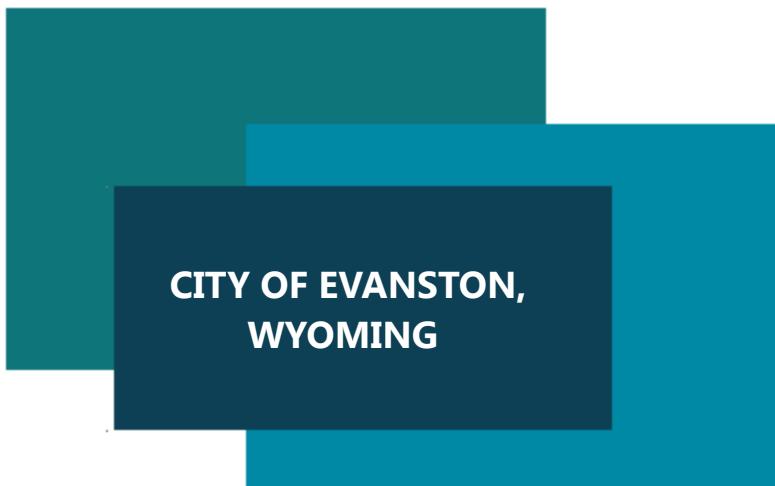


CITY OF EVANSTON,
WYOMING

Financial Report

June 30, 2025





**CITY OF EVANSTON,
WYOMING**

Financial Report

June 30, 2025

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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, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements 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, 2025, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, 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 22, 2025 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of 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 22, 2025

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Management's Discussion and Analysis

(Unaudited)

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, 2025.

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 \$99,197,138 (*net position*). Of this amount, \$39,577,064 (*unrestricted net position*) may be used to meet the government's ongoing obligations to citizens and creditors.

- The government's total net position decreased by \$4,268,556.
- As of the close of the current fiscal year, the City of Evanston, Wyoming's governmental funds reported combined ending fund balances of \$34,107,434.
- At the end of the current fiscal year, fund balance for the general fund was \$34,248,916 which was \$467,193 less than 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)

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)

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	
	2024	2025	2024	2025	2024	2025
Assets						
Current assets	\$ 40,249,067	\$ 36,871,368	\$ 17,195,736	\$ 16,190,857	\$ 57,444,803	\$ 53,062,225
Noncurrent assets	179,642	95,549	-	-	179,642	95,549
Net capital assets	32,304,111	33,099,862	26,365,118	25,708,005	58,669,229	58,807,867
Total assets	72,732,820	70,066,779	43,560,854	41,898,862	116,293,674	111,965,641
Deferred outflows of resources	1,351,258	796,757	298,685	307,141	1,649,943	1,103,898
Liabilities						
Current liabilities	2,651,623	2,140,050	850,632	1,034,841	3,502,255	3,174,891
Long-term liabilities	4,880,355	4,738,128	2,854,525	2,854,670	7,734,880	7,592,798
Total liabilities	7,531,978	6,878,178	3,705,157	3,889,511	11,237,135	10,767,689
Deferred inflows of resources	3,094,358	2,734,782	146,430	369,930	3,240,788	3,104,712
Net position						
Net investment in capital assets	32,131,855	33,042,321	26,150,571	25,254,063	58,282,426	58,296,384
Restricted	1,834,578	1,323,690	-	-	1,834,578	1,323,690
Unrestricted	29,491,309	26,884,565	13,857,381	12,692,499	43,348,690	39,577,064
Total net position	\$ 63,457,742	\$ 61,250,576	\$ 40,007,952	\$ 37,946,562	\$ 103,465,694	\$ 99,197,138

Management's Discussion and Analysis
(Unaudited)

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* \$39,577,064 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)

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	
	2024	2025	2024	2025	2024	2025
Revenues						
Charges for services	\$ 703,723	\$ 864,330	\$ 5,896,861	\$ 6,333,527	\$ 6,600,584	\$ 7,197,857
Operating grants and contributions	298,834	270,302	-	-	298,834	270,302
Capital grants and contributions	1,030,607	1,031,817	224,283	402,021	1,254,890	1,433,838
Taxes						
Property taxes	1,030,076	1,044,885	-	-	1,030,076	1,044,885
Other taxes	12,579,269	10,829,783	-	-	12,579,269	10,829,783
State additional funding not restricted for specific purpose	1,953,806	1,817,593	-	-	1,953,806	1,817,593
Unrestricted investment earnings	1,916,835	1,726,540	497,843	646,520	2,414,678	2,373,060
Miscellaneous revenue	144,244	131,553	102	3,916	144,346	135,469
Gain on sale of capital assets	278,521	-	78,958	-	357,479	-
Transfers	(35,000)	47,200	35,000	(47,200)	-	-
Total revenues	19,900,915	17,764,003	6,733,047	7,338,784	26,633,962	25,102,787
Expenses						
General government	6,620,444	7,956,613	-	-	6,620,444	7,956,613
Public safety	3,609,581	4,272,383	-	-	3,609,581	4,272,383
Public works	2,400,633	4,161,876	-	-	2,400,633	4,161,876
Health, welfare, recreation	4,066,021	3,575,414	-	-	4,066,021	3,575,414
Interest	7,213	4,883	-	-	7,213	4,883
Water	-	-	3,505,387	4,653,022	3,505,387	4,653,022
Sewer	-	-	1,406,424	1,462,916	1,406,424	1,462,916
Golf	-	-	1,191,614	1,049,160	1,191,614	1,049,160
Environmental services	-	-	1,635,282	2,235,076	1,635,282	2,235,076
Total expenses	16,703,892	19,971,169	7,738,707	9,400,174	24,442,599	29,371,343
Change in net position	3,197,023	(2,207,166)	(1,005,660)	(2,061,390)	2,191,363	(4,268,556)
Net position - beginning of year	60,260,719	63,457,742	41,013,612	40,007,952	101,274,331	103,465,694
Total net position	\$ 63,457,742	\$ 61,250,576	\$ 40,007,952	\$ 37,946,562	\$ 103,465,694	\$ 99,197,138

