the City of Evanston, Wyoming include.

- Water,
- Wastewater (sewer),
- Environmental Services (sanitation), and
- Golf

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

- Governmental funds
- Proprietary funds

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

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

The City of Evanston, Wyoming maintains four individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund and economic development fund, which are major funds. Data from the other two governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of *combining statements* elsewhere in this report.

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

**Proprietary Funds.** The City of Evanston, Wyoming maintains two different types of proprietary funds.

- Enterprise Funds
- Internal Service Funds (motor vehicle)

*Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City of Evanston, Wyoming uses enterprise funds to account for its Water, Sewer, Golf and Environmental Service operations.

*Internal service funds* are an accounting device used to accumulate and allocate costs internally among the City of Evanston, Wyoming's various functions. The City of Evanston, Wyoming uses an internal service fund to account for its fleet of vehicles. Because this service predominantly benefits governmental rather than business-type functions, it has been included within *governmental activities* in the government-wide statements.

**Management's Discussion and Analysis**  
**(Unaudited)**

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*Proprietary funds* provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Water, Sewer, Golf, and Environmental Service operations, all of which are major funds of the City of Evanston, Wyoming.

**Notes to the Financial Statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

In addition to the financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the City of Evanston, Wyoming's progress in funding its obligation to provide pension benefits to its employees.

The City of Evanston, Wyoming offers medical insurance benefits to retirees and their dependents through Blue Cross Blue Shield of Wyoming. The City of Evanston, Wyoming pays 20% of the premium, and the retiree is responsible for the remaining 80% of the premium. GASB No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, requires that the City of Evanston, Wyoming to recognize the implicit cost of its retiree post-employment benefit plan during the period of the employee's active employment while the benefits are being earned.

The Unfunded Actuarial Accrued Liability (UAAL) is required to be disclosed to accurately account for the total future cost of postemployment benefits and the financial impact on the City of Evanston, Wyoming.

**Government-Wide Financial Analysis**

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

	Governmental Activities		Business-type Activities		Total	
	2023	2024	2023	2024	2023	2024
<b>Assets</b>						
Current assets	\$ 39,191,817	\$ 40,249,067	\$ 18,662,030	\$ 17,195,736	\$ 57,853,847	\$ 57,444,803
Noncurrent assets	26,234	179,642	-	-	26,234	179,642
Net capital assets	30,083,500	32,304,111	25,682,272	26,365,118	55,765,772	58,669,229
<b>Total assets</b>	<b>69,301,551</b>	<b>72,732,820</b>	<b>44,344,302</b>	<b>43,560,854</b>	<b>113,645,853</b>	<b>116,293,674</b>
<b>Deferred outflows of resources</b>	<b>3,788,418</b>	<b>1,351,258</b>	<b>1,119,993</b>	<b>298,685</b>	<b>4,908,411</b>	<b>1,649,943</b>
<b>Liabilities</b>						
Current liabilities	2,380,849	2,651,623	667,303	850,632	3,048,152	3,502,255
Long-term liabilities	7,262,164	4,880,355	3,058,166	2,854,525	10,320,330	7,734,880
<b>Total liabilities</b>	<b>9,643,013</b>	<b>7,531,978</b>	<b>3,725,469</b>	<b>3,705,157</b>	<b>13,368,482</b>	<b>11,237,135</b>
<b>Deferred inflows of resources</b>	<b>3,186,237</b>	<b>3,094,358</b>	<b>725,214</b>	<b>146,430</b>	<b>3,911,451</b>	<b>3,240,788</b>
<b>Net position</b>						
Net investment in capital assets	30,068,584	32,131,855	25,527,518	26,150,571	55,596,102	58,282,426
Restricted	4,143,214	1,834,578	-	-	4,143,214	1,834,578
Unrestricted	26,048,921	29,491,309	15,486,094	13,857,381	41,535,015	43,348,690
<b>Total net position</b>	<b>\$ 60,260,719</b>	<b>\$ 63,457,742</b>	<b>\$ 41,013,612</b>	<b>\$ 40,007,952</b>	<b>\$ 101,274,331</b>	<b>\$ 103,465,694</b>

**Management's Discussion and Analysis**  
**(Unaudited)**

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***Government-Wide Financial Analysis (Continued)***

A portion of the City of Evanston, Wyoming's net position represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net position* \$43,348,690 may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the City of Evanston, Wyoming can report positive balances in all three categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities.

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**Management's Discussion and Analysis**  
**(Unaudited)**

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**Government-Wide Financial Analysis (Continued)**

The governmental and business-type activities for the City of Evanston, Wyoming are provided in the following table.

	Governmental Activities		Business-type Activities		Total	
	2023	2024	2023	2024	2023	2024
Revenues						
Charges for services	\$ 804,977	\$ 703,723	\$ 5,545,139	\$ 5,896,861	\$ 6,350,116	\$ 6,600,584
Operating grants and contributions	352,133	298,834	-	-	352,133	298,834
Capital grants and contributions	302,641	1,030,607	392,140	224,283	694,781	1,254,890
Taxes						
Property taxes	912,333	1,030,076	-	-	912,333	1,030,076
Other taxes	10,602,996	12,579,269	-	-	10,602,996	12,579,269
State additional funding not restricted for specific purpose	1,315,902	1,953,806	-	-	1,315,902	1,953,806
Unrestricted investment earnings	1,043,243	1,916,835	177,315	497,843	1,220,558	2,414,678
Miscellaneous revenue	136,096	144,244	57,615	102	193,711	144,346
Gain on sale of capital assets	-	278,521	-	78,958	-	357,479
Transfers	13,412,913	(35,000)	(13,412,913)	35,000	-	-
<b>Total revenues</b>	<b>28,883,234</b>	<b>19,900,915</b>	<b>(7,240,704)</b>	<b>6,733,047</b>	<b>21,642,530</b>	<b>26,633,962</b>
Expenses						
General government	5,570,144	6,620,444	-	-	5,570,144	6,620,444
Public safety	4,310,283	3,609,581	-	-	4,310,283	3,609,581
Public works	2,289,724	2,400,633	-	-	2,289,724	2,400,633
Health, welfare, recreation	3,244,098	4,066,021	-	-	3,244,098	4,066,021
Interest	-	7,213	-	-	-	7,213
Water	-	-	3,877,385	3,505,387	3,877,385	3,505,387
Sewer	-	-	1,343,151	1,406,424	1,343,151	1,406,424
Golf	-	-	1,101,177	1,191,614	1,101,177	1,191,614
Environmental services	-	-	1,517,877	1,635,282	1,517,877	1,635,282
<b>Total expenses</b>	<b>15,414,249</b>	<b>16,703,892</b>	<b>7,839,590</b>	<b>7,738,707</b>	<b>23,253,839</b>	<b>24,442,599</b>
Special item, loss on disposal of capital assets	(315,620)	-	-	-	(315,620)	-
<b>Total expenses</b>	<b>(315,620)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(315,620)</b>	<b>-</b>
Change in net position	13,153,365	3,197,023	(15,080,294)	(1,005,660)	(1,926,929)	2,191,363
Net position - beginning of year	47,107,354	60,260,719	56,093,906	41,013,612	103,201,260	101,274,331
<b>Total net position</b>	<b>\$ 60,260,719</b>	<b>\$ 63,457,742</b>	<b>\$ 41,013,612</b>	<b>\$ 40,007,952</b>	<b>\$ 101,274,331</b>	<b>\$ 103,465,694</b>

## **Management's Discussion and Analysis**

### **(Unaudited)**

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#### ***Expenses and Program Revenues – Governmental Activities***

General Government is the City's major expense. This category includes the activities of the City Council, Judicial, Executive, Attorney, Community Development, Engineering/Planning, Treasurer/Clerk, Urban Renewal, General Services, and Information Technology.

Our Public Works Departments include Administration and Street Divisions. For the most part, expenses closely parallel inflation and growth in the demand for services.

To monitor the expense of services to the community, the City of Evanston, Wyoming structured its divisions to provide a clear analysis of service. Therefore, the City of Evanston, Wyoming can review the cost of specific services to provide more fiscal responsibility.

#### ***Revenues by Source – Governmental Activities***

General revenue sources used to support overall government functions include:

- Charges for Services a decrease of \$101,254 (*3.53% of our revenue*)
  - Business licenses
  - Various permits
  - Animal tags and other animal control revenue
  - Court fines
  - General fund leases
- Operating Grants and Contributions decrease of \$53,299 (*1.50%*)
- Capital Grants and Contributions increased \$727,966 (*5.17%*)
- Property Tax up by \$117,743 (*5.17%*)
- All Other Taxes significantly increased by \$1,976,273 (*63.10%*)
  - Local sales and use tax.
  - Severance, mineral taxes
  - Tobacco, gasoline, and motor vehicle taxes
  - Franchise fees
  - Lottery and pari-mutuel distributions
- State Direct Funding increase of \$637,904 (*9.80%*)
- Investment Earnings increased by \$873,592 (*9.61%*)
- Miscellaneous Revenue increased \$8,148 (*0.72%*)
- Gain on sale of capital assets increased \$278,521 (*1.40%*)

#### ***Business-Type Activities***

Business-type activities increased City of Evanston, Wyoming assets as follows:

- Continued design work on the Twin Ridge Transmission Line
- Work continued for the water plant intake and storage projects
- In the Sewer Fund, work started on the Grass Valley Lift Station
- The Watershed Project Study is still moving forward

**Management's Discussion and Analysis**  
**(Unaudited)**

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***Financial Analysis of the Government's Funds***

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

***Governmental Funds***

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

The general fund is the chief operating fund of the City of Evanston, Wyoming. At the end of the current fiscal year, unassigned fund balance of the general fund was \$29,481,000, while total general fund balance reached \$34,716,109. As a measure of a governmental funds' liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures.

The general fund balance of the City of Evanston, Wyoming increased by \$3,114,834. The increase is primarily due to increases in pari-mutuel and lottery distributions among the general fund.

The long-term liabilities of \$4,880,355, which include accrued compensated absences, lease payables, OPEB and pension obligations, are not due and payable in the current period and, therefore, are not reported in the funds.

***Proprietary Funds***

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

Unrestricted net position of the Water, Sewer, Golf and Environmental Service funds at the end of the year amounted to \$13,857,381. The total decrease in unrestricted net position for these funds was \$1,628,713.

***General Fund Budgetary Highlights***

The original budget encumbrances for the General Fund were \$21,584,491 and this amount was our final budget amount as well. Actual expenditures in the General Fund were less at \$15,875,404.

**Management's Discussion and Analysis**  
**(Unaudited)**

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***Financial Analysis of the Government's Funds (Continued)***

***Capital Asset and Debt Administration***

***Capital Assets***

The City of Evanston, Wyoming's investment in capital assets for its governmental and business- type activities as of June 30, 2024, amounts to \$58,282,426 (net of accumulated depreciation). This investment in capital assets include land, buildings and systems, improvements, machinery and equipment, park facilities, roads, highways, and bridges.

Major capital asset events during the current fiscal year included the following:

- City View Drive reconstruction
- Upgrades to buildings, including roof repair of City Hall and the Roundhouse
- Finished work on the wash house restrooms and City hall garage
- Equipment purchases including patrol vehicles and department vehicles

	Governmental Activities		Business-type Activities		Total	
	2023	2024	2023	2024	2023	2024
Land	\$ 9,423,797	\$ 9,352,282	\$ 733,694	\$ 733,694	\$ 10,157,491	\$ 10,085,976
Construction in progress	1,551,829	4,820,200	1,080,837	832,083	2,632,666	5,652,283
Buildings and systems	41,525,979	41,848,386	67,047,068	69,095,352	108,573,047	110,943,738
Machinery and equipment	5,951,157	5,838,047	3,998,637	4,644,241	9,949,794	10,482,288
Infrastructure	18,274,698	18,274,698	-	-	18,274,698	18,274,698
Land improvements	2,110,656	2,110,656	3,992,905	3,992,905	6,103,561	6,103,561
Right of use assets	31,091	31,091	454,397	256,431	485,488	287,522
Right of use subscription						
IT assets	-	69,869	-	-	-	69,869
Accumulated depreciation	(48,785,707)	(50,041,118)	(51,625,266)	(53,189,588)	(100,410,973)	(103,230,706)
Total	\$ 30,083,500	\$ 32,304,111	\$ 25,682,272	\$ 26,365,118	\$ 55,765,772	\$ 58,669,229

Additional information on the City of Evanston, Wyoming's capital assets can be found in the notes to the financial statements.

**Management's Discussion and Analysis**  
**(Unaudited)**

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***Financial Analysis of the Government's Funds (Continued)***

***Capital Asset and Debt Administration (Continued)***

***Long-Term Debt***

The City of Evanston, Wyoming's total debt is \$8,015,382 the current fiscal year. Additional information on the City of Evanston, Wyoming's long-term debt is provided in the notes to the financial statements.

	Governmental Activities		Business-type Activities		Total	
	2023	2024	2023	2024	2023	2024
Accrued compensated absences	\$ 812,638	\$ 804,415	\$ 382,599	\$ 333,822	\$ 1,195,237	\$ 1,138,237
Leases	14,916	8,485	129,173	214,547	144,089	223,032
Lease - subscription IT	-	48,658	-	-	-	48,658
Retainage payable	-	115,113	25,581	-	25,581	115,113
Other post-employment benefits	754,114	821,505	396,800	428,513	1,150,914	1,250,018
Pension obligation	5,731,671	3,260,725	2,312,252	1,979,599	8,043,923	5,240,324
<b>Total</b>	<b>\$ 7,313,339</b>	<b>\$ 5,058,901</b>	<b>\$ 3,246,405</b>	<b>\$ 2,956,481</b>	<b>\$ 10,559,744</b>	<b>\$ 8,015,382</b>

***Economic Factors and Next Year's Budgets and Rates***

The unemployment rate for the City of Evanston, Wyoming as of June 30, 2024, was 3.4%, which is slightly lower than one year ago, and higher than the State's average unemployment rate of 2.9%, and lower the national average rate of 4.3%.

The local economy continues to remain steady with no major increase or decreases. We continue to see increases in our sales tax potentially from increased visitors traveling through our City, and the effect of inflation. The City of Evanston, Wyoming prepared the budget for the 2024 fiscal year conservatively. Lottery and Parimutuel distributions also increased.

***Requests for Information***

The financial report is designed to provide a general overview of the City of Evanston, Wyoming's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the Treasurer, 1200 Main Street, City of Evanston, Wyoming, 82930.