Management's Discussion and Analysis
(Unaudited)

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 are approximately 4.9% of our revenue and totaled \$864,330, which was an increase of \$160,607 and includes the following items:
 - Business licenses
 - Various permits
 - Animal tags and other animal control revenue
 - Court fines
 - General fund leases
- Operating Grants and Contributions totaled \$270,302, a decrease of \$28,532 from the previous year (1.5% of revenue).
- Capital Grants and Contributions increased slightly (by \$1,210), totaling \$1,031,817 (5.8% of income).
- Property Tax increased slightly. \$1,044,885 was the tax amount, \$14,809 more than previous (5.9% of revenue).
- All Other Taxes are the biggest source of income for the general fund at 61.1%. This did decrease by \$1,749,486. Other tax revenue was \$10,829,783 and includes the items below:
 - Local sales and use tax.
 - Severance, mineral taxes
 - Tobacco, gasoline, and motor vehicle taxes
 - Franchise fees
 - Lottery and pari-mutuel distributions
- State Direct Funding was less. Total amount was \$1,817,593, a decrease of \$136,213 and comprises 10.3% of revenue.
- Investment Earnings were down. Total was \$1,726,540, a decrease of \$190,295 (9.7% of income).
- Miscellaneous Revenue was \$131,553, a decrease of \$12,691 (0.8% of income).

Management's Discussion and Analysis
(Unaudited)

Business-Type Activities

Projects in the business-type activities were as follows:

- Twin Ridge Transmission Line
- Sulphur Creek Generator
- Water Plant Intake and Storage PC
- Water Plant Inserta Valve Installation
- Water Plant UV System Refurbishment and Upgrade
- In the Sewer Fund, the Grass Valley Lift Station
- Screw Pump Transmission Rebuild at the Wastewater Plan
- The City Ditch study continues
- Fairgrounds stormwater work
- A new garbage truck was ordered
- The Golf Course put in a GPS/Cart Control System

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 \$29,218,462, while total general fund balance reached \$34,248,916. 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 decreased by \$467,193. The small decrease is due to less operating grants, state direct funding, investment earnings, miscellaneous revenue, and other taxes.

The long-term liabilities of \$4,738,128, 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 \$12,692,499. The total decrease in unrestricted net position for these funds was \$1,164,882.

General Fund Budgetary Highlights

The original budget encumbrances for the General Fund were \$19,122,469. This amount increased with a budget amendment of \$84,000 for a project relating to Historic Preservation. So, the final budgeted amount was \$19,206,469. Actual expenditures in the General Fund totaled \$16,395,042, 15% less than budgeted.

Management's Discussion and Analysis
(Unaudited)

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, 2025, totals \$58,807,867 (net of accumulated depreciation). This investment in capital assets include land, buildings and systems, improvements, machinery and equipment, park facilities, roads, highways, and bridges.

	Governmental Activities		Business-type Activities		Total	
	2024	2025	2024	2025	2024	2025
Land	\$ 9,352,282	\$ 9,352,282	\$ 733,694	\$ 733,694	\$ 10,085,976	\$ 10,085,976
Construction in progress	4,820,200	80,107	832,083	1,561,448	5,652,283	1,641,555
Buildings and systems	41,848,386	44,453,045	69,095,352	69,095,352	110,943,738	113,548,397
Machinery and equipment	5,838,047	6,276,616	4,644,241	4,768,357	10,482,288	11,044,973
Infrastructure	18,274,698	18,274,698	-	-	18,274,698	18,274,698
Land improvements	2,110,656	5,783,204	3,992,905	3,992,905	6,103,561	9,776,109
Right of use assets	31,091	31,091	256,431	522,236	287,522	553,327
Right of use subscription						
IT assets	69,869	69,869	-	-	69,869	69,869
Accumulated depreciation	(50,041,118)	(51,221,050)	(53,189,588)	(54,965,987)	(103,230,706)	(106,187,037)
Total	<u>\$ 32,304,111</u>	<u>\$ 33,099,862</u>	<u>\$ 26,365,118</u>	<u>\$ 25,708,005</u>	<u>\$ 58,669,229</u>	<u>\$ 58,807,867</u>

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)

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 \$8,063,596 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	
	2024	2025	2024	2025	2024	2025
Accrued compensated absences	\$ 804,415	\$ 1,178,192	\$ 333,822	\$ 446,723	\$ 1,138,237	\$ 1,624,915
Leases	8,485	1,738	214,547	427,490	223,032	429,228
Lease - subscription IT	48,658	25,432	-	-	48,658	25,432
Retainage payable	115,113	30,371	-	26,452	115,113	56,823
Other post-employment benefits	821,505	789,593	428,513	413,495	1,250,018	1,203,088
Pension obligation	3,260,725	2,977,430	1,979,599	1,746,680	5,240,324	4,724,110
Total	<u>\$ 5,058,901</u>	<u>\$ 5,002,756</u>	<u>\$ 2,956,481</u>	<u>\$ 3,060,840</u>	<u>\$ 8,015,382</u>	<u>\$ 8,063,596</u>

Economic Factors and Next Year's Budgets and Rates

The unemployment rate for the City of Evanston, Wyoming as of June 30, 2025, was 3.1%, which remains to be stable from previous years, and slightly lower than the State's average unemployment rate of 3.3%, and lower the national average rate of 4.1%.

The local economy continues to remain steady with no major increase or decreases. We have experienced a slight decrease in sales tax from the previous year as well as other taxes. The City of Evanston, Wyoming, again prepared the budget for the 2026 fiscal year conservatively.

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	
ASSETS			
Cash and cash equivalents	\$ 4,385,429	\$ 2,066,847	\$ 6,452,276
Restricted cash and cash equivalents	624,885	-	624,885
Cash held with fiscal agent	26,663	-	26,663
Investments	27,865,730	13,749,069	41,614,799
Receivables, net of allowance	92,939	797,055	889,994
Due from other governments	1,707,710	404,519	2,112,229
Property taxes	928,387	-	928,387
Internal balances	929,177	(929,177)	-
Accrued interest	149,474	-	149,474
Prepaid items	20,534	6,896	27,430
Inventory	8,889	95,648	104,537
Notes receivable, current	84,094	-	84,094
Notes receivable, noncurrent	95,549	-	95,549
Lease receivable	47,457	-	47,457
Total noncapital assets	<u>36,966,917</u>	<u>16,190,857</u>	<u>53,157,774</u>
Capital assets, not being depreciated			
Land	9,352,282	733,694	10,085,976
Construction in progress	80,107	1,561,448	1,641,555
Capital assets, being depreciated/amortized			
Buildings and systems	44,453,045	69,095,352	113,548,397
Machinery and equipment	6,276,616	4,768,357	11,044,973
Infrastructure	18,274,698	-	18,274,698
Land improvements	5,783,204	3,992,905	9,776,109
Right of use leased assets	31,091	522,236	553,327
Right of use subscription IT assets	69,869	-	69,869
Total capital assets	<u>84,320,912</u>	<u>80,673,992</u>	<u>164,994,904</u>
Less accumulated depreciation/amortization	<u>51,221,050</u>	<u>54,965,987</u>	<u>106,187,037</u>
Total capital assets (net of accumulated depreciation/amortization)	<u>33,099,862</u>	<u>25,708,005</u>	<u>58,807,867</u>
Total assets	<u>70,066,779</u>	<u>41,898,862</u>	<u>111,965,641</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension plan items	692,796	250,125	942,921
Other post-employment benefit items	103,961	57,016	160,977
Total deferred outflows of resources	<u>796,757</u>	<u>307,141</u>	<u>1,103,898</u>

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Statement of Net Position (Continued)

	Primary Government		
	Governmental Activities		Business-type Activities
		Total	
LIABILITIES			
Accounts payable	\$ 910,060	\$ 694,480	\$ 1,604,540
Accrued payroll	139,468	68,932	208,400
Accrued liabilities	148,650	49,759	198,409
Deposits payable	-	15,500	15,500
Retainage payable	30,371	26,452	56,823
Advanced payments	624,885	-	624,885
Unearned revenue			
Cash in lieu of land development	50,283	-	50,283
Roundup funding	2,076	-	2,076
Long-term liabilities			
Due within one year			
Leases and compensated absences	234,257	179,718	413,975
Due in more than one year			
Leases and compensated absences	971,105	694,495	1,665,600
Net pension liability	2,977,430	1,746,680	4,724,110
Other post-employment benefits liability	789,593	413,495	1,203,088
Total liabilities	<u>6,878,178</u>	<u>3,889,511</u>	<u>10,767,689</u>
DEFERRED INFLOWS OF RESOURCES			
Pension plan items	1,625,881	278,656	1,904,537
Other post-employment benefit items	182,702	91,274	273,976
Unavailable property tax revenues	878,742	-	878,742
Lease related	47,457	-	47,457
Total deferred inflows of resources	<u>2,734,782</u>	<u>369,930</u>	<u>3,104,712</u>
NET POSITION			
Net investment in capital assets	33,042,321	25,254,063	58,296,384
Restricted for			
Lodging tax fund	1,223,690	-	1,223,690
Cemetery fund			
Nonexpendable	100,000	-	100,000
Unrestricted	26,884,565	12,692,499	39,577,064
Total net position	<u>\$ 61,250,576</u>	<u>\$ 37,946,562</u>	<u>\$ 99,197,138</u>

Statement of Activities

Function/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities:				
General government	\$ 7,956,613	\$ 360,928	\$ 270,302	\$ 1,031,817
Public safety	4,272,383	427,152	-	-
Public works	4,161,876	-	-	-
Health, welfare and recreation	3,575,414	76,250	-	-
Interest on long-term debt	4,883	-	-	-
Total governmental activities	<u>19,971,169</u>	<u>864,330</u>	<u>270,302</u>	<u>1,031,817</u>
Business-type activities:				
Water fund	4,653,022	2,604,700	-	14,589
Sewer fund	1,462,916	1,313,530	-	356,932
Golf fund	1,049,160	778,928	-	-
Environmental service fund	2,235,076	1,636,369	-	30,500
Total business-type activities	<u>9,400,174</u>	<u>6,333,527</u>	<u>-</u>	<u>402,021</u>
Total primary government	<u>\$ 29,371,343</u>	<u>\$ 7,197,857</u>	<u>\$ 270,302</u>	<u>\$ 1,433,838</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				
State direct funding not restricted for specific purposes				
Unrestricted investment income				
Miscellaneous revenue				
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

Primary Government			
Governmental Activities	Business-type Activities	Total	
\$ (6,293,566)	\$ -	\$ (6,293,566)	
(3,845,231)	-	(3,845,231)	
(4,161,876)	-	(4,161,876)	
(3,499,164)	-	(3,499,164)	
(4,883)	-	(4,883)	
(17,804,720)	-	(17,804,720)	
 - (2,033,733)	 207,546	 (270,232)	 (568,207)
- (2,664,626)	(2,664,626)	(2,664,626)	
(17,804,720)	(2,664,626)	(20,469,346)	
 1,044,885	 - 9,250,115	 1,044,885	 9,250,115
199,020	-	199,020	
333,859	-	333,859	
1,046,789	-	1,046,789	
1,817,593	-	1,817,593	
1,726,540	646,520	2,373,060	
131,553	3,916	135,469	
47,200	(47,200)	-	
15,597,554	603,236	16,200,790	
(2,207,166)	(2,061,390)	(4,268,556)	
63,457,742	40,007,952	103,465,694	
\$ 61,250,576	\$ 37,946,562	\$ 99,197,138	