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## FINANCIAL STATEMENTS

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**Statement of Net Position**

	Primary Government		
	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
Cash and cash equivalents	\$ 9,042,180	\$ 3,407,474	\$ 12,449,654
Restricted cash and cash equivalents	1,099,510	-	1,099,510
Cash held with fiscal agent	22,511	-	22,511
Investments	26,237,340	13,102,549	39,339,889
Receivables, net of allowance	99,325	701,636	800,961
Due from other governments	2,132,714	151,253	2,283,967
Property taxes	1,103,004	-	1,103,004
Internal balances	269,943	(269,943)	-
Accrued interest	126,578	-	126,578
Prepaid items	41,050	12,543	53,593
Inventory	761	90,224	90,985
Note receivable, current	74,151	-	74,151
Note receivable, noncurrent	179,642	-	179,642
Total noncapital assets	<u>40,428,709</u>	<u>17,195,736</u>	<u>57,624,445</u>
Capital assets, not being depreciated			
Land	9,352,282	733,694	10,085,976
Construction in progress	4,820,200	832,083	5,652,283
Capital assets, being depreciated/amortized			
Buildings and systems	41,848,386	69,095,352	110,943,738
Machinery and equipment	5,838,047	4,644,241	10,482,288
Infrastructure	18,274,698	-	18,274,698
Land improvements	2,110,656	3,992,905	6,103,561
Right of use leased assets	31,091	256,431	287,522
Right of use subscription IT assets	69,869	-	69,869
Total capital assets	<u>82,345,229</u>	<u>79,554,706</u>	<u>161,899,935</u>
Less accumulated depreciation/amortization	<u>50,041,118</u>	<u>53,189,588</u>	<u>103,230,706</u>
Total capital assets (net of accumulated depreciation/amortization)	<u>32,304,111</u>	<u>26,365,118</u>	<u>58,669,229</u>
Total assets	<u>72,732,820</u>	<u>43,560,854</u>	<u>116,293,674</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Pension plan items	1,217,413	227,606	1,445,019
Other post-employment benefit items	<u>133,845</u>	<u>71,079</u>	<u>204,924</u>
Total deferred outflows of resources	<u>1,351,258</u>	<u>298,685</u>	<u>1,649,943</u>

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**Statement of Net Position (Continued)**

	Primary Government			
	Governmental Activities		Business-type Activities	
			Total	
<b>LIABILITIES</b>				
Accounts payable	\$ 1,052,835	\$ 614,951	\$ 1,667,786	
Accrued payroll	141,961	76,335	218,296	
Accrued liabilities	128,488	41,590	170,078	
Deposits payable	-	15,800	15,800	
Retainage payable	115,113	-	115,113	
Advanced payments	1,099,510	-	1,099,510	
Unearned revenue	50,283	-	50,283	
Long-term liabilities				
Due within one year				
Leases and compensated absences	63,433	101,956	165,389	
Due in more than one year				
Leases and compensated absences	798,125	446,413	1,244,538	
Net pension liability	3,260,725	1,979,599	5,240,324	
Other post-employment benefits liability	821,505	428,513	1,250,018	
Total liabilities	<u>7,531,978</u>	<u>3,705,157</u>	<u>11,237,135</u>	
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Pension plan items	1,930,788	89,780	2,020,568	
Other post-employment benefit items	109,124	56,650	165,774	
Unavailable property tax revenues	<u>1,054,446</u>	<u>-</u>	<u>1,054,446</u>	
Total deferred inflows of resources	<u>3,094,358</u>	<u>146,430</u>	<u>3,240,788</u>	
<b>NET POSITION</b>				
Net investment in capital assets	32,131,855	26,150,571	58,282,426	
Restricted for				
Lodging tax fund	1,111,868	-	1,111,868	
Economic development fund	596,508	-	596,508	
Cemetery fund				
Expendable	26,202	-	26,202	
Nonexpendable	100,000	-	100,000	
Unrestricted	<u>29,491,309</u>	<u>13,857,381</u>	<u>43,348,690</u>	
Total net position	<u>\$ 63,457,742</u>	<u>\$ 40,007,952</u>	<u>\$ 103,465,694</u>	

**Statement of Activities**

Function/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities:				
General government	\$ 6,620,444	\$ 354,947	\$ 298,834	\$ 1,030,607
Public safety	3,609,581	311,076	-	-
Public works	2,400,633	-	-	-
Health, welfare and recreation	4,066,021	37,700	-	-
Interest on long-term debt	7,213	-	-	-
Total governmental activities	<u>16,703,892</u>	<u>703,723</u>	<u>298,834</u>	<u>1,030,607</u>
Business-type activities:				
Water fund	3,505,387	2,368,186	-	80,283
Sewer fund	1,406,424	1,261,076	-	-
Golf fund	1,191,614	683,863	-	-
Environmental service fund	1,635,282	1,583,736	-	144,000
Total business-type activities	<u>7,738,707</u>	<u>5,896,861</u>	<u>-</u>	<u>224,283</u>
Total primary government	<u>\$ 24,442,599</u>	<u>\$ 6,600,584</u>	<u>\$ 298,834</u>	<u>\$ 1,254,890</u>
General revenues and transfers				
General revenues				
Property taxes, levied for general purposes				
Sales, severance, royalties, cigarette, gasoline, use taxes				
Franchise taxes				
Motor vehicle taxes				
Pari-mutuel and lottery distributions				
State direct funding not restricted for specific purposes				
Unrestricted investment income				
Miscellaneous revenue				
Gain on sale of capital assets				
Transfers				
Total general revenues and transfers				
Change in net position				
Net position - beginning of year				
Net position - end of year				

**Net (Expense) Revenue and Changes in Net Position**

<b>Primary Government</b>			
<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>	
\$ (4,936,056)	\$ -	\$ (4,936,056)	
(3,298,505)	-	(3,298,505)	
(2,400,633)	-	(2,400,633)	
(4,028,321)	-	(4,028,321)	
(7,213)	-	(7,213)	
<b>(14,670,728)</b>	<b>-</b>	<b>(14,670,728)</b>	
 - (1,056,918)	 (1,056,918)	 (1,056,918)	
- (145,348)	- (145,348)	(145,348)	
- (507,751)	- (507,751)	(507,751)	
<b>- 92,454</b>	<b>92,454</b>	<b>92,454</b>	
<b>- (1,617,563)</b>	<b>(1,617,563)</b>	<b>(1,617,563)</b>	
<b>(14,670,728)</b>	<b>(1,617,563)</b>	<b>(16,288,291)</b>	
 1,030,076	 -	 1,030,076	
10,523,641	-	10,523,641	
200,575	-	200,575	
328,406	-	328,406	
1,526,647	-	1,526,647	
1,953,806	-	1,953,806	
1,916,835	497,843	2,414,678	
144,244	102	144,346	
278,521	78,958	357,479	
(35,000)	35,000	-	
<b>17,867,751</b>	<b>611,903</b>	<b>18,479,654</b>	
<b>3,197,023</b>	<b>(1,005,660)</b>	<b>2,191,363</b>	
<b>60,260,719</b>	<b>41,013,612</b>	<b>101,274,331</b>	
<b>\$ 63,457,742</b>	<b>\$ 40,007,952</b>	<b>\$ 103,465,694</b>	

**Balance Sheet - Governmental Funds**

	General Fund	Economic Development Fund	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>				
Cash and cash equivalents	\$ 8,245,545	\$ -	\$ 757,202	\$ 9,002,747
Restricted cash and cash equivalents	949,510	150,000	-	1,099,510
Cash held with fiscal agent	22,511	-	-	22,511
Investments	23,674,817	2,072,018	490,505	26,237,340
Receivables, net of allowance	93,361	-	5,865	99,226
Due from other governments	2,084,293	-	48,421	2,132,714
Property taxes	1,103,004	-	-	1,103,004
Due from other funds	1,121,626	-	-	1,121,626
Accrued interest	124,764	-	1,814	126,578
Prepaid items	41,050	-	-	41,050
Note receivable, current	-	74,151	-	74,151
Note receivable, noncurrent	-	179,642	-	179,642
Total assets	<u>\$ 37,460,481</u>	<u>\$ 2,475,811</u>	<u>\$ 1,303,807</u>	<u>\$ 41,240,099</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 387,867	582,865	\$ 65,737	\$ 1,036,469
Accrued payroll	141,961	-	-	141,961
Accrued liabilities	128,488	-	-	128,488
Retainage payable	-	115,113	-	115,113
Due to other funds	-	851,683	-	851,683
Advanced payments	949,510	150,000	-	1,099,510
Unearned revenue	50,283	-	-	50,283
Total liabilities	<u>1,658,109</u>	<u>1,699,661</u>	<u>65,737</u>	<u>3,423,507</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable property tax revenues	1,086,263	-	-	1,086,263
Total deferred inflows of resources	<u>1,086,263</u>	<u>-</u>	<u>-</u>	<u>1,086,263</u>
<b>FUND BALANCES</b>				
Nonspendable	41,050	179,642	100,000	320,692
Restricted	-	596,508	1,138,070	1,734,578
Assigned	5,194,059	-	-	5,194,059
Unassigned	29,481,000	-	-	29,481,000
Total fund balances	<u>34,716,109</u>	<u>776,150</u>	<u>1,238,070</u>	<u>36,730,329</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 37,460,481</u>	<u>\$ 2,475,811</u>	<u>\$ 1,303,807</u>	<u>\$ 41,240,099</u>

**Reconciliation of Governmental Funds Balance Sheet to the Statement of Net Position**

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

Total governmental fund balances		\$ 36,730,329
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds		
Total net capital assets, governmental activities	\$ 32,304,111	
Less net capital assets recorded in the internal service fund	<u>(18,991)</u>	32,285,120
Difference between expected and actual experiences, assumption changes and net differences between projected and actual earnings and contributions subsequent to the measurement date for the postretirement benefits (pension and OPEB) are recognized as deferred outflows of resources and deferred inflows of resources on the statement of net position.		
Deferred outflows - pension plan items	1,217,413	
Deferred outflows - other post-employment benefit items	133,845	
Deferred inflows - pension plan items	<u>(1,930,788)</u>	
Deferred inflows - other post-employment benefit items	<u>(109,124)</u>	(688,654)
Property tax receivables and intergovernmental revenue that do not financial resources are offset by deferred inflows of resources in the funds.		
Unavailable property taxes in governmental funds	1,086,263	
Unavailable property taxes in governmental activities	<u>(1,054,446)</u>	31,817
Long-term liabilities that are not due and payable in the current period, and therefore, are not reported in the funds.		
Compensated absences	(804,415)	
Leases	(8,485)	
Leases - subscription IT	(48,658)	
Net pension liability	<u>(3,260,725)</u>	
Other post-employment benefits liability	<u>(821,505)</u>	(4,943,788)
Internal service funds are used by management to charge the costs of certain activities, such as motor vehicle costs, to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net position.		
Net position of governmental activities		<u>42,918</u>
		<u>\$ 63,457,742</u>

City of Evanston, Wyoming

Year Ended June 30, 2024

**Statement of Revenues, Expenditures, and Changes in Fund Balances - Government Funds**

	General Fund	Economic Development Fund	Other Governmental Funds	Total Governmental Funds
<b>Revenues</b>				
Taxes	\$ 11,627,496	\$ -	\$ 434,681	\$ 12,062,177
Licenses and permits	227,576	-	-	227,576
Fines and forfeitures	159,519	-	-	159,519
Intergovernmental	4,739,520	57,810	50,064	4,847,394
Charges for services	79,516	8,988	37,700	126,204
Investment income and miscellaneous	1,927,261	106,920	26,898	2,061,079
<b>Total revenues</b>	<b>18,760,888</b>	<b>173,718</b>	<b>549,343</b>	<b>19,483,949</b>
<b>Expenditures</b>				
<b>Current</b>				
General government	4,411,041	-	-	4,411,041
Public safety and transportation	3,648,766	-	-	3,648,766
Public works	1,958,243	-	-	1,958,243
Health, welfare and recreation	3,401,680	23,027	592,075	4,016,782
<b>Capital outlay</b>	<b>2,281,525</b>	<b>2,564,513</b>	<b>-</b>	<b>4,846,038</b>
<b>Debt service</b>				
Principal	27,642	-	-	27,642
Interest	7,213	-	-	7,213
<b>Total expenditures</b>	<b>15,736,110</b>	<b>2,587,540</b>	<b>592,075</b>	<b>18,915,725</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>3,024,778</b>	<b>(2,413,822)</b>	<b>(42,732)</b>	<b>568,224</b>
<b>Other financing sources</b>				
Proceeds from sale of capital assets	20,187	327,560	-	347,747
Proceeds from lease - subscription IT	69,869	-	-	69,869
<b>Total other financing sources</b>	<b>90,056</b>	<b>327,560</b>	<b>-</b>	<b>417,616</b>
<b>Net change in fund balances</b>	<b>3,114,834</b>	<b>(2,086,262)</b>	<b>(42,732)</b>	<b>985,840</b>
<b>Fund balances - beginning of year</b>	<b>31,601,275</b>	<b>2,862,412</b>	<b>1,280,802</b>	<b>35,744,489</b>
<b>Fund balances - end of year</b>	<b>\$ 34,716,109</b>	<b>\$ 776,150</b>	<b>\$ 1,238,070</b>	<b>\$ 36,730,329</b>

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

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Net change in fund balances - total governmental funds	\$ 985,840
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Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

These changes are detailed as follows:

Additions to capital assets recorded in capital outlay in the governmental funds	\$ 3,957,314
Assets transferred from construction in progress to capital assets and infrastructure or expensed	(140,318)
Depreciation expense	(1,527,159)
Less depreciation expense in the internal service fund	<u>1,384</u>
	2,291,221

In the statement of activities, only the gain from the sale of capital assets is reported, whereas in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net position differs from the change in fund balance by the cost of the capital assets sold:

Proceeds from the sale of capital assets	(347,747)
Gain on sale of capital assets	<u>278,521</u>
	(69,226)

Deferred outflows and inflows of resources related to pension and other post-employment items are not available revenue for current period expenditures and, therefore, the underlying transactions are not reported in the governmental funds:

Deferred outflows - pension plan items prior year	(3,642,811)
Deferred outflows - pension plan items current year	1,217,413
Deferred outflows - other post-employment benefit plan items prior year	(145,607)
Deferred outflows - other post-employment benefit plan items current year	133,845
Deferred inflows - pension plan items prior year	2,067,242
Deferred inflows - pension plan items current year	(1,930,788)
Deferred inflows - other post-employment benefit plan items prior year	95,296
Deferred inflows - other post-employment benefit plan items current year	<u>(109,124)</u>
	(2,314,534)

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**Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of  
Governmental Funds to the Statement of Activities (Continued)**

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The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of debt principal is an expenditure in the governmental funds. The payment of debt reduces long-term liabilities in the Statement of Net Position

Compensated absences prior year	\$ 812,638
Compensated absences current year	(804,415)
Principal paid on leases	6,431
Acquisition of leases - subscription IT	(69,869)
Principal paid on leases - subscription IT	21,211
Net pension liability prior year	5,731,671
Net pension liability current year	(3,260,725)
Other post-employment benefits liability prior year	754,114
Other post-employment benefits liability current year	<u>(821,505)</u> \$ 2,369,551

Internal service activities are accounted for in a separate fund. However, in the statement of activities the activity of the Internal Fund has been eliminated and the excess revenue over expenditures has been recognized in governmental activities:

Internal service fund change in net position	(48,850)
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Certain revenues are not recognized as current financial resources and, therefore, are not reported as revenues in governmental funds:

Unavailable property taxes - governmental activities prior year	1,023,699
Unavailable property taxes - governmental activities current year	(1,054,446)
Unavailable property taxes - governmental funds prior year	(1,034,995)
Unavailable property taxes - governmental funds current year	1,086,263
Unavailable grant revenue - governmental funds prior year	<u>(37,500)</u> (16,979)
Change in net position of governmental activities	<u>\$ 3,197,023</u>

**Statement of Net Position - Proprietary Funds****Business-type Activities - Enterprise Funds**

	Water Fund	Sewer Fund	Golf Fund
<b>ASSETS</b>			
Current assets			
Cash and cash equivalents	\$ 2,807,314	\$ -	\$ -
Investments	7,002,771	5,096,803	-
Accounts receivable	371,587	157,360	-
Due from other governments	7,253	-	-
Prepaid items	6,842	2,280	-
Inventory	-	-	90,224
Total current assets	<u>10,195,767</u>	<u>5,256,443</u>	<u>90,224</u>
Noncurrent assets			
Capital assets			
Land	161,500	240,005	312,189
Construction in progress	283,083	-	-
Buildings and systems	49,644,087	16,976,952	2,271,645
Machinery and equipment	1,504,757	463,150	888,874
Land improvements	-	-	3,992,905
Right of use leased assets	-	-	256,431
Total capital assets	<u>51,593,427</u>	<u>17,680,107</u>	<u>7,722,044</u>
Less accumulated depreciation/amortization	<u>31,987,552</u>	<u>15,351,194</u>	<u>4,716,357</u>
Total capital assets (net of accumulated depreciation/amortization)	<u>19,605,875</u>	<u>2,328,913</u>	<u>3,005,687</u>
Total assets	<u>29,801,642</u>	<u>7,585,356</u>	<u>3,095,911</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Pension plan items	99,769	61,763	-
Other post-employment benefit items	29,033	16,334	-
Total deferred outflows of resources	<u>128,802</u>	<u>78,097</u>	<u>-</u>

Governmental  
Activities

Environmental Service Fund		Internal Service Fund	
	Totals		
\$ 600,160	\$ 3,407,474	\$ 39,433	
1,002,975	13,102,549	-	
172,689	701,636	99	
144,000	151,253	-	
3,421	12,543	-	
-	90,224	761	
<hr/>	<hr/>	<hr/>	
1,923,245	17,465,679	40,293	
<hr/>	<hr/>	<hr/>	
20,000	733,694	-	
549,000	832,083	-	
202,668	69,095,352	278,623	
1,787,460	4,644,241	95,257	
-	3,992,905	-	
-	256,431	-	
<hr/>	<hr/>	<hr/>	
2,559,128	79,554,706	373,880	
1,134,485	53,189,588	354,889	
<hr/>	<hr/>	<hr/>	
1,424,643	26,365,118	18,991	
<hr/>	<hr/>	<hr/>	
3,347,888	43,830,797	59,284	
<hr/>	<hr/>	<hr/>	
66,074	227,606	-	
25,712	71,079	-	
<hr/>	<hr/>	<hr/>	
91,786	298,685	-	

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**Statement of Net Position - Proprietary Funds (Continued)**