Balance Sheet - Governmental Funds

	General Fund	Economic Development Fund	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 3,540,519	\$ -	\$ 839,654	\$ 4,380,173
Restricted cash and cash equivalents	424,885	200,000	-	624,885
Cash held with fiscal agent	26,663	-	-	26,663
Investments	25,202,691	2,170,536	492,503	27,865,730
Receivables, net of allowance	79,682	6,578	6,580	92,840
Due from other governments	1,662,758	-	44,952	1,707,710
Property taxes	928,387	-	-	928,387
Due from other funds	4,720,286	-	-	4,720,286
Accrued interest	147,660	-	1,814	149,474
Prepaid items	20,534	-	-	20,534
Notes receivable, current	-	84,094	-	84,094
Notes receivable, noncurrent	-	95,549	-	95,549
Lease receivable	-	47,457	-	47,457
Total assets	<u>\$ 36,754,065</u>	<u>\$ 2,604,214</u>	<u>\$ 1,385,503</u>	<u>\$ 40,743,782</u>
LIABILITIES				
Accounts payable	\$ 800,814	13,155	\$ 79,478	\$ 893,447
Accrued payroll	139,468	-	-	139,468
Accrued liabilities	148,650	-	-	148,650
Retainage payable	30,371	-	-	30,371
Due to other funds	-	3,686,931	104,178	3,791,109
Advanced payments	424,885	200,000	-	624,885
Unearned revenue				
Cash in lieu of land development	50,283	-	-	50,283
Roundup funding	2,076	-	-	2,076
Total liabilities	<u>1,596,547</u>	<u>3,900,086</u>	<u>183,656</u>	<u>5,680,289</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable property tax revenues	908,602	-	-	908,602
Lease related	-	47,457	-	47,457
Total deferred inflows of resources	<u>908,602</u>	<u>47,457</u>	<u>-</u>	<u>956,059</u>
FUND BALANCES				
Nonspendable	20,534	95,549	100,000	216,083
Restricted	-	-	1,223,690	1,223,690
Assigned	5,009,920	-	-	5,009,920
Unassigned	29,218,462	(1,438,878)	(121,843)	27,657,741
Total fund balances	<u>34,248,916</u>	<u>(1,343,329)</u>	<u>1,201,847</u>	<u>34,107,434</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 36,754,065</u>	<u>\$ 2,604,214</u>	<u>\$ 1,385,503</u>	<u>\$ 40,743,782</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		\$ 34,107,434
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	\$ 33,099,862	
Less net capital assets recorded in the internal service fund	<u>(17,608)</u>	33,082,254
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	692,796	
Deferred outflows - other post-employment benefit items	103,961	
Deferred inflows - pension plan items	<u>(1,625,881)</u>	
Deferred inflows - other post-employment benefit items	<u>(182,702)</u>	(1,011,826)
Property tax receivables and intergovernmental revenue that do not provide current financial resources are offset by deferred inflows of resources in the funds.		
Unavailable property taxes in governmental funds	908,602	
Unavailable property taxes in governmental activities	<u>(878,742)</u>	29,860
Long-term liabilities that are not due and payable in the current period, and therefore, are not reported in the funds.		
Compensated absences	(1,178,192)	
Leases	(1,738)	
Leases - subscription IT	(25,432)	
Net pension liability	<u>(2,977,430)</u>	
Other post-employment benefits liability	<u>(789,593)</u>	(4,972,385)
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.		<u>15,239</u>
Net position of governmental activities		<u>\$ 61,250,576</u>

City of Evanston, Wyoming

Year Ended June 30, 2025

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

	General Fund	Economic Development Fund	Other Governmental Funds	Total Governmental Funds
Revenues				
Taxes	\$ 10,393,929	\$ -	\$ 435,907	\$ 10,829,836
Licenses and permits	339,825	-	-	339,825
Fines and forfeitures	170,571	-	-	170,571
Intergovernmental	2,160,604	959,108	-	3,119,712
Charges for services	88,979	12,964	76,250	178,193
Pari-mutuel and lottery	1,046,789	-	-	1,046,789
Rental income	-	6,564	-	6,564
Investment income and miscellaneous	1,696,499	134,548	27,046	1,858,093
Total revenues	15,897,196	1,113,184	539,203	17,549,583
Expenditures				
Current				
General government	4,845,622	81,890	-	4,927,512
Public safety and transportation	4,225,674	-	-	4,225,674
Public works	2,351,842	-	-	2,351,842
Health, welfare and recreation	3,033,498	26,848	575,426	3,635,772
Capital outlay	1,920,097	3,123,925	-	5,044,022
Debt service				
Principal	29,973	-	-	29,973
Interest	4,883	-	-	4,883
Total expenditures	16,411,589	3,232,663	575,426	20,219,678
Excess (deficiency) of revenues over expenditures	(514,393)	(2,119,479)	(36,223)	(2,670,095)
Other financing sources				
Transfers in	47,200	-	-	47,200
Total other financing sources	47,200	-	-	47,200
Net change in fund balances	(467,193)	(2,119,479)	(36,223)	(2,622,895)
Fund balances - beginning of year	34,716,109	776,150	1,238,070	36,730,329
Fund balances - end of year	\$ 34,248,916	\$ (1,343,329)	\$ 1,201,847	\$ 34,107,434

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

Net change in fund balances - total governmental funds	\$ (2,622,895)
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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	\$ 10,660,908
Assets transferred from construction in progress to capital assets and infrastructure or expensed	(7,886,476)
Depreciation expense	(1,678,491)
Less depreciation expense in the internal service fund	1,383
	1,097,324

The disposal of capital assets that results in a loss (cost of the assets is greater than the accumulated depreciation and proceeds) does not provide current financial resources to governmental funds. However, it is recognized in the statement of activities. This is the net effect of this difference in the treatment of the disposition of capital assets.