	Business-type Activities - Enterprise Funds		
	Water Fund	Sewer Fund	Golf Fund
<b>LIABILITIES</b>			
Current liabilities			
Accounts payable	\$ 192,481	\$ 44,436	\$ 118,332
Accrued payroll	36,427	20,115	-
Accrued liabilities	19,570	10,574	-
Deposits payable	15,800	-	-
Due to other funds	-	115,329	154,614
Compensated absences	25,758	16,238	-
Lease	-	-	48,170
Total current liabilities	<u>290,036</u>	<u>206,692</u>	<u>321,116</u>
Noncurrent liabilities			
Compensated absences	107,915	88,485	-
Lease	-	-	166,377
Net pension liability	867,737	537,183	-
Other post-employment benefits payable	<u>176,786</u>	<u>101,578</u>	<u>-</u>
Total noncurrent liabilities	<u>1,152,438</u>	<u>727,246</u>	<u>166,377</u>
Total liabilities	<u>1,442,474</u>	<u>933,938</u>	<u>487,493</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Pension plan items	39,354	24,363	-
Other post-employment benefit items	<u>23,434</u>	<u>13,539</u>	<u>-</u>
Total deferred inflows of resources	<u>62,788</u>	<u>37,902</u>	<u>-</u>
<b>NET POSITION</b>			
Net investment in capital assets	19,605,875	2,328,913	2,791,140
Unrestricted	<u>8,819,307</u>	<u>4,362,700</u>	<u>(182,722)</u>
Total net position	<u>\$ 28,425,182</u>	<u>\$ 6,691,613</u>	<u>\$ 2,608,418</u>

			Governmental Activities	
Environmental Service Fund		Totals	Internal Service Fund	
\$	259,702	\$ 614,951	\$ 16,366	
	19,793	76,335	-	
	11,446	41,590	-	
	-	15,800	-	
	-	269,943	-	
	11,790	53,786	-	
	-	48,170	-	
	<u>302,731</u>	<u>1,120,575</u>	<u>16,366</u>	
	83,636	280,036	-	
	-	166,377	-	
	574,679	1,979,599	-	
	150,149	428,513	-	
	<u>808,464</u>	<u>2,854,525</u>	<u>-</u>	
	<u>1,111,195</u>	<u>3,975,100</u>	<u>16,366</u>	
	26,063	89,780	-	
	19,677	56,650	-	
	<u>45,740</u>	<u>146,430</u>	<u>-</u>	
	1,424,643	26,150,571	18,991	
	858,096	13,857,381	23,927	
\$	<u>2,282,739</u>	<u>\$ 40,007,952</u>	<u>\$ 42,918</u>	

City of Evanston, Wyoming

Year Ended June 30, 2024

**Statement of Revenues, Expenses, and Changes in Fund Net Position - Proprietary Funds**

	<u>Business-type Activities - Enterprise Funds</u>		
	<u>Water Fund</u>	<u>Sewer Fund</u>	<u>Golf Fund</u>
Operating revenues			
Charges for services	\$ 2,368,186	\$ 1,261,076	\$ 683,863
Miscellaneous	-	-	102
Total operating revenues	<u>2,368,186</u>	<u>1,261,076</u>	<u>683,965</u>
Operating expenses			
Personnel services	1,391,983	836,749	-
Contractual services	46,289	3,596	446,410
Repairs and maintenance	237,198	116,380	156,306
Supplies	454,944	71,811	212,745
Miscellaneous	41,631	28,264	55,179
Capital outlay	15,508	51,998	-
Depreciation	1,170,754	163,204	211,335
Amortization	-	-	96,245
Utilities	<u>147,080</u>	<u>134,422</u>	<u>-</u>
Total operating expenses	<u>3,505,387</u>	<u>1,406,424</u>	<u>1,178,220</u>
Operating loss	<u>(1,137,201)</u>	<u>(145,348)</u>	<u>(494,255)</u>
Nonoperating revenues (expenses)			
Investment income	318,935	133,523	-
Gain on sale of capital assets	-	-	77,201
Interest expense	-	-	(13,394)
Total nonoperating revenues (expenses)	<u>318,935</u>	<u>133,523</u>	<u>63,807</u>
Loss before contributions and transfers	<u>(818,266)</u>	<u>(11,825)</u>	<u>(430,448)</u>
Capital grants and contributions	80,283	-	-
Transfers in	-	-	-
Transfers out	<u>(10,000)</u>	<u>-</u>	<u>-</u>
Net contributions and transfers	<u>70,283</u>	<u>-</u>	<u>-</u>
Change in net position	<u>(747,983)</u>	<u>(11,825)</u>	<u>(430,448)</u>
Total net position - beginning of year	<u>29,173,165</u>	<u>6,703,438</u>	<u>3,038,866</u>
Total net position - end of year	<u>\$ 28,425,182</u>	<u>\$ 6,691,613</u>	<u>\$ 2,608,418</u>

Governmental  
Activities

Environmental Service Fund	Totals	Internal Service Fund
\$ 1,583,736	\$ 5,896,861	\$ 190,424
-	102	-
<b>1,583,736</b>	<b>5,896,963</b>	<b>190,424</b>
863,462	3,092,194	-
2,879	499,174	-
77,109	586,993	-
519,002	1,258,502	237,890
13,700	138,774	-
-	67,506	-
159,130	1,704,423	1,384
-	96,245	-
-	281,502	-
<b>1,635,282</b>	<b>7,725,313</b>	<b>239,274</b>
<b>(51,546)</b>	<b>(1,828,350)</b>	<b>(48,850)</b>
45,385	497,843	-
1,757	78,958	-
-	(13,394)	-
<b>47,142</b>	<b>563,407</b>	<b>-</b>
<b>(4,404)</b>	<b>(1,264,943)</b>	<b>(48,850)</b>
144,000	224,283	-
45,000	45,000	-
-	(10,000)	-
<b>189,000</b>	<b>259,283</b>	<b>-</b>
184,596	(1,005,660)	(48,850)
<b>2,098,143</b>	<b>41,013,612</b>	<b>91,768</b>
<b>\$ 2,282,739</b>	<b>\$ 40,007,952</b>	<b>\$ 42,918</b>

**Statement of Cash Flows - Proprietary Funds****Business-type Activities - Enterprise Funds**

	Water Fund	Sewer Fund	Golf Fund
<b>Cash flows from operating activities</b>			
Cash received from customers	\$ 2,223,958	\$ 1,259,937	\$ 683,965
Cash received from interfund services provided	-	-	-
Cash payments to suppliers for goods and services	(1,031,336)	(363,505)	(759,079)
Cash payments for interfund services provided	(29,770)	(10,109)	(38,032)
Cash payments to employees for services	(1,431,203)	(822,275)	-
<b>Net cash provided by (used in) operating activities</b>	<b>(268,351)</b>	<b>64,048</b>	<b>(113,146)</b>
<b>Cash flows from noncapital financing activities</b>			
Advance from other funds	-	115,329	154,614
Transfers from other funds	-	-	-
Transfers to other funds	(10,000)	-	-
<b>Net cash provided by (used in) noncapital financing activities</b>	<b>(10,000)</b>	<b>115,329</b>	<b>154,614</b>
<b>Cash flows from capital and related financing activities</b>			
Acquisitions and construction of capital assets	(1,693,205)	(46,486)	-
Capital grants received	465,170	-	-
Principal payments on lease	-	-	(93,856)
Interest paid	-	-	(13,394)
Proceeds on sales of capital assets	-	-	-
<b>Net cash used in capital and related financing activities</b>	<b>(1,228,035)</b>	<b>(46,486)</b>	<b>(107,250)</b>
<b>Cash flows from investing activities</b>			
Purchase of investments	(248,865)	(3,786,590)	-
Interest received on investments	318,935	133,523	-
<b>Net cash provided by (used in) investing activities</b>	<b>70,070</b>	<b>(3,653,067)</b>	<b>-</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(1,436,316)</b>	<b>(3,520,176)</b>	<b>(65,782)</b>
<b>Cash and cash equivalents - beginning of year</b>	<b>4,243,630</b>	<b>3,520,176</b>	<b>65,782</b>
<b>Cash and cash equivalents - end of year</b>	<b>\$ 2,807,314</b>	<b>\$ -</b>	<b>\$ -</b>

**Governmental  
Activities**

Environmental Service Fund		Internal Service Fund	
	Totals		
\$ 1,582,158	\$ 5,750,018	\$ -	
-	-	190,422	
(407,013)	(2,560,933)	(212,944)	
-	(77,911)	-	
(910,135)	(3,163,613)	-	
<hr/>	<hr/>	<hr/>	<hr/>
265,010	(52,439)	(22,522)	
<hr/>	<hr/>	<hr/>	<hr/>
-	269,943	-	
45,000	45,000	-	
-	(10,000)	-	
<hr/>	<hr/>	<hr/>	<hr/>
45,000	304,943	-	
<hr/>	<hr/>	<hr/>	<hr/>
(487,392)	(2,227,083)	-	
-	465,170	-	
-	(93,856)	-	
-	(13,394)	-	
1,757	1,757	-	
<hr/>	<hr/>	<hr/>	<hr/>
(485,635)	(1,867,406)	-	
<hr/>	<hr/>	<hr/>	<hr/>
(46,412)	(4,081,867)	-	
45,385	497,843	-	
<hr/>	<hr/>	<hr/>	<hr/>
(1,027)	(3,584,024)	-	
<hr/>	<hr/>	<hr/>	<hr/>
(176,652)	(5,198,926)	(22,522)	
<hr/>	<hr/>	<hr/>	<hr/>
776,812	8,606,400	61,955	
<hr/>	<hr/>	<hr/>	<hr/>
\$ 600,160	\$ 3,407,474	\$ 39,433	

(Continued)

**Statement of Cash Flows - Proprietary Funds (Continued)**

<u>Business-type Activities - Enterprise Funds</u>			
	Water Fund	Sewer Fund	Golf Fund
Reconciliation of operating loss to net cash and cash equivalents provided by (used in) operating activities			
Operating loss	\$ (1,137,201)	\$ (145,348)	\$ (494,255)
Adjustments to reconcile operating loss to net cash and cash equivalents, provided by (used in) operating activities			
Depreciation and amortization	1,170,754	163,204	307,580
Amortization of pension plan and OPEB items	73,790	42,030	-
Increase (decrease) in cash and cash equivalents, resulting from changes in operating assets, deferred outflows, liabilities, and deferred inflows			
Accounts receivable	(144,228)	(1,139)	-
Prepaid items	(6,842)	(2,280)	-
Inventory	-	-	(2,107)
Deferred outflows - pension plan items	36,159	19,441	-
Accounts payable	(71,533)	35,137	75,636
Accrued payroll	(2,036)	(1,285)	-
Accrued liabilities	19,570	10,574	-
Deposits payable	(14,500)	-	-
Compensated absences	(11,838)	(2,936)	-
Retainge payable	(25,581)	-	-
Net pension liability	(168,740)	(62,269)	-
Other post-employment benefits liability	13,875	8,919	-
Net cash and cash equivalents, provided by (used in) operating activities	<u>\$ (268,351)</u>	<u>\$ 64,048</u>	<u>\$ (113,146)</u>
Noncash capiital and related financing activities			
Contributions of capital assets	\$ (10,000)	\$ -	\$ -
Assets acquired through leases	\$ -	\$ -	\$ 256,431
Lease payments forgiven on disposition of capital leases	\$ -	\$ -	\$ (77,201)

			Governmental Activities	
Environmental Service Fund		Totals	Internal Service Fund	
\$	(51,546)	\$	(1,828,350)	\$
				(48,850)
159,130		1,800,668	1,384	
47,862		163,682	-	
(1,578)		(146,945)	(2)	
(3,421)		(12,543)	-	
-		(2,107)	8,869	
23,242		78,842	-	
209,098		248,338	16,077	
(2,495)		(5,816)	-	
11,446		41,590	-	
-		(14,500)	-	
(34,003)		(48,777)	-	
-		(25,581)	-	
(101,644)		(332,653)	-	
8,919		31,713	-	
<u>\$</u>	<u>265,010</u>	<u>\$</u>	<u>(52,439)</u>	<u>\$</u>
				<u>(22,522)</u>
\$	45,000	\$	35,000	\$
\$	-	\$	256,431	\$
\$	-	\$	(77,201)	\$
				-

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

***Reporting Entity***

The financial statements of the City of Evanston, Wyoming ("the City") include the accounts of all City operations. The City provides a broad range of services to citizens, which includes general government, public safety, streets, sanitation and health, cultural and park facilities and social services. The City also operates the water, sewer and other sanitation utilities and several recreational facilities.

The City of Evanston is a municipal corporation governed by an elected mayor and six elected council members. The City serves as the nucleus for the reporting entity under the provisions of GASB for its financial statements. The City is not financially accountable for any other organizations and thus, includes only the financial activity of the various funds of the City within its financial statements. The City of Evanston has no component units nor is it considered a component unit of any other government.

The accounting policies of the City of Evanston conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant policies:

***Related Organizations***

The Housing Authority of the City of Evanston, Airport Joint Powers Board, and the City of Evanston-Uinta County Human Services Building Joint Powers Board are all related organizations to which the City appoints board members, but for which the City has no significant financial accountability or controlling oversight. All transactions with each of these organizations are conducted in the ordinary course of business. Financial information is available from each organization. For the year ended June 30, 2024, payments to the Housing Authority of the City of Evanston, Airport Joint Powers Board, and City of Evanston-Uinta County Human Services Building Joint Powers Board were \$10,000, \$102,575, and \$135,000, respectively.

***Government-Wide and Fund Financial Statements***

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

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

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

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

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary funds financial statements. 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. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they have been earned and they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. For the City's intergovernmental revenues related to grants, the revenue is considered available if they are collected within 90 days to better align revenue with grant expenditures. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service principal and interest expenditures on general long-term debt, including lease liabilities, as well as expenditures related to compensated absences, claims and judgments and postemployment benefits are recognized later based on specific accounting rules applicable to each, generally when payment is due. General capital asset acquisitions, including entering into contracts giving the City the right-to-use lease assets, are reported as expenditures in governmental funds. Issuance of long-term debt and financing through leases are reported as other financing sources.

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

The accounts of the City are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, deferred outflows, liabilities, deferred inflows, fund balance or net position, revenues, and expenditures, or expenses, as appropriate. Government resources are allocated to and accounted for in the individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

The City reports the following major governmental funds:

The *general fund* is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The *economic development fund* is used to account for the proceeds from the lease with Clean Energy that is restricted for the purpose of economic development of the City.

The City reports the following major proprietary funds:

The *water fund* accounts for the activities of the City's water distribution system.

The *sewer fund* accounts for the activities of the City sewage treatment plant and collection system.

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

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

The *golf fund* accounts for the activities of the City's golf course.

The *environmental service fund* accounts for the activities of the City's sanitation and storm water programs.

Additionally, the City reports the following fund types:

The *special revenue fund* is used to account for the proceeds of designated specific revenue sources that are restricted to expenditures for specified purposes.

The *permanent fund* is used to account for resources legally restricted for use in the care and maintenance of the City's cemetery.

The *internal service fund* is used for motor vehicle services provided to other departments or agencies of the City, or to other governments, on a cost reimbursement basis.

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

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 a proprietary fund's principal ongoing operations. The principal operating revenues of the City's enterprise funds and of the City's internal service fund are charges to customers for sales of services. The City also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for the enterprise funds and internal service fund 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.

***Assets, Liabilities, Deferred Inflows and Outflows of Resources, and Net Position/Fund Balance***

***Cash and Cash Equivalents***

The City considers all demand deposits cash on hand, money market accounts, petty cash and highly liquid investments with an original maturity date of three months or less when purchased to be cash and cash equivalents.

The City's cash activity is accounted for in pooled cash accounts. The accounting records for each applicable fund reflect its portion of the pooled cash. When a particular fund overdraws its share of the pooled cash, 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 considers any cash that is legally restricted as to withdrawal or usage to be presented as restricted cash.

For the purposes of the statement of cash flows, the City's proprietary funds consider their demand deposits and all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents.

## **Notes to the Financial Statements**

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### **Note 1. Summary of Significant Accounting Policies (Continued)**

#### ***Assets, Liabilities, Deferred Inflows and Outflows of Resources, and Net Position/Fund Balance (Continued)***

##### ***Restricted Cash and Cash Equivalents***

The City has restricted cash and cash equivalents from the U.S. Department of Treasury for Coronavirus State and Local Fiscal Recovery Funds for public health and economic impacts, premium pay, revenue loss and or infrastructure. Additionally, the City has restricted cash and cash equivalents related to the OneWyo Opioid Settlement. These funds are to be used to actively abate and alleviate the impacts of the opioid crisis and co-occurring substance abuse in Wyoming.

##### ***Investments***

The City follows the guidelines described in Wyoming Statute 9-4-831 as it relates to the investment of public funds. Wyoming Statutes authorize the types of investments in which the City may invest. Among these authorized investments are certificates of deposit, money market funds, commercial paper with maturities not more than 270 days, obligations of the U.S. Treasury, agencies and instrumentalities of the U.S. Government, mortgage backed securities, guaranteed investment contracts and repurchase agreements with banks with the underlying securities being obligations of the U.S. Treasury or agencies and instrumentalities of the U.S. Government.

The City's investments are carried at fair value and consist of negotiable certificates of deposit, U.S. Treasury Securities, government agency mortgage backed securities, and participation in WYO-STAR I, Wyoming CLASS and WGIF.