Cost basis of assets disposed	(798,749)
Accumulated depreciation on assets disposed	498,559
	(300,190)

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	(1,217,413)
Deferred outflows - pension plan items current year	692,796
Deferred outflows - other post-employment benefit plan items prior year	(133,845)
Deferred outflows - other post-employment benefit plan items current year	103,961
Deferred inflows - pension plan items prior year	1,930,788
Deferred inflows - pension plan items current year	(1,625,881)
Deferred inflows - other post-employment benefit plan items prior year	109,124
Deferred inflows - other post-employment benefit plan items current year	(182,702)
	(323,172)

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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)**

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	\$ 804,415
Compensated absences current year	(1,178,192)
Principal paid on leases	6,747
Principal paid on leases - subscription IT	23,226
Net pension liability prior year	3,260,725
Net pension liability current year	(2,977,430)
Other post-employment benefits liability prior year	821,505
Other post-employment benefits liability current year	<u>(789,593)</u> \$ (28,597)

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	(27,679)
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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	1,054,446
Unavailable property taxes - governmental activities current year	(878,742)
Unavailable property taxes - governmental funds prior year	(1,086,263)
Unavailable property taxes - governmental funds current year	<u>908,602</u> (1,957)
Change in net position of governmental activities	<u>\$ (2,207,166)</u>

Statement of Net Position - Proprietary FundsBusiness-Type Activities - Enterprise Funds

	Water Fund	Sewer Fund	Golf Fund
ASSETS			
Current assets			
Cash and cash equivalents	\$ 1,949,448	\$ 10,722	\$ -
Investments	7,348,310	5,348,294	-
Accounts receivable	442,802	168,392	6,947
Due from other governments	9,802	356,932	-
Prepaid items	2,186	1,093	-
Inventory	-	-	95,648
Total current assets	<u>9,752,548</u>	<u>5,885,433</u>	<u>102,595</u>
Noncurrent assets			
Capital assets			
Land	161,500	240,005	312,189
Construction in progress	415,713	566,235	-
Buildings and systems	49,644,087	16,976,952	2,271,645
Machinery and equipment	1,572,429	494,650	913,818
Land improvements	-	-	3,992,905
Right of use leased assets	-	-	522,236
Less accumulated depreciation/amortization	<u>(33,160,928)</u>	<u>(15,500,721)</u>	<u>(4,985,130)</u>
Total capital assets	<u>18,632,801</u>	<u>2,777,121</u>	<u>3,027,663</u>
Total assets	<u>28,385,349</u>	<u>8,662,554</u>	<u>3,130,258</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension plan items	110,242	67,616	-
Other post-employment benefit items	22,880	12,379	-
Total deferred outflows of resources	<u>133,122</u>	<u>79,995</u>	<u>-</u>

Governmental
Activities

Environmental Service Fund		Internal Service Fund	
	Totals		
\$ 106,677	\$ 2,066,847	\$ 5,256	
1,052,465	13,749,069	-	
178,914	797,055	99	
37,785	404,519	-	
3,617	6,896	-	
-	95,648	8,889	
<hr/>	<hr/>	<hr/>	
1,379,458	17,120,034	14,244	
<hr/>	<hr/>	<hr/>	
20,000	733,694	-	
579,500	1,561,448	-	
202,668	69,095,352	278,623	
1,787,460	4,768,357	95,257	
-	3,992,905	-	
-	522,236	-	
(1,319,208)	(54,965,987)	(356,272)	
<hr/>	<hr/>	<hr/>	
1,270,420	25,708,005	17,608	
<hr/>	<hr/>	<hr/>	
2,649,878	42,828,039	31,852	
<hr/>	<hr/>	<hr/>	
72,267	250,125	-	
21,757	57,016	-	
<hr/>	<hr/>	<hr/>	
94,024	307,141	-	
		(Continued)	

Statement of Net Position - Proprietary Funds (Continued)**Business-Type Activities - Enterprise Funds**

	Water Fund	Sewer Fund	Golf Fund
LIABILITIES			
Current liabilities			
Accounts payable	\$ 413,492	\$ 110,809	\$ 90,409
Accrued payroll	34,535	15,788	-
Accrued liabilities	24,778	11,174	-
Deposits payable	15,500	-	-
Retainage payable	4,578	21,874	-
Due to other funds	-	655,121	274,056
Compensated absences	35,659	20,046	-
Lease	-	-	98,210
Total current liabilities	<u>528,542</u>	<u>834,812</u>	<u>462,675</u>
Noncurrent liabilities			
Compensated absences	169,745	100,349	-
Lease	-	-	329,280
Net pension liability	759,411	476,643	-
Other post-employment benefits payable	170,216	97,354	-
Total noncurrent liabilities	<u>1,099,372</u>	<u>674,346</u>	<u>329,280</u>
Total liabilities	<u>1,627,914</u>	<u>1,509,158</u>	<u>791,955</u>
DEFERRED INFLOWS OF RESOURCES			
Pension plan items	127,197	73,455	-
Other post-employment benefit items	38,582	23,277	-
Total deferred inflows of resources	<u>165,779</u>	<u>96,732</u>	<u>-</u>
NET POSITION			
Net investment in capital assets	18,628,223	2,755,247	2,600,173
Unrestricted	<u>8,096,555</u>	<u>4,381,412</u>	<u>(261,870)</u>
Total net position	<u>\$ 26,724,778</u>	<u>\$ 7,136,659</u>	<u>\$ 2,338,303</u>

			Governmental Activities	
Environmental Service Fund		Totals	Internal Service Fund	
\$	79,770	\$ 694,480	\$ 16,613	
	18,609	68,932	-	
	13,807	49,759	-	
	-	15,500	-	
	-	26,452	-	
	-	929,177	-	
	25,803	81,508	-	
	-	98,210	-	
	<u>137,989</u>	<u>1,964,018</u>	<u>16,613</u>	
	95,121	365,215	-	
	-	329,280	-	
	510,626	1,746,680	-	
	145,925	413,495	-	
	<u>751,672</u>	<u>2,854,670</u>	<u>-</u>	
	<u>889,661</u>	<u>4,818,688</u>	<u>16,613</u>	
	78,004	278,656	-	
	29,415	91,274	-	
	<u>107,419</u>	<u>369,930</u>	<u>-</u>	
	1,270,420	25,254,063	17,608	
	476,402	12,692,499	(2,369)	
	<u>\$ 1,746,822</u>	<u>\$ 37,946,562</u>	<u>\$ 15,239</u>	

City of Evanston, Wyoming

Year Ended June 30, 2025

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

Business-Type Activities - Enterprise Funds

	Water Fund	Sewer Fund	Golf Fund
Operating revenues			
Charges for services	\$ 2,604,700	\$ 1,313,530	\$ 778,928
Miscellaneous	2,790	1,009	117
Total operating revenues	<u>2,607,490</u>	<u>1,314,539</u>	<u>779,045</u>
Operating expenses			
Personnel services	1,581,710	858,850	-
Contractual services	58,128	3,684	347,010
Repairs and maintenance	240,138	169,971	111,558
Supplies	540,103	69,162	238,414
Miscellaneous	44,764	31,527	71,171
Capital outlay	258,553	22,908	-
Depreciation	1,173,376	149,526	211,656
Amortization	-	-	57,118
Utilities	<u>145,000</u>	<u>157,288</u>	<u>-</u>
Total operating expenses	<u>4,041,772</u>	<u>1,462,916</u>	<u>1,036,927</u>
Operating loss	<u>(1,434,282)</u>	<u>(148,377)</u>	<u>(257,882)</u>
Nonoperating revenues (expenses)			
Investment income	345,539	251,491	-
Interest expense	-	-	(12,233)
Contributions to other governments	<u>(611,250)</u>	<u>-</u>	<u>-</u>
Total nonoperating revenues (expenses)	<u>(265,711)</u>	<u>251,491</u>	<u>(12,233)</u>
Income (loss) before contributions and transfers	<u>(1,699,993)</u>	<u>103,114</u>	<u>(270,115)</u>
Capital grants and contributions	14,589	356,932	-
Transfers in	15,000	-	-
Transfers out	<u>(30,000)</u>	<u>(15,000)</u>	<u>-</u>
Change in net position	<u>(1,700,404)</u>	<u>445,046</u>	<u>(270,115)</u>
Total net position - beginning of year	<u>28,425,182</u>	<u>6,691,613</u>	<u>2,608,418</u>
Total net position - end of year	<u>\$ 26,724,778</u>	<u>\$ 7,136,659</u>	<u>\$ 2,338,303</u>

Governmental Activities		
Environmental Service Fund	Totals	Internal Service Fund
\$ 1,636,369	\$ 6,333,527	\$ 169,177
-	3,916	-
1,636,369	6,337,443	169,177
921,630	3,362,190	-
3,239	412,061	-
61,232	582,899	-
545,707	1,393,386	195,473
18,525	165,987	-
20	281,481	-
184,723	1,719,281	1,383
-	57,118	-
-	302,288	-
1,735,076	8,276,691	196,856
(98,707)	(1,939,248)	(27,679)
49,490	646,520	-
-	(12,233)	-
(500,000)	(1,111,250)	-
(450,510)	(476,963)	-
(549,217)	(2,416,211)	(27,679)
30,500	402,021	-
-	15,000	-
(17,200)	(62,200)	-
(535,917)	(2,061,390)	(27,679)
2,282,739	40,007,952	42,918
\$ 1,746,822	\$ 37,946,562	\$ 15,239

City of Evanston, Wyoming
 Year Ended June 30, 2025
Statement of Cash Flows - Proprietary Funds

Business-Type Activities - Enterprise Funds

	Water Fund	Sewer Fund	Golf Fund
Cash flows from operating activities			
Cash received from customers	\$ 2,536,275	\$ 1,303,507	\$ 772,098
Cash received from interfund services provided	-	-	-
Cash payments to suppliers for goods and services	(1,025,448)	(350,256)	(771,234)
Cash payments for interfund services provided	(31,293)	(14,850)	(30,266)
Cash payments to employees for services	(1,522,888)	(854,737)	-
Net cash provided by (used in) operating activities	(43,354)	83,664	(29,402)
Cash flows from noncapital financing activities			
Advance from other funds	-	539,792	119,442
Transfers to other funds	(30,000)	-	-
Net cash provided by (used in) noncapital financing activities	(30,000)	539,792	119,442
Cash flows from capital and related financing activities			
Acquisitions and construction of capital assets	(200,302)	(597,734)	(24,945)
Capital contribution with other funds	15,000	(15,000)	-
Capital grants from federal and state sources	12,040	-	-
Principal payments on lease	-	-	(52,862)
Interest paid	-	-	(12,233)
Capital contribution paid to other governments	(611,250)	-	-
Net cash provided by (used in) capital and related financing activities	(784,512)	(612,734)	(90,040)
Cash flows from investing activities			
Purchase of investments	(304,425)	(221,567)	-
Interest received on investments	304,425	221,567	-
Net cash provided by investing activities	-	-	-
Net increase (decrease) in cash and cash equivalents	(857,866)	10,722	-
Cash and cash equivalents - beginning of year	2,807,314	-	-
Cash and cash equivalents - end of year	\$ 1,949,448	\$ 10,722	\$ -

**Governmental
Activities**

Environmental Service Fund		Internal Service Fund	
		Totals	
\$	1,630,144	\$	6,242,024
	-		-
	(808,851)		(2,955,789)
	-		(76,409)
	(903,791)		(3,281,416)
	<hr/>		<hr/>
	(82,498)		(71,590)
	<hr/>		<hr/>
			169,177
			(203,354)
			-
			-
			<hr/>
			(34,177)
			<hr/>
			659,234
			(47,200)
			<hr/>
			-
			<hr/>
			(17,200)
			<hr/>
			612,034
			<hr/>
			-
			<hr/>
			(30,500)
			(853,481)
			-
			-
			136,715
			148,755
			-
			(52,862)
			-
			(12,233)
			<hr/>
			(500,000)
			(1,111,250)
			<hr/>
			(393,785)
			(1,881,071)
			<hr/>
			(43,602)
			(569,594)
			-
			43,602
			569,594
			<hr/>
			-
			-
			<hr/>
			(493,483)
			(1,340,627)
			(34,177)
			<hr/>
			600,160
			3,407,474
			39,433
			<hr/>
\$	106,677	\$	2,066,847
	<hr/>		<hr/>
			\$ 5,256