WYO-STAR I is an authorized government investment pool established in 1987 offered exclusively to Wyoming governmental entities by the Wyoming State Treasurer's office. The value of the City's investments in WYO-STAR I equals the value of its WYO-STAR I shares. Each participant's position in the WYO-STAR I investment pool is calculated by the proportion of their share as a percentage of the total shares invested in the pool. Income is distributed to participants based on each entity's average daily share balance in the pool. Interest is calculated and credited monthly. WYO-STAR I investments are carried at their fair value as determined at June 30 each year. WYO-STAR I's target asset allocation, as stated in its Master Investment Policy, comprises one hundred percent (100%) of short-term bonds and cash. The pool does not have a guaranteed rate of return, and Participants expose their investments to market losses as well as gains. There are no unfunded commitments, the redemption frequency is daily, and there is no redemption notice period or withdrawal penalty.

The Wyoming CLASS Indenture of Trust was adopted pursuant to the provisions of W.S. 17-23-101 *et seq.*, the Wyoming Statutory Trust Act. The Wyoming CLASS portfolio invests in U.S. Treasury securities, federal instrumentality securities, agency securities, repurchase agreements and triparty repurchase agreements, collateralized bank deposits commercial paper that, at the time of purchase is rated in its highest rating category by one or more nationally recognized statistical rating organizations that regularly rate such obligations, and government money market funds. The value of the City's investment in Wyoming CLASS equals the value of its Wyoming CLASS shares. There are no withdrawal penalties.

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

***Assets, Liabilities, Deferred Inflows and Outflows of Resources, and Net Position/Fund Balance (Continued)***

***Investments (Continued)***

Wyoming Government Investment Fund (WGIF) is a governmental pool established in 1996 to provide cash-management investments exclusively designed for Wyoming public entities.

***Receivables***

Accounts receivable are expressed net of allowances for doubtful accounts. Allowances for doubtful accounts are based on historical collection trends for the related receivables. Currently there is no allowance for utility receivables. An allowance for doubtful accounts is established for municipal court receivables related to old outstanding court fines. All trade receivables are shown net of an allowance for uncollectible balances.

Long-term portions of receivables in the governmental funds financial statements are reported and then offset by non-spendable fund balance reserve accounts in order to indicate that they are not available as spendable resources.

***Interfund Balances***

Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances," if applicable.

***Property Taxes***

The State of Wyoming has two different types of ad valorem property tax assessment methodologies: non-mineral and mineral. Non-mineral properties are annually valued and assessed on January 1 at fair market value, and mineral properties are valued and assessed on prior year mineral production. Non-mineral property taxes attach as an enforceable lien on assessed property as of January of each year and mineral property taxes attached as an enforceable lien upon the severance of the mineral. Property taxes are levied on or about August 1 and are due in two installments. The first installment becomes due on September 1 and delinquent on November 10; the second becomes due on March 1 and delinquent on May 10. Uinta County bills and collects its own property taxes as well as for all municipalities and political subdivisions within the County, including the City of Evanston, Wyoming.

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

***Assets, Liabilities, Deferred Inflows and Outflows of Resources, and Net Position/Fund Balance (Continued)***

***Property Taxes (Continued)***

The collection of mineral based ad valorem property taxes was significantly modified during the 2021 and 2022 Legislative Sessions. Beginning with mineral production year 2022, mineral ad valorem taxes are collected by the State of Wyoming and remitted to each County for distribution. Previously, each County billed and collected mineral ad valorem taxes. For the mineral production year 2021, mineral producers had the option to defer payment of taxes until December 1, 2023 at which time the taxes are due at eight percent per year until paid. Beginning with 2022, mineral based ad valorem property taxes are due on or before the 25<sup>th</sup> day of the third month following the month of production.

City property tax revenues are recognized when levied to the extent they result in current receivables, which means when collected within the current period or expected to be collected within 60 days of the fiscal year end to be used to pay liabilities of the current period on the fund financial statements. Property taxes which are not current receivables are offset by deferred inflows of resources on the fund financial but are reported on the government-wide financial statements as revenue and receivables, with no amount being deferred when levied. Property taxes receivable are recognized as of the lien date; however, revenue is not recognized until the levy date.

The City is permitted by Wyoming Statutes to levy taxes up to 8 mills of assessed valuation for all purposes, exclusive of state revenue, except for the payment of public debt and interest thereon. The combined tax rate to finance general government services other than the payment of principal and interest on long-term debt for the year ended June 30, 2024 was 8 mills, which means that the City has levied to the maximum amount available.

***Inventories and Prepaid Items***

Inventories are valued at cost using the first-in/first-out (FIFO) method. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

***Capital Assets***

Capital assets, which are acquired or constructed, are reported at historical cost or estimated historical cost (except for intangible right to use lease assets, the measurement of which is discussed below) in the applicable governmental or business-type activities' columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

Capital asset purchases are accounted for as expenditures of the general fund in the governmental funds financial statements. Other costs for repairs and maintenance are accounted for as expenditures as incurred.

## **Notes to the Financial Statements**

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### **Note 1. Summary of Significant Accounting Policies (Continued)**

#### ***Assets, Liabilities, Deferred Inflows and Outflows of Resources, and Net Position/Fund Balance (Continued)***

##### ***Capital Assets (Continued)***

Land and construction in progress are not depreciated. The other tangible and intangible equipment, the right to use leased equipment, and infrastructure of the primary government are depreciated/amortized using the straight-line method over the following estimated useful lives:

	Years
Buildings and systems	20-40
Machinery and equipment	5-20
Infrastructure	20-50
Land improvements	20-30
Right to use lease and subscription assets	5-20

Right to use leased assets are recognized at the lease commencement date and represent the City's right to use an underlying asset for the lease term. Right to use leased assets are measured at the initial value of the lease liability plus any payments made to the lessor before commencement of the lease term, less any lease incentives received from the lessor at or before the commencement of the lease term, plus any initial direct costs necessary to place the lease asset into service. Right to use leased assets are amortized over the shorter of the lease term or useful life of the underlying asset using the straight-line method. The amortization period varies from 3 to 5 years.

Right to use subscription IT assets are recognized at the subscription commencement date and represent the City's right to use the underlying IT asset for the subscription term. Right to use subscription IT assets are measured at the initial value of the subscription liability plus any payments made to the vendor at the commencement of the subscription term, less any subscription incentives received from the vendor at or before the commencement of the subscription term, plus any capitalizable initial implementation costs necessary to place the subscription asset into service. Right to use subscription IT assets are amortized over the shorter of the subscription term or useful life of the underlying asset using the straight-line method. The amortization period varies from 3 to 5 years.

##### ***Unearned Revenue***

Using both the accrual and modified accrual basis of accounting, unearned revenues arise when resources are received by the City before it has a legal claim to them or before eligibility requirements are met. In subsequent periods, when revenue recognition criteria are met, the liability for unearned revenue is removed and the revenue is recognized. Unearned revenue includes cash in lieu of land development and roundup funding. Cash in lieu of land development represents cash provided by developers for new development within the City that has not been used for projects that meet the criteria for recognition as of year-end. Roundup funding represents funding received by the City when residents roundup the total on their water bills, which is to be used for future projects.

## **Notes to the Financial Statements**

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### **Note 1. Summary of Significant Accounting Policies (Continued)**

#### ***Assets, Liabilities, Deferred Inflows and Outflows of Resources, and Net Position/Fund Balance (Continued)***

##### ***Compensated Absences***

It is the City's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. All vacation pay and sick leave is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

##### ***Pensions***

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position of the Wyoming Retirement System ("WRS") plans and additions to/deductions from WRS's fiduciary net position have been determined on the same basis as they are reported by WRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

##### ***Other Post-Employment Benefits (OPEB)***

For the purposes of measuring the City's net OPEB liability, deferred outflows of resources related to OPEB and OPEB expense, are reported on GAAP basis as they are determined by the plan actuary. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms.

##### ***Deferred Outflows and Inflows of Resources***

In addition to assets and liabilities, the financial statements report a separate section for deferred outflows and inflows of resources. A deferred inflow of resources represents an acquisition of net assets that is applicable to a future reporting period and a deferred outflow of resources is a consumption of net assets that is applicable to a future reporting period. 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, and reduction of liabilities or increase in assets until period(s) to which they are related. The City reports the following deferred inflows and outflows of resources as follows:

*Unavailable Revenues and Revenues Applicable to Future Years* – Unavailable revenue is reported in the governmental funds balance sheet. The governmental funds report unavailable revenues from two sources: property taxes, and grants. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. In the government-wide statement of net position the City reports deferred amount related to leases and property tax revenue.

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

***Assets, Liabilities, Deferred Inflows and Outflows of Resources, and Net Position/Fund Balance (Continued)***

***Deferred Outflows and Inflows of Resources (Continued)***

*Pension Plan and OPEB Items* – In the government-wide and proprietary funds statements of net position, a deferred outflow or deferred inflow of resources is reported for the unrecognized items not yet charged to pension or OPEB expense related to the net pension and net OPEB liability. This includes the unamortized portion of the net difference between projected and actual earnings on pension plan or OPEB investments and other differences between expected and actual experience. Deferred outflows for the net difference between projected and actual investment earnings are recognized over a period of five years, while the deferred outflows or deferred inflows 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.

***Long-Term Obligations***

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net position.

In the fund financial statements, the face amount of debt issued is reported as other financing sources.

Lease liabilities represent the City's obligation to make lease payments arising from the lease. Lease liabilities are recognized at the lease commencement date based on the present value of future lease payments expected to be made during the lease term. The present value of lease payments are discounted based on a borrowing rate determined by the City.

Subscription liabilities represent the City's obligation to make subscription payments arising from the subscription contract. Subscription liabilities are recognized at the subscription commencement date based on the present value of future subscription payments expected to be made during the subscription term. The present value of subscription payments are discounted based on a borrowing rate determined by the City.

***Leases***

Lessee: The City is a lessee for a non-cancellable lease of equipment. The City recognized a lease liability and an intangible right to use lease asset ("lease asset") in the government-wide financial statements. The City recognizes the lease liabilities with an initial individual value of \$5,000 or more.

At the commencement of a lease, the City initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

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

***Assets, Liabilities, Deferred Inflows and Outflows of Resources, and Net Position/Fund Balance (Continued)***

***Leases (Continued)***

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

- The City uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the non-cancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the City is reasonably certain to exercise.

The City monitors changes in circumstances that would require a re-measurement of its lease and will re-measure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statements of net position.

***Fund Balance/Net Position***

Governmental fund equity is classified as fund balance. Fund balance is further classified as non-spendable, restricted, committed, assigned or unassigned. Nonspendable fund balances indicate amounts that cannot be spent either a) due to form; for example, inventories and prepaid amounts or b) due to legal or contractual requirements to be maintained intact.

It also includes the long-term amount of advances, loans, and notes receivable as well as property held for resale unless the proceeds from the collection of these items would be considered restricted, committed, or assigned in which case they are included in those categories. Restricted fund balance has limitations imposed by creditors, grantors, contributors, or by enabling legislation constitutional provisions. Committed fund balances indicate amounts constrained for a specific purpose by a government using its highest level of decision making authority. It would require a resolution by the City Council to remove or change the constraints placed on the resources. Assigned fund balances are funds the City Council intends to be used for a certain purpose, but have not set a resolution for it, the current City policy permits the assignment of fund balances.

Unassigned fund balances indicate amounts in the governmental funds that are not classified as non-spendable, restricted, or committed. The general fund is the only fund that would report a positive amount in unassigned fund balance. When both unassigned and committed resources are available for use, it is the City's policy to use committed resources first, then unassigned resources as needed. Negative unassigned fund balance in other governmental funds represents excess expenditures incurred over the amounts restricted or committed to those purposes. When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted fund balances.

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

***Assets, Liabilities, Deferred Inflows and Outflows of Resources, and Net Position/Fund Balance (Continued)***

***Fund Balance/Net Position (Continued)***

In the government-wide and proprietary fund financial statements, net positions are restricted for amounts that are either (1) externally imposed by creditors (such as debt covenants), grantors, contributors, or laws and regulations of the governments or (2) imposed by law through constitutional provision or enabling legislation. Net position investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvements of those assets. When both restricted net position and unrestricted net position are available for use, it is the City's policy to use restricted resources first and then unrestricted net position.

***Interfund Transactions***

Interfund transactions are treated and classified as revenues, expenditures, or expenses (the same as if these same transactions involved external organizations). These include billings from one fund to another for purchased goods or services. In the government-wide statement of activities, transactions, which constitute reimbursements, are eliminated in the reimbursed fund and accounted for as expenditures or expenses in the fund to which the transactions are applicable.

***Use of Estimates***

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. The estimates of fair value of investments, depreciation, compensated absences, pension liabilities, and the other post-employment benefit liabilities are specifically significant to the City.

It is reasonably possible that these estimates will change within one year of the date of the financial statement 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.

***Standards Issued and Implemented***

GASB Statement No. 100, *Accounting Changes and Error Corrections*, prescribes accounting and financial reporting for (1) each category of accounting change and (2) error corrections. Statement No. 100 also addresses how accounting changes and error corrections should be displayed in financial statements, disclosed in notes, and presented in required supplementary information and supplementary information. The requirements of this Statement are effective for fiscal years beginning after June 15, 2023. There was no impact of the implementation of this standard.

## **Notes to the Financial Statements**

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### **Note 2. Stewardship, Compliance, and Accounting**

#### ***Budgets and Budgetary Accounting***

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

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 using the modified accrual basis of accounting. 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 fund level.
8. Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is not employed as an extension of formal budgetary integration.

### **Note 3. Cash and Cash Equivalents**

#### ***Custodial Credit Risk – Deposits***

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository institution, the City will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The City does not have a formal policy on custodial credit risk. Wyoming state statutes require that the City's deposits in excess of the Federal depository insurance amount be collateralized. Deposits held in the City's bank accounts are insured by federal depository insurance or are collateralized with securities held by the pledging institution's trust department or agent, in joint custody of the bank and the City. All deposits were covered by insurance or collateral held in joint custody with the financial institution.

At June 30, 2024, the carrying amount of the City's bank deposits and bank balances were \$13,549,164 and \$13,347,960, respectively. The difference between the carrying amount and the bank balance is the result of transactions in transit and cash equivalent without a bank balance.

**Notes to the Financial Statements****Note 4. Investments**

At June 30, 2024, the City had the following investments:

Investment Type	Total	Interest Rate	Investment Maturities (In Years)				Investment Ratings
			Less Than 1	1-5	6-10	More Than 10	
U.S. Treasury securities	\$ 7,796,958	0.50-4.62%	\$ 1,893,514	\$ 5,903,444	\$ -	\$ -	Aaa/AAA
U.S. Agency obligations	3,123,809	5.05-5.50%	499,720	2,621,366	2,723	-	Not Rated
Negotiable Certificates of deposit	5,110,060	0.86-5.19%	1,216,949	3,893,111	-	-	Not Rated
WYO-STAR I investment pool	20,963,527	5.17%	20,963,527	-	-	-	Not Rated
WGIF investment pool	273,517	5.19%	273,517	-	-	-	Not Rated
Wyoming CLASS investment pool	<u>2,072,018</u>	5.28%	<u>2,072,018</u>	-	-	-	Not Rated
	<u><u>\$ 39,339,889</u></u>		<u><u>\$ 26,919,245</u></u>	<u><u>\$ 12,417,921</u></u>	<u><u>\$ 2,723</u></u>	<u><u>\$ -</u></u>	

**Credit Risk**

Generally, credit risk is the risk that an issuer of investments will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The City has adopted Wyoming State statute 9-4-31 as their investment policy which limits investments to those with highest credit rating from nationally recognized credit rating organizations.

**Custodial Credit Risk**

Custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities held in the possession of an outside party. Custodial credit risk is for those investment securities that are uninsured, are not registered in the name of the government, and are held by either (a) the counterparty or (b) the counterparty's trust department or agent but not in the government's name. The City does not have a formal policy to address custodial credit risk. The City does not have any investments that are not registered in the name of the City. Custodial credit risk does not apply to a local government's indirect investments in securities through the use of government investment pools.

**Notes to the Financial Statements****Note 4. Investments (Continued)*****Concentration of Credit Risk***

The concentration of credit risk is the risk of loss that may be caused by the City's investments in a single issuer. GASB 40 requires disclosure by issuer and amount of investments in any one issuer that represents five percent (5%) or more of total investments for the City. The information presented below is based on concentrations of investments in the City's portfolio. Concentration risk does not arise in connection with U.S. government obligation and obligations explicitly guaranteed by the U.S. government. Likewise, concentration risk does not apply to positions in external investment pools, and similar pooled investments, which are designed, in part, to provide diversification. The City does not have a formal policy for concentration of credit risk. The composition of the investment portfolio of City at June 30, 2024 is as follows:

Deposit and Investment Types	Fair Value	Percent of Portfolio
U.S. Treasury securities	\$ 7,796,958	19.81%
U.S. Agency obligations	3,123,809	7.94%
Certificates of deposit	5,110,060	12.99%
WYO-STAR I investment pool	20,963,527	53.29%
WGIF investment pool	273,517	0.70%
Wyoming CLASS investment pool	2,072,018	5.27%
	<b>\$ 39,339,889</b>	<b>100.00%</b>

***Interest Rate Risk***

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. As a means of limiting its exposure to fair value losses arising from interest rates, the City attempts to match its investment maturities with its expected cash flow needs. The City's investment policy limits the maturities as follows:

- Structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity.
- Investing operating fund primarily in shorter term securities, WYO-STAR, or local bank options, and limiting the duration of the portfolio in accordance with the investment policy.

The City's investments are held in external investment pools with a focus on liquidity and as a means of limiting its exposure to fair value losses arising from interest rates.

WGIF pool seeks to maintain a stable net asset value (NAV) of \$1.00 and is managed to a maximum weighted average maturity to reset (WAM(R)) of 60 days.

Wyoming CLASS pool seeks to maintain a stable net asset value of \$1.00. The funds' weighted average maturity is limited to a maximum of 60 days and a weighted average life of 120 days. In our view, a portfolio's weighted-average maturity is a key measure of a fund's tolerance and sensitivity to rising interest rates.

**Notes to the Financial Statements****Note 4. Investments (Continued)*****Interest Rate Risk (Continued)***

The WYO-STAR I investment portfolio, as stated in its Master Investment Policy, maintains funds in a cash portfolio and the rest in an extended cash portfolio, which may not exceed 35% of the market value of the portfolio at the time of purchase. The cash portfolio seeks to maintain weighted average maturity not to exceed 90 days and all securities must have a maximum maturity of 365 days. The market value of the portfolio must remain within +/-0.5% to 1% of amortized cost. The extended portfolio seeks to maintain maximum average cash flow weighted duration not to exceed three years and individual securities must not exceed a cash flow weighted duration of 5 years. Participants acknowledge there is a risk associated with investing in the pool and there is no guaranteed rate of return.

As of June 30, 2024, the City's investment portfolio included mortgage backed securities that have fair values highly sensitive to interest rate changes. When interest rates fall, mortgages are refinanced and paid off early. The reduced stream of future interest payments diminishes the value of the investment.

***Fair Value Measurements***

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on valuation inputs used to measure the fair value of the assets. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The following is a description of the valuation methodologies used for investments measured at fair value. There have been no changes in the methodologies used at June 30, 2024:

*U.S. Treasury securities* – Valued at the closing price reported in the active market in which the individual securities are traded.

*U.S. Agency obligations* – Valued using matrix pricing models for identical or similar assets in active markets.

The following table sets forth by level, within the fair value hierarchy, the City's investment at fair value as of June 30, 2024:

	Investments at Fair Value as of June 30, 2024			
	Level 1	Level 2	Level 3	Total
U.S. Treasury securities	\$ 7,796,958	\$ -	\$ -	\$ 7,796,958
U.S. Agency obligations	-	3,123,809	-	3,123,809
Negotiable certificates of deposit	5,110,060	-	-	5,110,060
<b>Total investments at fair value</b>	<b>\$ 12,907,018</b>	<b>\$ 3,123,809</b>	<b>\$ -</b>	<b>16,030,827</b>
Other investments reported in the following classifications				
WYO-STAR I investment pool				20,963,527
WGIF investment pool				273,517
Wyoming CLASS investment pool				2,072,018
<b>Total investments at fair value</b>				<b>\$ 39,339,889</b>

**Notes to the Financial Statements****Note 5. Receivables**

As of June 30, 2024, the City's accounts receivable, including any applicable allowances for uncollectible accounts, are as follows:

	General Fund	Other Governmental Funds	Internal Service Fund	Total
Governmental activities				
Customer	\$ 13,621	\$ -	\$ -	\$ 13,621
Franchise fees	50,538	-	-	50,538
Municipal court	355,798	-	-	355,798
Miscellaneous	1,000	5,865	99	6,964
Allowance for uncollectible accounts	(327,596)	-	-	(327,596)
Total	<u>\$ 93,361</u>	<u>\$ 5,865</u>	<u>\$ 99</u>	<u>\$ 99,325</u>
Business-type activities				
Customer	<u>\$ 371,587</u>	<u>\$ 157,360</u>	<u>\$ 172,689</u>	<u>\$ 701,636</u>
Total	<u>\$ 371,587</u>	<u>\$ 157,360</u>	<u>\$ 172,689</u>	<u>\$ 701,636</u>

**Note 6. Interfund Receivables, Payables, Transfers and Capital Transfers**

Individual funds' interfund receivable and payable balances at June 30, 2024 are as follows:

	Due from	Due to
Governmental activities		
General fund	\$ 1,121,626	\$ -
Economic development fund	-	851,683
Business-type activities		
Sewer fund	-	115,329
Golf fund	-	154,614
Total due to/from other funds	<u>\$ 1,121,626</u>	<u>\$ 1,121,626</u>

The outstanding balances between funds results mainly from the time lag between the dates that 1) interfund goods and services are provided or reimbursable expenditures occur, 2) transactions are recorded in the accounting system, and 3) payments between funds are made.

Transfers are used to 1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, 2) move restricted amounts from borrowings to the debt service fund to establish mandatory reserve accounts, 3) move unrestricted general fund revenues to finance various programs that the government must account for in other funds in accordance with budgetary authorizations, including amounts provided as subsidies or matching funds for various grant programs.

**Notes to the Financial Statements****Note 6. Interfund Receivables, Payables, Transfers and Capital Transfers (Continued)**

Interfund transfers during the year ended June 30, 2024 were as follows:

	Transfers In	Transfers Out
Governmental Activities:		
Other capital asset transfers reported in governmental activities	\$ -	\$ 35,000
Total governmental activities	-	35,000
Business-type Activities:		
Water fund	-	10,000
Environmental services fund	45,000	-
Total business-type activities	45,000	10,000
Total primary government	<u><u>\$ 45,000</u></u>	<u><u>\$ 45,000</u></u>

**Note 7. Notes Receivable**

The City has entered into two separate agreements with local businesses as follows:

The City entered into an agreement to fund the purchase of a fiber optic conduit for \$107,445, with no interest, payable in an initial payment of \$20,000 and annual payments to the City of \$8,745 for 10 years commencing in October 2017 and maturing in October 2026, collateralized by part ownership of the fiber optic conduit.

The City has entered into an agreement to sell a section of land owned by the City for \$327,260, with 15.2% interest, payable in payments of \$100,000 for 4 years commencing in May 2024 and maturing in May 2027. The portion of accrued interest is paid off first before payments begin to be applied to the principal portion of the note.

This notes receivable consists of the following at June 30, 2024:

	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion
Governmental Activities					
Notes receivable	\$ 34,979	\$ 327,560	\$ 108,746	\$ 253,793	\$ 74,151
Total notes receivable	<u><u>\$ 34,979</u></u>	<u><u>\$ 327,560</u></u>	<u><u>\$ 108,746</u></u>	<u><u>\$ 253,793</u></u>	<u><u>\$ 74,151</u></u>

**Notes to the Financial Statements****Note 8. Capital Assets**

Capital asset activity for the year ended June 30, 2024 was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental activities				
Capital assets, not being depreciated/ amortized				
Land	\$ 9,423,797	\$ -	\$ 71,515	\$ 9,352,282
Construction in progress	1,551,829	3,408,689	140,318	4,820,200
Total capital assets, not being depreciated/amortized	<u>10,975,626</u>	<u>3,408,689</u>	<u>211,833</u>	<u>14,172,482</u>
Capital assets, being depreciated/ amortized				
Buildings and systems	41,525,979	358,529	36,122	41,848,386
Machinery and equipment	5,951,157	120,227	233,337	5,838,047
Infrastructure	18,274,698	-	-	18,274,698
Land improvements	2,110,656	-	-	2,110,656
Right of use leased assets	31,091	-	-	31,091
Right of use subscription IT assets	-	69,869	-	69,869
Total capital assets, being depreciated/amortized	<u>67,893,581</u>	<u>548,625</u>	<u>269,459</u>	<u>68,172,747</u>
Less accumulated depreciation/ amortization for				
Buildings and systems	25,738,772	1,143,929	36,122	26,846,579
Machinery and equipment	4,837,816	256,522	233,337	4,861,001
Infrastructure	17,655,475	45,742	-	17,701,217
Land improvements	535,790	57,281	2,289	590,782
Right of use asset - machinery and equipment	17,854	6,218	-	24,072
Right of use asset - SBITA	-	17,467	-	17,467
Total accumulated depreciation/ amortization	<u>48,785,707</u>	<u>1,527,159</u>	<u>271,748</u>	<u>50,041,118</u>
Total capital assets, being depreciated/amortized, net	<u>19,107,874</u>	<u>(978,534)</u>	<u>(2,289)</u>	<u>18,131,629</u>
Governmental activities capital assets, net	<u><u>\$ 30,083,500</u></u>	<u><u>\$ 2,430,155</u></u>	<u><u>\$ 209,544</u></u>	<u><u>\$ 32,304,111</u></u>

**Notes to the Financial Statements****Note 8. Capital Assets (Continued)**

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

	Beginning Balance	Additions	Deletions	Transfers In (Out)	Ending Balance
<b>Business-type activities</b>					
Capital assets, not being depreciated/amortized					
Land	\$ 733,694	\$ -	\$ -	\$ -	\$ 733,694
Construction in progress	1,080,837	1,775,459	2,024,213	-	832,083
Total capital assets, not being depreciated/amortized	1,814,531	1,775,459	2,024,213	-	1,565,777
Capital assets, being depreciated/amortized					
Buildings and systems	67,047,068	2,048,284	-	-	69,095,352
Machinery and equipment	3,998,637	427,553	19,378	237,429	4,644,241
Land improvements	3,992,905	-	-	-	3,992,905
Right of use leased assets	454,397	256,431	216,968	(237,429)	256,431
Total capital assets, being depreciated/amortized	75,493,007	2,732,268	236,346	-	77,988,929
Less accumulated depreciation/amortization for					
Buildings and systems	45,722,907	1,244,675	-	-	46,967,582
Machinery and equipment	2,933,837	325,876	19,378	237,429	3,477,764
Land improvements	2,561,220	133,872	-	-	2,695,092
Right of use asset	407,302	96,245	216,968	(237,429)	49,150
Total accumulated depreciation/amortization	51,625,266	1,800,668	236,346	-	53,189,588
Total capital assets, being depreciated/amortized, net	23,867,741	931,600	-	-	24,799,341
Business-type activities capital assets, net	\$ 25,682,272	\$ 2,707,059	\$ 2,024,213	\$ -	\$ 26,365,118

**Notes to the Financial Statements****Note 8. Capital Assets (Continued)**

Depreciation and amortization expense was charged to functions/programs of the primary government, as follows:

Governmental activities			
General government		\$ 35,403	
Public safety and transportation		83,586	
Public works, including depreciation of general infrastructure assets		1,300,656	
Health, welfare and recreation		61,577	
Capital assets held by the City's internal service fund are charged to the activities of the various functions based on their usage of the assets		1,384	
Capital assets held in the permanent fund		44,553	
			<hr/>
Total depreciation and amortization expense for governmental activities		\$ 1,527,159	<hr/>
Business-type activities			
Water fund		\$ 1,170,754	
Sewer fund		163,204	
Golf fund		307,580	
Environmental service fund		159,130	
			<hr/>
Total depreciation and amortization expense for business-type activities		\$ 1,800,668	<hr/>

**Note 9. Leases*****Lease Payable***

On August 17, 2020, the City entered into a lease agreement for the use of equipment in the governmental activities. An initial lease liability was recorded in the amount of \$31,091 at the start of the lease. As of June 30, 2024, the value of the lease liability was \$8,485. The City is required to make monthly principal and interest payments of \$584. The lease has an interest rate of 4.8%. The equipment has a 5 year useful life. The net book value of the right to use asset as of the end of the current fiscal year was \$7,019 and had accumulated amortization of \$24,072.

The future principal and interest lease payments as of June 30, 2024 were as follows:

Year ending June 30,	Principal	Interest	Total
2025	\$ 6,747	\$ 260	\$ 7,007
2026	1,738	14	1,752
	<hr/>	<hr/>	<hr/>
	\$ 8,485	\$ 274	\$ 8,759

**Notes to the Financial Statements****Note 9. Leases (Continued)*****Lease Payable (Continued)***

On May 23, 2023, the City entered into a lease agreement for the use of equipment in the business-type activities. An initial lease liability was recorded in the amount of \$256,530 at the start of the lease. As of June 30, 2024, the value of the lease liability was \$214,546. The City is required to make monthly principal and interest payments of \$4,900. The lease has an interest rate of 5.52%. The equipment has a 5 year useful life. The net book value of the right to use asset as of the end of the current fiscal year was \$207,281 and had accumulated amortization of \$49,149.

The future principal and interest lease payments as of June 30, 2024 were as follows:

Year ending June 30,	Principal	Interest	Total
2025	\$ 48,170	\$ 10,636	\$ 58,806
2026	50,897	7,909	58,806
2027	53,778	5,028	58,806
2028	56,823	1,983	58,806
2029	4,879	22	4,901
	<u>\$ 214,547</u>	<u>\$ 25,578</u>	<u>\$ 240,125</u>

**Note 10. Subscription-Based Information Technology Arrangements (SBITAs)**

During the current year, the City entered into a SBITA contract for the use of IT software. As of June 30, 2024, the value of the subscription liability was \$48,658. The City is required to make annual principal and interest payments of \$27,848 through October 2025. The subscription liability was valued using a discount rate of 9.5%. The total amount of right to use subscription assets and the related accumulated amortization on right to use subscription assets were \$69,870 and \$17,467, respectively.

Remaining principal and interest payments on subscriptions are as follows:

Year ending June 30,	Principal	Interest	Total
2025	\$ 23,226	\$ 4,622	\$ 27,848
2026	25,432	2,416	27,848
	<u>\$ 48,658</u>	<u>\$ 7,038</u>	<u>\$ 55,696</u>

**Notes to the Financial Statements****Note 11. Long-Term Debt**

The changes in long-term debt for the year ended June 30, 2024 were as follows:

	Balance June 30, 2023	Additions	Reductions	Balance June 30, 2024	Due Within One Year
Governmental activities					
Compensated absences	\$ 812,638	\$ -	\$ 8,223	\$ 804,415	\$ 33,460
Lease	14,916	-	6,431	8,485	6,747
Lease - subscription IT	-	69,869	21,211	48,658	23,226
Retainage payable	-	115,113	-	115,113	115,113
Net pension liability	5,731,671	-	2,470,946	3,260,725	-
Other post-employment benefits liability	754,114	67,391	-	821,505	-
Governmental activities long-term liabilities	<u>\$ 7,313,339</u>	<u>\$ 252,373</u>	<u>\$ 2,506,811</u>	<u>\$ 5,058,901</u>	<u>\$ 178,546</u>

Long-term debt related to governmental activities including pension and OPEB obligations is generally liquidated by the general fund.

The changes in long-term debt for the business-type activities for the year ended June 30, 2024 were as follows:

	Balance June 30, 2023	Additions	Reductions	Balance June 30, 2024	Due Within One Year
Business-type activities					
Compensated absences	\$ 382,599	\$ -	\$ 48,777	\$ 333,822	\$ 53,786
Lease	129,173	256,431	171,057	214,547	48,170
Retainage payable	25,581	-	25,581	-	-
Net pension liability	2,312,252	-	332,653	1,979,599	-
Other post-employment benefits liability	396,800	31,713	-	428,513	-
Business-type activities long-term liabilities	<u>\$ 3,246,405</u>	<u>\$ 288,144</u>	<u>\$ 578,068</u>	<u>\$ 2,956,481</u>	<u>\$ 101,956</u>

Long-term debt related to business-type activities including pension and OPEB obligations is generally liquidated by the respective enterprise fund.

**Notes to the Financial Statements****Note 12. Fund Balances**

The following table outlines the specific purpose details for governmental fund balances of the City:

Nonspendable			
General		\$ 41,050	
Economic development		179,642	
Cemetery		100,000	
Restricted for			
Lodging tax		1,111,868	
Economic development		596,508	
Cemetery		26,202	
Assigned to			
City Hall		938,313	
Police and Fire Buildings		1,461,941	
Public Works Buildings		1,000,000	
Recreation Center		1,793,805	
Unassigned		29,481,000	
		\$ 36,730,329	

The lodging tax fund is used to account for the special 3% lodging tax that is restricted for the purpose of promoting tourism within the City. The economic development fund is used to account for the lease with Clean Energy that is restricted for the purpose of economic development of the City. The cemetery permanent fund is used to account for the assets held by the City for the ongoing maintenance of the public cemetery.