(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	\$ (1,434,282)	\$ (148,377)	\$ (257,882)
Adjustments to reconcile operating loss to net cash and cash equivalents, provided by (used in) operating activities			
Depreciation and amortization	1,173,376	149,526	268,774
Amortization of pension plan and OPEB items	102,582	56,948	-
Increase (decrease) in cash and cash equivalents, resulting from changes in operating assets, deferred outflows, liabilities, and deferred inflows			
Accounts receivable	(71,215)	(11,032)	(6,947)
Prepaid items	4,656	1,187	-
Inventory	-	-	(5,424)
Deferred outflows - pension plan items	(3,911)	(16)	-
Accounts payable	221,011	66,373	(27,923)
Accrued payroll	(1,892)	(4,327)	-
Accrued liabilities	5,208	600	-
Deposits payable	(300)	-	-
Retainage payable	4,578	21,874	-
Compensated absences	71,731	15,672	-
Net pension liability	(108,326)	(60,540)	-
Other post-employment benefits liability	(6,570)	(4,224)	-
Net cash and cash equivalents, provided by (used in) operating activities	<u>\$ (43,354)</u>	<u>\$ 83,664</u>	<u>\$ (29,402)</u>
Noncash capital and related financing activities			
Assets acquired through leases	\$ -	\$ -	\$ 265,805

		Governmental Activities	
Environmental Service Fund	Totals	Internal Service Fund	
\$ (98,707)	\$ (1,939,248)	\$ (27,679)	
184,723	1,776,399	1,383	
59,182	218,712	-	
(6,225)	(95,419)	-	
(196)	5,647	-	
-	(5,424)	(8,128)	
259	(3,668)	-	
(179,932)	79,529	247	
(1,184)	(7,403)	-	
2,361	8,169	-	
-	(300)	-	
-	26,452	-	
25,498	112,901	-	
(64,053)	(232,919)	-	
(4,224)	(15,018)	-	
<hr/>	<hr/>	<hr/>	<hr/>
\$ (82,498)	\$ (71,590)	\$ (34,177)	
\$ -	\$ 265,805	\$ -	

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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, 2025, 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, \$97,650, 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 resources restricted or committed for economic development activities, primarily related to the development and support of capital projects within 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.

Notes to the Financial Statements

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.

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.

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 considers any cash that is legally restricted as to withdrawal or usage to be presented as restricted cash.

The City has restricted cash and cash equivalents of \$314,885 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. Additionally, the City has restricted cash and cash equivalents of \$110,000 related to the Wyoming Destination Development Program administered by the Wyoming Office of Tourism. These funds are to be used to empower communities to become tourism-ready through strategic investments and development initiatives, with the overall goal of fostering long-term economic sustainability. In addition, the City has restricted cash and cash equivalents of \$200,000 related to Peaks Investment, LLC, a Wyoming limited liability company. These funds are to be used towards the repayment of a note receivable. The note receivable is for the purchase of a city land which was sold in fiscal year 2024. These restrictions limit the use of the related cash and cash equivalents to the purposes noted above and render them unavailable for general City operations.

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, U.S. agency obligations, and participation in WYO-STAR I, Wyoming CLASS and WGIF government investment pools.

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 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. Withdrawals are available on the effective date of the transaction, except for the amount subject to holdback. The holdback represents an amount up to 10% of the total value of the pool participant's withdrawal, as determined by the pool administrator. This amount is typically held until the end of the month, when all account reconciliations are complete.

Notes to the Financial Statements

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.

The WGIF Liquid Asset Series is a short-term money market portfolio that seeks to provide daily liquidity and there are no withdrawal penalties. The value of the City's investment in WGIF equals the value of its WGIF shares. WGIF Board of Trustees is responsible for the overall management of WGIF including formation of its investments and operating policies.

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. The Wyoming CLASS Board of Trustees is responsible for assuring compliance with the Indenture and the investment restrictions. It oversees, reviews, administers, and supervises the activities of the Trust's professional advisors.

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".

Notes to the Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

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

Property Taxes

The county assesses and levies both mineral and non-mineral ad valorem property taxes on behalf of the City. Taxes are generally levied on or about August 1 each year.

- **Non-Mineral Property Taxes:** These are valued and assessed annually as of January 1 at fair market value, in accordance with Wyoming Statute §39-13-103. A tax lien becomes enforceable on January 1. County Commissioners levy the taxes around August 1. Payments are due in two equal installments: the first due September 1 (delinquent after November 10), and the second on March 1 of the following year (delinquent May 10).
- **Mineral Property Taxes:** These are assessed based on the mineral production from the preceding calendar year, with a tax lien attaching at the time of severance, in accordance with Wyoming Statute §39-14-203(c). County Commissioners levy the taxes around August 1. The Wyoming Department of Revenue (Department) centrally collects mineral ad valorem taxes based on current monthly production reports. Taxes are due to the Department by the 25th day of the third month following the month of production, as established by House Bill 159, 2021 Legislative Session. The Department distributes these collections to the counties.

Mineral property tax collections are based on the current production while the county levy is based on the preceding calendar year's production, the Department's collections occur before the county's levy is formally set. The county distributes all collected property taxes to the appropriate taxing entities when received. Once the levy is established, the county reconciles the pre-collected taxes against the levy. This reconciliation can result in either an additional amount due or a refund for overpayment.

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 statements 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 recognized property taxes levied in August 2024 as revenue for the fiscal year ended June 30, 2025. Property taxes received from mineral production ahead of the related levy or assessment, if any, are reported as unearned revenue.

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.

Note 1. Summary of Significant Accounting Policies (Continued)***Assets, Liabilities, Deferred Inflows and Outflows of Resources, and Net Position/Fund Balance (Continued)******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.

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 IT 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.

Note 1. Summary of Significant Accounting Policies (Continued)

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

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.

Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. Compensated absences are recognized as a liability when the leave is earned, and it is more likely than not that the benefit will be used or paid. The liability is measured using pay rates in effect at the reporting date and includes applicable salary-related payments. These amounts are reported in the government-wide and proprietary fund financial statements. In the governmental funds, compensated absences are recognized only to the extent that they have matured (i.e., are due for payment as a result of employee terminations or 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:

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)

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.

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.

Leases

Lessor: The City is a lessor for one noncancelable lease of a building. The City recognizes a lease receivable and a deferred inflow of resources in the government-wide and governmental fund financial statements. At the commencement of a lease, the City measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

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

- The City uses its risk free rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease.
- Lease receipts included in the measurement of the lease receivable are composed of fixed payments from the lessee.