**Note 13. Commitments and Contingencies**

The City has several outstanding construction projects as of June 30, 2024. At year end, the City's commitments with contractors are as follows:

Project Name	Original Contract Amount	Expended To Date	Remaining Commitment
Governmental activities			
General Fund			
Wash House/Restroom	\$ 87,000	\$ 57,649	\$ 29,351
City View Street	3,725,000	2,181,279	1,543,721
Economic Development Fund			
Roundhouse Courtyard TAP Grant	496,557	73,574	422,983
Shades - Roundhouse Occupant	4,580,676	2,507,698	2,072,978
Total governmental activities	8,889,233	4,820,200	4,069,033
Business-type activities			
Water Fund			
Twin Ridge Water Transmission Line	259,920	156,568	103,352
Water Plant Intake and Storage	226,725	126,515	100,210
Environmental Services Fund			
NRCS Watershed Project Initial Study	610,000	549,000	61,000
Total business-type activities	1,096,645	832,083	264,562
Total primary government	\$ 9,985,878	\$ 5,652,283	\$ 4,333,595

## **Notes to the Financial Statements**

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### **Note 14. Risk Management**

The City is exposed to various risks of loss related to torts, theft, damage to assets, errors and omissions, injuries to employees and natural disasters. During the year ended June 30, 2024, the City contracted with various insurance companies for property insurance (including boiler and machinery), general liability insurance, professional insurance and vehicle insurance. Settlements have not exceeded coverage in any of the past several fiscal years. The government has had no significant reductions in insurance coverage from coverage in the prior years.

The City also participates in two other risk management programs: Workers' Compensation Act and Unemployment Compensation Act.

Wyoming Statute 27-14-101 created the Wyoming Workers' Compensation Act, which is administered as an enterprise fund by the State of Wyoming. All employers within the State of Wyoming are participants of this plan unless the employer elects not to be covered under the plan. This Act requires the City to obtain liability coverage for payment of benefits to employees for job-related injuries and diseases through the Workers' Compensation Fund. This Act provides general protection from suits filed by employees against the City. The City makes monthly payments to the Department of Employment, State of Wyoming. This amount is based on salaries and a split rate between hazardous and non-hazardous positions. Amounts paid by the City to the State for Workers' Compensation during fiscal year 2024 and 2023 were \$104,140 and \$87,508, respectively.

Wyoming Statute 27-3-101 created the Unemployment Compensation Act. This Act requires the City to pay the cost of actual claims incurred. The City incurred and paid no claims during the prior three fiscal years.

### **Note 15. Wyoming Educator Benefit Trust**

The City participates in health care coverage through the Wyoming Educator Benefit Trust (WEBT). WEBT sets health care premium rates each year based on projected medical costs. In the year ended June 30, 2024, the City paid \$2,420,340 in premiums to Blue Cross Blue Shield, WEBT's third party administrator. If the City were to withdraw from coverage through WEBT, the City would not be responsible for any specific liabilities nor is it entitled to any of the reserves. As a participating employer, if the trust is dissolved the City may be entitled to a residual portion of the plan reserves.

### **Note 16. Pension Plans**

#### ***Pension Plan Fiduciary Net Position***

The Wyoming Retirement System issues a publicly available financial report which includes audited financial statements and required supplementary information for each plan. Detailed information about the pension plans' fiduciary net position is available in separately issued Wyoming Retirement System financial report. The report may be obtained from the Wyoming Retirement System website at <http://retirement.state.wy.us>.

## **Notes to the Financial Statements**

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### **Note 16. Pension Plans (Continued)**

#### ***Pension Plan Fiduciary Net Position (Continued)***

All eligible City employees are covered under one of the two following retirement plans:

#### ***Public Employees' Pension Plan (PEPP)***

The City participates in the Public Employees' Pension Plan ("PEPP"), a cost sharing multiple employer defined benefit, contributory retirement plan covering substantially all employees of the State and of the Public School Systems of Wyoming. The Plan also covers employees of those political subdivisions and other statutorily allowed entities, which have elected to participate in the Plan. Substantially all City full-time employees are eligible to participate.

PEPP members are required to contribute 9.25% of their annual covered salary and the employer is statutorily required to contribute 9.37% of the annual covered payroll for a total of 18.62%. Legislation enacted in 1979 allows the employer to subsidize all or part of the employee contribution. The City has elected to contribute an additional 4.07% on behalf of eligible employees. Although paid by the City, for purposes of recording the net pension liability these additional contributions are considered to be employee contributions. The City currently pays 13.44% of covered payroll and the employees contribute the remaining portion, 5.18% of covered payroll. The City's contributions to the PEPP plan for the year ended June 30, 2024, was \$473,740, while the employees' portion was \$182,588.

For the year ended June 30, 2024, the City's statutorily required contributions to the PEPP pension plan was \$330,278. As of July 1, 2024, the statutorily required employer contribution rate will not increase for the employer or the employee.

The amount of contributions designated as employee contributions represent the portion of total contributions that a participant retains ownership of and can elect to receive as a refund upon termination of employment. Employers may elect to cover all or a portion of the employee's contribution at their discretion. Through legislation passed during the 2014 legislative session, two tiers of benefits were established for participants of this plan.

- For 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.
- For 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 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 when the sum of the member's age and service is at least 85.

**Note 16. Pension Plans (Continued)**

***Public Employees' Pension Plan (PEPP) (Continued)***

Benefits are established by Title 9, Chapter 3 of the Wyoming Statutes. The PEPP 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. The State Legislature must grant any cost of living adjustment provided to retirees. In addition, a cost of living adjustment 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 and 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).

***Law Enforcement Pension Plan***

The City participates in the Wyoming Law Enforcement Pension Plan ("LEPP"), a cost sharing multiple employer defined benefit, contributory plan covering any county sheriff, deputy county sheriff, municipal police officer, Wyoming correctional officer, Wyoming law enforcement academy instructor, University of Wyoming campus police officer, detention officer or dispatcher for law enforcement agencies and certain investigators of the Wyoming Livestock Board, Wyoming Gaming Commission and Wyoming Board of Outfitters. On July 1, 2023, full-time state park rangers were added as members of the Law Enforcement Pension Plan.

LEPP members are statutorily required to contribute 8.60% of their annual covered salary and the employer is statutorily required to contribute 8.60% of the annual covered payroll for a total of 17.2%. Legislation enacted in 1979 allows the employer to subsidize all or part of the employee contribution. The City has elected to contribute an additional 4.84% on behalf of eligible employees. Although paid by the City, for purposes of recording the net pension liability these additional contributions are considered to be employee contributions. The City currently pays 13.44% of covered payroll and the police officers contribute the remaining portion, 3.76% of covered payroll. The City's contributions to the LEPP plan for the year ended June 30, 2024, was \$244,123, while the employees' portion was \$68,296.

For the year ended June 30, 2024, the City's statutorily required contributions to the LEPP pension plan was \$156,210. As of July 1, 2024, there will be no increase in employer or employee statutorily required contribution rates.

The LEPP statutorily provides retirement, disability and death benefits according to predetermined amounts determined by salary, age and years of service of the participant. The State Legislature must grant any cost of living adjustment provided to retirees. In addition, a cost of living adjustment 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 and accumulated interest.

**Notes to the Financial Statements****Note 16. Pension Plans (Continued)*****Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions***

At June 30, 2024, the City reported a total liability of \$5,240,324 for its proportionate share of the net pension liability. The net pension liability (asset) 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 (asset) 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 (asset) as of December 31, 2023 is based on the results of an actuarial valuation as of January 1, 2023, rolled forward to a measurement date of December 31, 2023.

The schedule below shows the City's proportionate share of the net pension liability as of June 30, 2024, the proportionate portion at the measurement date of December 31, 2023, and the change in the proportion from the previous measurement date.

	Pension liability at June 30, 2024	Proportion at December 31, 2023	Increase (decrease) from December 31, 2022
Public Employees' Pension Plan	\$ 3,909,755	0.172222159%	0.008440673%
Law Enforcement Pension Plan	1,330,569	0.984993563%	-0.062424754%
	<b>\$ 5,240,324</b>		

For the year ended June 30, 2024, the City recognized pension expense of \$250,737.

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

	Deferred Outflows of Resources		Total Outflows
	PEPP	LEPP	
Net difference between projected and actual earnings on pension plan investments	\$ -	\$ -	\$ -
Changes in assumptions	37,761	797,615	835,376
Difference between actual and expected experience rate	75,507	117,459	192,966
Change in employer's proportion	173,309	1,245	174,554
Amortizing deferred outflows	286,577	916,319	1,202,896
Contributions subsequent to the measurement date	162,951	79,172	242,123
<b>Total</b>	<b>\$ 449,528</b>	<b>\$ 995,491</b>	<b>\$ 1,445,019</b>

**Notes to the Financial Statements****Note 16. Pension Plans (Continued)*****Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)***

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

	Deferred Inflows of Resources		Total (Inflows)
	PEPP	LEPP	
Net difference between projected and actual earnings on pension plan investments	\$ (161,077)	\$ (60,139)	\$ (221,216)
Changes in assumptions	-	(1,598,020)	(1,598,020)
Difference between actual and expected experience rate	(16,243)	(73,867)	(90,110)
Change in employer's proportion	-	(111,222)	(111,222)
<b>Total</b>	<b>\$ (177,320)</b>	<b>\$ (1,843,248)</b>	<b>\$ (2,020,568)</b>

The City reported \$242,123 as deferred outflows of resources related to contributions subsequent to the measurement date, which will be recognized as a reduction of the net pension liability in the year ended June 30, 2025. Other amounts reported as deferred outflows and inflows related to pension will be recognized in pension expense as follows:

	Deferred Outflows/(Inflows)		
	PEPP	LEPP	Total
<b>Year ended June 30:</b>			
2025	\$ (8,156)	\$ (33,966)	\$ (42,122)
2026	31,455	(560,512)	(529,057)
2027	277,376	(226,483)	50,893
2028	(191,418)	(105,968)	(297,386)
	<b>\$ 109,257</b>	<b>\$ (926,929)</b>	<b>\$ (817,672)</b>

**Notes to the Financial Statements****Note 16. Pension Plans (Continued)*****Actuarial Assumptions***

The total pension liability at the December 31, 2023 measurement date was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Assumptions and Methods	
Valuation date	January 1, 2023
Actuarial cost method	Entry Age Normal
Amortization method	Level Percentage of Payroll, Closed
Remaining amortization period	
PEPP	24 years
LEPP	22 years
Asset valuation method	5 year smoothed market
Inflation	2.25%
Salary increases	
PEPP	2.5% to 6.5%, including inflation
LEPP	5.25% to 9.25%, including inflation
Payroll growth rate	2.50%
Cost of living increase	0.00%
Investment rate of return	6.80%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2022 valuation pursuant to an experience study of the period 2016-2020.
Post-Retirement Mortality	
PEPP	Pub-2010 General Healthy Annuitant Mortality Table, amount weighted, fully generational, projected with MP-2020 Ultimate Scale
LEPP	Pub-2010 Safety Healthy Annuitant Mortality Table, amount weighted, fully generational, projected with the MP-2020 Ultimate Scale
PEPP, LEPP	Males: No set back with a multiplier of 100% Females: No set back with a multiplier of 103% Females: No set back with a multiplier of 100%
Pre-Retirement Mortality	
PEPP	Pub-2010 General Employee Mortality Table, amount weighted, fully generational, projected with MP-2020 Ultimate Scale
LEPP	Pub-2010 Safety Employee Mortality Table, amount weighted, fully generational, projected with MP-2020 Ultimate Scale
PEPP, LEPP	Males: No set back with a multiplier of 100% Females: No set back with a multiplier of 100%

The plan's trustees adopted the assumed rate of investment return after considering input from the plan's investment consultant(s) and actuary(s). Additional information about the assumed rate of investment return is included in the WRS actuarial valuation report as of January 1, 2023. In addition, a five-year experience study was completed as of December 31, 2020 and this study provides a detailed analysis regarding recommendations on the long-term rates for inflation and the real rate of return. The assumed rate of investment return of 6.80% (real return net of inflation of 4.55%) falls within a reasonable range of the long-term expected rate of return.

**Notes to the Financial Statements****Note 16. Pension Plans (Continued)*****Actuarial Assumptions (Continued)***

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. Each major asset class is included in the pension plans target asset allocation for the fiscal year 2023. These best estimates are summarized in the following table:

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

***Discount Rate***

The discount rate used to measure the Public Employees Plan and the Law Enforcement Plan total pension liability was 6.80%. 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) 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%, the municipal bond rate is 3.77% (based on the daily rate closest to but not later than the measurement date of the Fidelity "20-Year Municipal GO AA Index"); and the resulting single discount rates listed above.

**Notes to the Financial Statements****Note 16. Pension Plans (Continued)*****Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate***

The following table represents the City's proportionate share of the net unfunded pension liability (asset) for each plan calculated using the discount rate as previously discussed as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the rate used:

Pension Plan	Current Single Discount		
	1% Decrease	Rate Assumption	1% Increase
Public Employees' Pension Plan	5.80%	6.80%	7.80%
	\$ 6,208,819	\$ 3,909,755	\$ 2,004,526
Law Enforcement Pension Plan	5.80%	6.80%	7.80%
	2,685,018	1,330,569	222,984

***Payables to the Pension Plan***

At June 30, 2024, the City reported \$38,690 in payables to the pension plan.

**Note 17. Other Post-Employment Benefits (OPEB)*****Plan Description***

*Plan administration.* The City sponsors healthcare coverage for all full-time employees, retiree groups, the Mayor and City Council Members through Wyoming Educators' Benefit Trust. Eligible participants are offered medical/Rx insurance through Blue Cross Blue Shield. Dental and vision insurance are provided to active employees but not retirees.

*Benefits provided.* Full-time employees of the City, the Mayor and City Council Members are eligible to retire with City-paid health benefits when the later of age 55 and 20 years of continuous service with the City. The employee and dependents must be enrolled in the City's group health insurance plan.

Eligible retirees who elect to participate are required to contribute 80% of the total premium for this benefit, which is to be paid directly to the City. Premiums and specifics of this plan are subject to change. Benefits continue until age 65 or when the retiree fails to make required premium payments if earlier.

*Plan membership.* On June 30, 2024, the most recent valuation date, membership consisted of the following:

Inactive plan members or beneficiaries currently receiving benefit payments	0
Active plan members	93
	<u>93</u>

*Contributions.* The contribution requirements of plan members are established by, and may be amended by, the City Council. The required contribution is based on projected pay-as-you-go financing requirements, with an additional amount to pre-fund benefits as determined annually by the City. No assets are accumulated in a trust that meets the criteria in Paragraph 4 of GASB Statement No. 75.

**Notes to the Financial Statements****Note 17. Other Post-Employment Benefits (OPEB) (Continued)*****Funding Policy***

For fiscal year 2024, there were no members receiving benefits. As a result, the City did not contribute to the plan. Members that receive benefits would contribute approximately 80 percent of the total premiums, through their required annual contribution rates as follows:

Coverage	Employee Group Health Insurance Plan				
	City Portion	Employee Portion	Retiree City Portion	Retiree Employee Portion	
Employee Only	\$ 1,122	\$ 100	\$ 244	\$ 978	
Employee and Spouse	2,058	184	448	1,794	
Employee and Children	1,800	161	392	1,569	
Employee and Family	2,805	250	611	2,444	

The above rates include only the medical plan offered by the City. Dental and vision insurance are provided to active employees but not retirees. These financial statements assume that pay-as-you-go funding will continue.

***Total OPEB Liability***

The City's total other post-employment benefit (OPEB) Liability was measured as of June 30, 2024 and was determined by an actuarial valuation as of June 30, 2024. Standard actuarial update procedures were used to project/discount from valuation to measurement dates.

**Notes to the Financial Statements****Note 17. Other Post-Employment Benefits (OPEB) (Continued)*****Total OPEB Liability (Continued)***

*Actuarial assumptions.* The total OPEB liability was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Actuarial Assumptions and Other Inputs	
Actuarial cost method	Entry Age, Level Percent of Pay
Valuation of fiduciary net position	No assets held in an irrevocable trust as of the measurement date
Recognition of deferred inflows and outflows of resources	Closed period equal to the average of the expected remaining service lives of all employees provided with OPEB
Salary increases	3.00 percent
Inflation rate	2.50 percent
Healthcare cost trend rate	7.50 percent for 2024 decreasing to 5.40 percent for 2029; 5.25 percent for 2030-2034; 4.60 percent for 2035-2049; 4.50 percent for 2050-2064; 4.25 percent for 2065-2074; 4.00 percent for 2070 and later years; Medicare ages: 4.50 percent for all years
Preretirement Mortality	Pub-2010 General Active Mortality Table, headcount weighted, fully generational, projected with the MP-2020 Ultimate Scale
Postretirement Mortality	Pub-2010 General Healthy Annuitant Mortality Table, amount weighted, fully generational, projected with the MP-2020 Ultimate Scale

Actuarial assumptions used in the June 30, 2024 valuation were based on a review of plan experience during the period June 30, 2022 to June 30, 2024.

*Discount rate.* For OPEB Plans that are not administered through trusts that meet the criteria in Paragraph 4, GASB 75 requires a discount rate that is a yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The discount rate used to measure the City's Total OPEB liability is based on the following information:

Reporting Date	Measurement Date	Fidelity GO AA 20 Years Municipal Index	Discount Rate
June 30, 2023	June 30, 2023	3.86%	3.86%
June 30, 2024	June 30, 2024	3.97%	3.97%

**Notes to the Financial Statements****Note 17. Other Post-Employment Benefits (OPEB) (Continued)*****Schedule of Changes in the Total OPEB Liability (June 30, 2023 to June 30, 2024)***

	Total OPEB Liability
Balance at June 30, 2023	\$ 1,150,914
Changes for the year	
Service cost	72,564
Interest	47,226
Difference between expected and actual experience	(47,333)
Changes in assumptions or other inputs	26,647
Benefit payments	-
Net changes in total OPEB liability	99,104
Total OPEB obligation - end of year	<u><u>\$ 1,250,018</u></u>

***Sensitivity of the Total OPEB Liability to Changes in the Discount Rate***

The following presents the Total OPEB liability, as well as what the Total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate:

	1% Decrease (2.97%)	Discount Rate (3.97%)	1% Increase (4.97%)
Total OPEB Liability	\$ 1,386,360	\$ 1,250,019	\$ 1,128,174

***Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates***

The following presents the Total OPEB liability, as well as what the Total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	1% Decrease	Trend Rate	1% Increase
Total OPEB Liability	\$ 1,103,228	\$ 1,250,019	\$ 1,423,779

***Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB***

On June 30, 2024, the City's deferred outflows of resources and deferred inflows of resources to OPEB from the following sources are:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 111,349	\$ (41,698)
Changes in assumptions or other inputs	93,575	(124,076)
Total	<u><u>\$ 204,924</u></u>	<u><u>\$ (165,774)</u></u>

**Notes to the Financial Statements****Note 17. Other Post-Employment Benefits (OPEB) (Continued)*****Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)***

Amounts reported as deferred outflows and deferred inflows of resources will be recognized in OPEB expense as follows:

Year ended June 30,	Deferred Outflows	Deferred Inflows
	of Resources	of Resources
2025	\$ 43,948	\$ (26,996)
2026	43,948	(26,996)
2027	43,948	(26,996)
2028	34,019	(26,996)
2029	21,038	(26,996)
2030-2032	18,023	(30,794)
	<b>\$ 204,924</b>	<b>\$ (165,774)</b>

For the year ended June 30, 2024, the City recognized pension expense of \$136,742.

**Note 18. Accounting Standards Issued, But Not Implemented**

As of June 30, 2024, the Governmental Accounting Standards Board has issued the following standards, which the City may implement in its next fiscal year.

Governmental Accounting Standards Board Statement No. 101, *Compensated Absences*, aligns recognition and measurement guidance for all types of compensated absences under a unified model, which will result in governments recognizing a liability that more appropriately reflects when they incur an obligation for compensated absences. The model also will lead to greater consistency in application and improved comparability across governments. The requirements of the Statement are effective for reporting periods beginning after December 15, 2023.

GASB Statement No. 102, *Certain Risk Disclosures*, requires governments to disclose essential information about risks related to vulnerabilities due to certain concentrations or constraints. A concentration, as defined by Statement 102, is a lack of diversity related to an aspect of a significant inflow or outflow of resources, for example, a small number of companies that represent a majority of employment in a government's jurisdiction, or a government that relies on one revenue source for most of its revenue. A constraint is a limitation imposed on a government by an external party or by formal action of the government's highest level of decision-making authority, such as a voter-approved property tax cap or a state-imposed debt limit. The requirements of the Statement are effective for reporting periods beginning after June 15, 2024.

GASB Statement No. 103, *Financial Reporting Model Improvements*, improves key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This Statement also addresses certain application issues. Key provisions of this Statement include (1) recognition and measurement of revenues and expenditures; (2) presentation enhancements; and (3) note disclosures. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025.

**Note 18. Accounting Standards Issued, But Not Implemented (Continued)**

GASB Statement No. 104, *Disclosure of Certain Capital Assets*, requires governments to separately disclose certain types of capital assets, including lease assets, intangible right-to-use assets, and subscription assets, to enhance transparency in financial statements. It also provides guidelines for capital assets held for sale, requiring disclosure of their cost and accumulated depreciation. These requirements are effective for fiscal years beginning after June 15, 2025, with early adoption encouraged.

Management has not completed its assessment of the effects of implementing these standards.



**REQUIRED  
SUPPLEMENTARY  
INFORMATION**

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City of Evanston, Wyoming

Year Ended June 30, 2024

**Schedule of Revenues, Expenditures and Changes in Fund Balance -  
Budget and Actual General Fund (Unaudited)**

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Property taxes and other taxes				
Property taxes	\$ 692,000	\$ 692,000	\$ 1,014,439	\$ 322,439
Sales and use taxes	5,900,000	5,900,000	8,696,145	2,796,145
Franchise fees	172,300	172,300	199,347	27,047
	<u>6,764,300</u>	<u>6,764,300</u>	<u>9,909,931</u>	<u>3,145,631</u>
Licenses and permits				
Licenses and permits	<u>181,600</u>	<u>181,600</u>	<u>227,576</u>	<u>45,976</u>
Fines and forfeitures				
Fines and forfeitures	<u>165,775</u>	<u>165,775</u>	<u>151,973</u>	<u>(13,802)</u>
Intergovernmental revenues				
State gasoline tax	575,400	575,400	556,392	(19,008)
Severance tax	450,000	450,000	425,084	(24,916)
Cigarette tax	80,000	80,000	63,301	(16,699)
State funding	1,852,307	1,852,307	1,953,806	101,499
Grants	3,703,423	3,703,423	1,341,989	(2,361,434)
Mineral royalties	600,000	600,000	605,732	5,732
Pari-mutuel/lottery tax	1,065,000	1,065,000	1,353,970	288,970
	<u>8,326,130</u>	<u>8,326,130</u>	<u>6,300,274</u>	<u>(2,025,856)</u>
Charges for services				
Public safety fees	<u>98,000</u>	<u>98,000</u>	<u>79,516</u>	<u>(18,484)</u>
	<u>98,000</u>	<u>98,000</u>	<u>79,516</u>	<u>(18,484)</u>
Investment income and miscellaneous				
Interest income	403,500	403,500	1,677,938	1,274,438
Miscellaneous revenues	103,700	103,700	128,355	24,655
	<u>507,200</u>	<u>507,200</u>	<u>1,806,293</u>	<u>1,299,093</u>
Total revenues	<u>16,043,005</u>	<u>16,043,005</u>	<u>18,475,563</u>	<u>2,432,558</u>

(Continued)

City of Evanston, Wyoming

Year Ended June 30, 2024

**Schedule of Revenues, Expenditures and Changes in Fund Balance -**

**Budget and Actual General Fund (Unaudited) (Continued)**

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)		
	Original	Final				
<b>Expenditures</b>						
Current						
General government	\$ 5,313,437	\$ 5,313,437	\$ 4,493,376	\$ 820,061		
Public safety and transportation	4,515,987	4,515,987	3,834,890	681,097		
Public works	1,847,890	1,847,890	1,974,329	(126,439)		
Health, welfare and recreation	3,357,857	3,357,857	3,401,680	(43,823)		
Capital outlay	6,541,720	6,541,720	2,164,122	4,377,598		
Debt service						
Principal	6,250	6,250	6,391	(141)		
Interest	1,350	1,350	616	734		
<b>Total expenditures</b>	<b>21,584,491</b>	<b>21,584,491</b>	<b>15,875,404</b>	<b>5,709,087</b>		
Excess (deficiency) of revenues over expenditures	(5,541,486)	(5,541,486)	2,600,159	8,141,645		
<b>Other financing sources (uses)</b>						
Transfers out	-	(175,000)	-	175,000		
Proceeds from sale of capital assets	-	-	38,333	38,333		
<b>Total other financing sources</b>	<b>-</b>	<b>(175,000)</b>	<b>38,333</b>	<b>213,333</b>		
Net change in fund balances	(5,541,486)	(5,716,486)	2,638,492	\$ 8,354,978		
Fund balance - beginning of year	29,908,305	29,908,305	29,908,305			
<b>Fund balance - end of year</b>	<b>\$ 24,366,819</b>	<b>\$ 24,191,819</b>	<b>\$ 32,546,797</b>			

City of Evanston, Wyoming

Year Ended June 30, 2024

**Schedule of Revenue, Expenditures and Changes in Fund Balance -  
Budget and Actual - Special Revenue Fund - Economic Development (Unaudited)**

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 990,312	\$ 990,312	\$ 57,811	\$ (932,501)
Chargest for services	17,732	17,732	17,732	-
Investment income and miscellaneous	7,500	7,500	106,921	99,421
Total revenues	<u>1,015,544</u>	<u>1,015,544</u>	<u>182,464</u>	<u>(833,080)</u>
Expenditures				
Current				
Health, welfare and recreation	301,829	301,829	5,052	296,777
Capital outlay	<u>2,767,141</u>	<u>2,767,141</u>	<u>2,564,513</u>	<u>202,628</u>
Total expenditures	<u>3,068,970</u>	<u>3,068,970</u>	<u>2,569,565</u>	<u>499,405</u>
Deficiency of revenues over expenditures	<u>(2,053,426)</u>	<u>(2,053,426)</u>	<u>(2,387,101)</u>	<u>(333,675)</u>
Other financing sources				
Proceeds from sale of capital assets	-	-	250,000	(250,000)
Total other financing sources	<u>-</u>	<u>-</u>	<u>250,000</u>	<u>(250,000)</u>
Net change in fund balances	<u>(2,053,426)</u>	<u>(2,053,426)</u>	<u>(2,137,101)</u>	<u>\$ (583,675)</u>
Fund balance - beginning of year	<u>2,844,436</u>	<u>2,844,436</u>	<u>2,844,436</u>	
Fund balance - end of year	<u>\$ 791,010</u>	<u>\$ 791,010</u>	<u>\$ 707,335</u>	

City of Evanston, Wyoming

Last 10 Fiscal Years \*\*

**Schedule of Changes in Net Pension Liability and Related Ratios  
(Unaudited)**

	2024	2023	2022	2021
<b>Public Employees' Pension Plan</b>				
City's proportion of the net pension liability	0.172222159%	0.163781486%	0.162040573%	0.159636048%
City's proportionate share of the net pension liability	\$ 3,909,755	\$ 4,475,844	\$ 2,470,668	\$ 3,469,466
City's covered payroll	\$ 3,234,879	\$ 2,957,128	\$ 2,949,022	\$ 2,842,268
City's proportionate share of the net pension liability as a percentage of its covered payroll	120.86%	151.36%	83.78%	122.07%
Plan fiduciary net position as a percentage of the total pension liability	80.19%	75.47%	86.03%	79.24%
<b>Law Enforcement Pension Plan</b>				
City's proportion of the net pension liability	0.984993563%	1.047418317%	1.052464345%	1.048707686%
City's proportionate share of the net pension liability	\$ 1,330,569	\$ 3,568,079	\$ 2,994,668	\$ 714,403
City's covered payroll	\$ 1,647,523	\$ 1,690,589	\$ 1,748,472	\$ 1,685,687
City's proportionate share of the net pension liability as a percentage of its covered payroll	80.76%	211.06%	171.27%	42.38%
Plan fiduciary net position as a percentage of the total pension liability	86.90%	70.30%	75.62%	91.82%

\*\* The amounts presented for each fiscal year were determined as the calendar year-end that occurred within the fiscal year.

2020	2019	2018	2017	2016	2015
0.161921551%	0.148417953%	0.133104370%	0.127015276%	0.135582701%	0.128782665%
\$ 3,805,037	\$ 4,519,758	\$ 3,033,903	\$ 3,070,595	\$ 3,158,191	\$ 2,272,616
\$ 2,814,541	\$ 2,584,483	\$ 2,364,436	\$ 2,264,562	\$ 2,364,661	\$ 2,201,425
135.19%	174.88%	128.31%	135.59%	133.56%	103.23%
76.83%	69.17%	76.35%	73.20%	73.40%	79.08%
1.057945216%	0.938982725%	0.831542466%	0.837491120%	0.875347099%	0.853389961%
\$ 911,935	\$ 2,273,018	\$ 715,496	\$ 632,238	\$ 657,561	\$ 251,440
\$ 1,648,823	\$ 1,426,303	\$ 1,276,809	\$ 1,296,262	\$ 1,316,521	\$ 1,261,232
55.31%	159.36%	56.04%	48.77%	49.95%	19.94%
89.05%	71.22%	87.99%	88.11%	87.49%	94.76%

City of Evanston, Wyoming

Last 10 fiscal years

**Schedule of City Contributions**  
**(Unaudited)**

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	2024	2023	2022	2021
<b>Public Employees' Pension Plan</b>				
Statutorily required contribution	\$ 330,278	\$ 305,911	\$ 278,880	\$ 264,316
Contributions in relation to the statutorily required contribution	(330,278)	(305,911)	(278,880)	(264,316)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
City's covered payroll	\$ 3,524,845	\$ 3,264,792	\$ 2,976,307	\$ 2,898,202
Contributions as a percentage of covered payroll	9.37%	9.37%	9.37%	9.12%
<b>Law Enforcement Pension Plan</b>				
Statutorily required contribution	\$ 156,210	\$ 154,626	\$ 147,793	\$ 151,570
Contributions in relation to the statutorily required contribution	(156,210)	(154,626)	(147,793)	(151,570)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
City's covered payroll	\$ 1,816,395	\$ 1,797,977	\$ 1,718,523	\$ 1,762,442
Contributions as a percentage of covered payroll	8.60%	8.60%	8.60%	8.60%

2020	2019	2018	2017	2016	2015
\$ 260,730	\$ 236,519	\$ 206,193	\$ 196,716	\$ 192,965	\$ 174,538
(260,730)	(236,519)	(206,193)	(196,716)	(192,965)	(174,538)
<u>\$ -</u>					
\$ 2,939,459	\$ 2,743,840	\$ 2,463,477	\$ 2,350,251	\$ 2,305,436	\$ 2,290,525
8.87%	8.62%	8.37%	8.37%	8.37%	7.62%
\$ 148,404	\$ 139,544	\$ 116,620	\$ 112,450	\$ 113,998	\$ 113,340
(148,404)	(139,544)	(116,620)	(112,450)	(113,998)	(113,340)
<u>\$ -</u>					
\$ 1,725,628	\$ 1,622,605	\$ 1,356,047	\$ 1,307,558	\$ 1,325,558	\$ 1,317,907
8.60%	8.60%	8.60%	8.60%	8.60%	8.60%

City of Evanston, Wyoming

Last 10 Fiscal Years \*

**Schedule of Changes in the City's Total OPEB Liability and Related Ratios  
(Unaudited)**

	2024	2023	2022	2021
Total OPEB Liability				
Service cost	\$ 72,564	\$ 63,967	\$ 79,216	\$ 62,097
Interest	47,226	41,710	21,552	25,068
Differences between expected and actual experience	(47,333)	1,936	124,222	-
Changes in assumptions and other inputs	26,647	(17,245)	(168,977)	48,346
Benefit payments	-	(7,729)	(61,776)	(44,865)
Net change in OPEB liability	99,104	82,639	(5,763)	90,646
Total OPEB liability - beginning	1,150,914	1,068,275	1,074,038	983,392
Total OPEB liability - ending	<u>\$ 1,250,018</u>	<u>\$ 1,150,914</u>	<u>\$ 1,068,275</u>	<u>\$ 1,074,038</u>
Covered employee payroll	\$ 5,580,033	\$ 5,268,616	\$ 4,718,953	\$ 4,868,680
Total liability as a percentage of covered employee payroll	22.40%	21.84%	22.64%	22.06%

\* Information for years prior to 2018 is not available; the schedule will be completed as information becomes available.

	2020		2019		2018		2017		2016		2015
\$	50,229	\$	45,424	\$	44,101		*		*		*
	25,779		25,081		23,031		*		*		*
	67,991		-		-		*		*		*
	80,920		30,425		-		*		*		*
	(29,616)		(11,290)		(9,697)		*		*		*
	195,303		89,640		57,435		*		*		*
	788,089		698,449		641,014		*		*		*
\$	983,392	\$	788,089	\$	698,449		*		*		*
\$	4,298,259	\$	3,820,068	\$	2,300,000		*		*		*
	22.88%		20.63%		30.37%		*		*		*

**Notes to the Required Supplementary Information**

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**Note 1. Basis of Budgeting**

***Budgets***

Annual budgets are adopted on the modified cash basis for all governmental funds.

Legal spending control for City monies is at the fund level. The City Council may amend the budget after it is appropriated using the same procedures necessary to approve the original budget at the department level. Management monitors expenditures at budgetary line item levels within each fund to enhance the accounting control system and may amend the budget at this level as long as the department level budget is maintained.

***Budget Amendments***

During the 2024 fiscal year end, it was necessary to amend the originally adopted budget. The expenditure budgets for the following funds were amended through budget transfers between funds and from unanticipated revenues:

	Amendments
General Fund	\$ (175,000)

**Notes to the Required Supplementary Information****Note1. Basis of Budgeting (Continued)*****Explanation of Differences between Budgetary Basis and GAAP Basis***

	General Fund	Economic Development Fund
<b>Revenues</b>		
Actual amounts (Budgetary) from the Schedule of Revenues, Expenditures, and Changes in Fund Balances compared to Budget (Budgetary Basis)	\$ 18,475,563	\$ 182,464
<b>Differences - Budgetary Basis to GAAP</b>		
Accounts receivable	7,546	-
Due from other governments	161,695	-
Property taxes	(4,884)	-
Accrued interest	104,578	-
Note receivable	-	(8,746)
Miscellaneous revenues	16,390	-
<b>Total revenues as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds</b>	<u>\$ 18,760,888</u>	<u>\$ 173,718</u>
<b>Expenditures</b>		
Actual amounts (Budgetary) from the Schedule of Revenues, Expenditures, and Changes in Fund Balances compared to Budget (Budgetary Basis)	\$ 15,875,404	\$ 2,569,565
<b>Differences - Budgetary Basis to GAAP</b>		
Accounts payable	123,470	17,975
Accrued liabilities	(291,583)	-
Prepaid items	(41,050)	-
Right of use subscription IT assets	69,869	-
<b>Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds</b>	<u>\$ 15,736,110</u>	<u>\$ 2,587,540</u>

## Notes to the Required Supplementary Information

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### Note 2. Explanation of Changes in Factors to Pension Plans

#### ***Changes in Benefits Terms***

There were no changes in benefit terms between the initial measurement date reflected below and the December 31, 2023 measurement date.

#### ***Changes of Assumptions***

The assumptions used in the actuarial valuation were adopted at the November 17, 2021 and the February 17, 2022 meetings and were first utilized with the actuarial valuation report for the year beginning January 1, 2021. In general, the new assumptions reflect an update to the mortality tables, adjustments to the demographic and salary scale, as well as a lower long-term investment return. The expected rate of return on assets for all plans, except the Fire A pension plan, was decreased from 7.00% to 6.80%. With the decision to reinvest the assets of the Fire A pension plan in the commingled investment pool of the defined benefit plans as of April 1, 2022, the expected rate of return on assets was increased from 1.00% to 6.80%. There have been no actuarial assumption changes or methods since the prior valuation for all plans. See the table below:

Measurement Date (Plan Year End)	2023	2022	2021	2020	2019	2018	2017	2016
Discount rate	6.80%	6.80%	6.80%	7.00%	7.00%	7.00%	7.00%	7.75%
LEPP	6.80%	6.80%	5.17%	7.00%	7.00%	5.92%	7.00%	7.75%
Investment rate of return	6.80%	6.80%	6.80%	7.00%	7.00%	7.00%	7.75%	7.75%
Real return net of inflation	4.55%	4.55%	4.55%	4.75%	4.75%	3.52%	4.75%	4.50%
Inflation	2.25%	2.25%	2.25%	2.25%	2.25%	2.25%	3.25%	3.25%
Salary increases	2.50% -	2.50% -	2.50% -	2.50% -	2.50% -	4.75% -	4.25% -	4.25% -
LEPP	6.50%	6.50%	6.50%	6.50%	6.50%	8.75%	6.00%	6.00%
	5.25% -	5.25% -	3.00% -	4.75% -	4.75% -	4.75% -	4.25% -	4.25% -
	9.25%	9.25%	7.00%	8.75%	8.75%	8.75%	8.00%	8.00%
Payroll growth rate	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	4.25%	4.25%

**Notes to the Required Supplementary Information**

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**Note 3. Explanation of Changes to OPEB Plan**

There are no assets accumulated in a trust that is irrevocable or an equivalent arrangement.

***Changes of Benefit Terms***

The Plan did not have any changes in term benefits.

***Changes of Assumptions***

Actuarial assumptions used in the June 30, 2024 valuation were based on a review of plan experience during the period June 30, 2022 to June 30, 2024.

There have been various assumption changes from the initial measurement date reflected below:

Measurement Date (Plan Year End)	2024	2023	2022	2021	2020	2019	2018
Discount rate	3.97%	3.86%	3.69%	1.92%	2.45%	3.13%	3.62%
Inflation rate	2.50%	2.75%	2.75%	3.00%	3.00%	3.00%	3.00%
Salary increases	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Healthcare cost trend rate							
Pre medicare	6.00%	6.00%	6.00%	5.30%	5.30%	5.00%	5.00%
Medicare	4.50%	3.50%	3.50%	n/a	n/a	n/a	n/a

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**OTHER  
SUPPLEMENTARY  
INFORMATION**

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## **NONMAJOR GOVERNMENTAL FUNDS**

### **SPECIAL REVENUE FUND**

Special Revenue fund is used to account for the proceeds of designated specific revenue sources that are restricted to expenditures for specified purposes.

- Lodging Tax Fund - This fund is used to account for the special 3% lodging tax that is restricted for the purpose of promoting tourism within the City.

### **PERMANENT FUND**

Permanent fund is used to report resources that are legally restricted to the extent that only earnings, not principal, may be used for the purposes that support the reporting government's programs.

- Cemetery Fund - This fund is used to account for the assets held by the City for the ongoing care and maintenance of the public cemetery.

City of Evanston, Wyoming

June 30, 2024

**Combining Balance Sheet**

**Nonmajor Governmental Funds**

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	Special Revenue Fund	Permanent Fund	Total Nonmajor Governmental Funds
	Lodging Tax Fund	Cemetery Fund	
<b>ASSETS</b>			
Cash and cash equivalents	\$ 602,295	\$ 154,907	\$ 757,202
Investments	490,505	-	490,505
Accounts receivable	-	5,865	5,865
Due from other governments	48,421	-	48,421
Accrued interest	1,814	-	1,814
Total assets	<u>\$ 1,143,035</u>	<u>\$ 160,772</u>	<u>\$ 1,303,807</u>
<b>LIABILITIES</b>			
Accounts payable	<u>\$ 31,167</u>	<u>\$ 34,570</u>	<u>\$ 65,737</u>
Total liabilities	<u>31,167</u>	<u>34,570</u>	<u>65,737</u>
<b>FUND BALANCES</b>			
Nonspendable			
Permanent fund principal	-	100,000	100,000
Restricted	<u>1,111,868</u>	<u>26,202</u>	<u>1,138,070</u>
Total fund balances	<u>1,111,868</u>	<u>126,202</u>	<u>1,238,070</u>
Total liabilities and fund balances	<u>\$ 1,143,035</u>	<u>\$ 160,772</u>	<u>\$ 1,303,807</u>

City of Evanston, Wyoming

Year Ended June 30, 2024

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**

**Nonmajor Governmental Funds**

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	Special Revenue Fund	Permanent Fund	Total Nonmajor Governmental Funds
	Lodging Tax Fund	Cemetery Fund	
Revenues			
Taxes	\$ 434,681	\$ -	\$ 434,681
Intergovernmental	50,064	-	50,064
Charges for services	-	37,700	37,700
Investment income and miscellaneous	<u>26,898</u>	-	<u>26,898</u>
Total revenues	<u>511,643</u>	<u>37,700</u>	<u>549,343</u>
Expenditures			
Current			
Health, welfare and recreation	<u>325,022</u>	<u>267,053</u>	<u>592,075</u>
Total expenditures	<u>325,022</u>	<u>267,053</u>	<u>592,075</u>
Excess (deficiency) of revenues over expenditures	<u>186,621</u>	<u>(229,353)</u>	<u>(42,732)</u>
Net change in fund balances	186,621	(229,353)	(42,732)
Fund balances - beginning of year	<u>925,247</u>	<u>355,555</u>	<u>1,280,802</u>
Fund balances - end of year	<u>\$ 1,111,868</u>	<u>\$ 126,202</u>	<u>\$ 1,238,070</u>

City of Evanston, Wyoming

Year Ended June 30, 2024

**Schedule of Revenue, Expenditures and Changes in Fund Balance -  
Budget and Actual Special Revenue Fund - Lodging Tax**

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with final Budget
	Original	Final		
			Positive (Negative)	
<b>Revenues</b>				
Lodging tax	\$ 325,000	\$ 325,000	\$ 433,583	\$ 108,583
Investment income and miscellaneous	3,500	3,500	26,898	23,398
Refund of grant revenue	-	-	(19,925)	(19,925)
<b>Total revenues</b>	<b>328,500</b>	<b>328,500</b>	<b>440,556</b>	<b>112,056</b>
<b>Expenditures</b>				
<b>Current</b>				
Health, welfare and recreation				
General expenses	37,500	37,500	90	37,410
Marketing and promotion	275,400	275,400	291,121	(15,721)
Event sponsorships	62,375	62,375	2,562	59,813
Contractual services	26,000	26,000	26,000	-
<b>Total expenditures</b>	<b>401,275</b>	<b>401,275</b>	<b>319,773</b>	<b>81,502</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(72,775)</b>	<b>(72,775)</b>	<b>120,783</b>	<b>\$ 193,558</b>
<b>Fund balance - beginning of year</b>	<b>877,923</b>	<b>877,923</b>	<b>877,923</b>	
<b>Fund balance - end of year</b>	<b>\$ 805,148</b>	<b>\$ 805,148</b>	<b>\$ 998,706</b>	



## COMPLIANCE SECTION

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**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**

**INDEPENDENT AUDITOR'S REPORT**

Honorable Mayor and Members  
of the City Council  
City of Evanston, Wyoming

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*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 Evanston, Wyoming ("City"), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated December 16, 2024.

**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 entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying Schedule of Findings and Responses as items 2024-001 and 2024-002 that we consider to be material weaknesses.



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Casper, WY 82601

## **Report on Compliance and Other Matters**

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

## **City of Evanston, Wyoming'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 entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Porter, Muirhead, Cornia & Howard  
Certified Public Accountants

Casper, Wyoming  
December 16, 2024

## **Material Weakness in Internal Control over Financial Reporting**

### **2024-001: Financial Statement Preparation**

#### ***Criteria***

Government Auditing Standards issued by the Government Accountability Office (GAO) by the Comptroller General of the United States requires management to be responsible for the preparation and fair presentation of the financial statements in accordance with the applicable financial reporting framework.

#### ***Condition***

The City's management, in the course of their assigned duties, lack the specific skills and experience to fully prepare the external financial statements and related footnotes in accordance with accounting principles generally accepted in the United States of America (GAAP). The auditors were requested to, and did, draft the financial statements and accompanying notes to the financial statements.

#### ***Cause***

The City's management lacks the knowledge and experience to prepare accurate GAAP-basis financial statements and related footnotes.

#### ***Effect or Potential Effect***

Since individuals charged with preparing support for and reviewing the City's financial statements are not well versed in GAAP requirements, their support and review may have limited benefit. Consequently, the financial statements could include undetected errors and irregularities or omit information, which is important to readers of the financial statements.

#### ***Recommendation***

It is the responsibility of management and those charged with governance to make the decision whether to accept the degree of risk associated with this condition because of cost or other considerations.

#### ***Views of Responsible Officials***

While the City of Evanston understands the issued guidelines under governmental auditing standards, the City does not see a significant value from the technical compliance with this statement or a cost benefit to the City. The City's accounting personnel have the skills and understand the City's finances to find and correct material misstatements on the cash basis. The lack of familiarity with all required disclosures for formal financial reporting in accordance with GAAP reflects more on the esoteric nature of many required disclosures than the management/oversight capabilities of the City's personnel.

## **Material Weakness in Internal Control over Financial Reporting (Continued)**

### **2024-002: Material Audit Adjustments**

#### ***Criteria***

Government Auditing Standards issued by the Government Accountability Office (GAO) by the Comptroller General of the United States requires management to be responsible for the preparation and fair presentation of the financial statements in accordance with the applicable financial reporting framework. The City must have sufficient internal controls over the financial records and preparation of financial statements in place to allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis.

#### ***Condition***

The City maintains its financial records on a cash basis and provides accrual information to the auditor for formal financial reporting. The accrual information provided by management contained significant errors requiring adjustments to prevent the financial statements from being materially misstated in accordance with accounting principles generally accepted in the United States of America (GAAP). Management agreed and approved proposed significant adjustments related to cash and cash equivalents, investments, receivables, notes receivable, capital assets, accounts payable, accrued liabilities, other post-employment benefit plan, and pension.

#### ***Cause***

Management is lacking adequate review of its accounting records to identify errors and discrepancies. Management had not identified all significant accruals needed for the preparation and fair presentation of the financial statements in accordance with the applicable financial reporting framework.

#### ***Effect or Potential Effect***

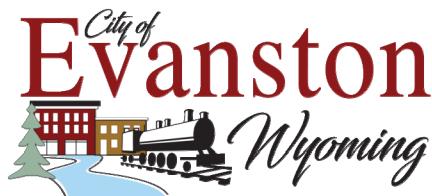
A lack of timely and effective review of accounting records can lead to undetected errors and increased opportunity for fraud, since discrepancies are not identified timely. Management does not have adequate internal control to ensure the identification of year-end accruals for the preparation and fair presentation of the financial statements in accordance with the applicable financial reporting framework.

#### ***Recommendation***

Management needs to consider procedures to ensure financial accounting records and accruals are reviewed on a timely basis to verify the accuracy and completeness of the accounting records.

#### ***Views of Responsible Officials***

Staff will continue to review and upgrade internal policies and procedures to ensure accurate internal controls are being followed, as well as the timely manner of recording transactions, back up of transactions, and any requirements in accordance with GAAP and the State of Wyoming. Staff will also continue to participate in training to better understand the GAAP requirements and internal controls, as well as the overall functions and duties of the department.



## Office of the Treasurer

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### Summary Schedule of Prior Year Audit Findings

#### **Finding – 2023-001 – Financial Statement Preparation**

**Name of Contact Person – Trudy Lym, Director of Finance**

##### ***Condition***

The City's management, in the course of their assigned duties, lack the specific skills and experience to fully prepare the external financial statements and related footnotes in accordance with accounting principles generally accepted in the United States of America (GAAP). The auditors were requested to, and did, draft the financial statements and accompanying notes to the financial statements.

##### ***Status***

This finding has been repeated.

#### **Finding – 2023-002 – Material Audit Adjustments**

**Name of Contact Person – Trudy Lym, Director of Finance**

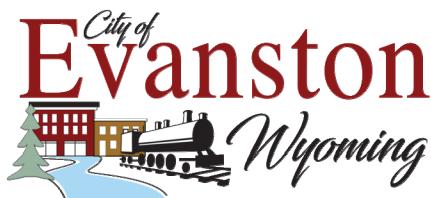
##### ***Condition***

The City maintains its financial records on a cash basis and provides accrual information to the auditor for formal financial reporting. The accrual information provided by management contained significant errors requiring adjustments to prevent the financial statements from being materially misstated in accordance with accounting principles generally accepted in the United States of America (GAAP). Management agreed and approved proposed significant adjustments related to cash and cash equivalents, receivables, capital assets, accounts payable, accrued liabilities, other post-employment benefit plan, and pension.

##### ***Status***

This finding has been repeated.

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### **Corrective Action Plan**

#### **Section II – Financial Statement Findings**

##### **Finding – 2024-001 – Financial Statement Preparation**

**Name of Contact Person – Trudy Lym, Director of Finance**

##### ***Corrective Action***

While the City of Evanston understands the issued guidelines under governmental auditing standards, the City does not see a significant value from the technical compliance with this statement or a cost benefit to the City. The City's accounting personnel have the skills and understand the City's finances to find and correct material misstatements on the cash basis. The lack of familiarity with all required disclosures for formal financial reporting in accordance with GAAP reflects more on the esoteric nature of many required disclosures than the management/oversight capabilities of the City's personnel.

Proposed Completion Date: June 30, 2025

##### **Finding – 2024-002 – Material Audit Adjustments**

**Name of Contact Person – Trudy Lym, Director of Finance**

##### ***Corrective Action***

Staff will continue to review and upgrade internal policies and procedures to ensure accurate internal controls are being followed, as well as the timely manner of recording transactions, back up of transactions, and any requirements in accordance with GAAP and the State of Wyoming. Staff will also continue to participate in training to better understand the GAAP requirements and internal controls, as well as the overall functions and duties of the department.

Proposed Completion Date: June 30, 2025