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

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.

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 remeasure 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.

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

Governmental fund equity is classified as fund balance. Fund balance is further classified as non-spendable, restricted, committed, assigned or unassigned. Non-spendable 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.

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.

Note 1. Summary of Significant Accounting Policies (Continued)

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

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 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

As of July 1, 2024, the City adopted GASB Statement No. 101, *Compensated Absences*. The provisions align recognition and measurement guidance for all types of compensated absences, including vacation, sick leave, and other paid time off under a unified model, which resulted in governments recognizing a liability that more appropriately reflects when an obligation for compensated absences occurred. The implementation required the City to recognize a liability for certain leave benefits that were previously not recorded or measured differently under prior guidance. The model is intended to provide greater consistency in application and improved comparability across governments. The impact on fund balance or net position was not significant to the City. As such, no restatement of balances was deemed necessary.

As of July 1, 2024, the City adopted GASB Statement No. 102, *Certain Risk Disclosure*, which requires management to evaluate whether there are risks related to a government's vulnerabilities due to certain concentrations or constraints that require disclosure. A concentration, as defined by Statement 102, is a lack of diversity related to an aspect of a significant inflow or outflow or resources. 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. The requirements of the Statement are effective for reporting periods beginning after June 15, 2024. There was no impact on the fund balance or net position in the City due to the implementation of this standard and primarily resulted in new and enhanced disclosures.

Notes to the Financial Statements

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. The City attempts to comply with this statute, which is its process for minimizing custodial credit risk on deposits, however, there may be at times throughout the year that might exceed the amount insured by the Federal Deposit Insurance Corporation.

At June 30, 2025, the carrying amount of the City's bank deposits and bank balances were \$7,077,161 and \$6,927,554, 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, 2025, 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	\$ 7,869,363	.50-4.25%	\$ 6,226,929	\$ 1,642,434	\$ -	\$ -	Aa1/AA+
U.S. Agency obligations	2,818,974	3.250-5.50%	129,969	2,686,716	2,289	-	Aa1/AA+
Negotiable Certificates of deposit	6,061,640	0.865-5.15%	3,032,075	3,029,565	-	-	Not Rated
WYO-STAR I investment pool	21,997,932	4.16%	21,997,932	-	-	-	Not Rated
WGIF investment pool	307,063	4.20%	307,063	-	-	-	AAAm
Wyoming CLASS investment pool	<u>2,559,827</u>	4.25%	<u>2,559,827</u>	-	-	-	AAAm
	<u><u>\$ 41,614,799</u></u>		<u><u>\$ 34,253,795</u></u>	<u><u>\$ 7,358,715</u></u>	<u><u>\$ 2,289</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, 2025 is as follows:

Deposit and Investment Types	Fair Value	Percent of Portfolio
U.S. Treasury securities	\$ 7,869,363	18.91%
U.S. Agency obligations	2,818,974	6.77%
Negotiable certificates of deposit	6,061,640	14.57%
WYO-STAR I investment pool	21,997,932	52.86%
WGIF investment pool	307,063	0.74%
Wyoming CLASS investment pool	2,559,827	6.15%
	\$ 41,614,799	100.00%

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 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, 2025, 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, 2025:

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.

Negotiable certificates of deposit – Valued at closing price reported on the active market on which the individual certificate of deposit is traded. If held to maturity, the certificates of deposit are redeemed at purchased value.

The following table sets forth by level, within the fair value hierarchy, the City's investment at fair value as of June 30, 2025:

Investments at Fair Value as of June 30, 2025				
	Level 1	Level 2	Level 3	Total
U.S. Treasury securities	\$ 7,869,363	\$ -	\$ -	\$ 7,869,363
U.S. Agency obligations	-	2,818,974	-	2,818,974
Negotiable certificates of deposit	6,061,640	-	-	6,061,640
Total investments at fair value	\$ 13,931,003	\$ 2,818,974	\$ -	16,749,977
Other investments reported in the following classifications				
WYO-STAR I investment pool				21,997,932
WGIF investment pool				307,063
Wyoming CLASS investment pool				2,559,827
Total investments at fair value				\$ 41,614,799

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

As of June 30, 2025, the City's accounts receivable, including any applicable allowances for uncollectible accounts, are as follows:

	General Fund	Economic Development Fund	Other Governmental Funds	Internal Service Fund	Total
Governmental activities					
Franchise fees	\$ 46,970	\$ -	\$ -	\$ -	\$ 46,970
Municipal court	307,585	-	-	-	307,585
Miscellaneous	17,622	6,578	6,580	99	30,879
Allowance for uncollectible accounts	<u>(292,495)</u>	-	-	-	<u>(292,495)</u>
Total	<u>\$ 79,682</u>	<u>\$ 6,578</u>	<u>\$ 6,580</u>	<u>\$ 99</u>	<u>\$ 92,939</u>
Business-type activities					
	Water Fund	Sewer Fund	Golf Fund	Environmental Service Fund	Total
Customer	\$ 442,802	\$ 168,392	\$ 6,947	\$ 178,914	\$ 797,055
Total	<u>\$ 442,802</u>	<u>\$ 168,392</u>	<u>\$ 6,947</u>	<u>\$ 178,914</u>	<u>\$ 797,055</u>

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

Individual funds' interfund receivable and payable balances at June 30, 2025 are as follows:

	Due from	Due to
Governmental activities		
General fund	\$ 4,720,286	\$ -
Economic development fund	-	3,686,931
Cemetery fund	-	104,178
Business-type activities		
Sewer fund	-	655,121
Golf fund	-	274,056
Total due to/from other funds	<u>\$ 4,720,286</u>	<u>\$ 4,720,286</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, 2025 were as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
Governmental Activities:		
General fund	\$ 47,200	\$ -
Total governmental activities	<u>47,200</u>	<u>-</u>
Business-type Activities:		
Water fund	15,000	30,000
Sewer fund	-	15,000
Environmental service fund	-	17,200
Total business-type activities	<u>15,000</u>	<u>62,200</u>
Total primary government	<u><u>\$ 62,200</u></u>	<u><u>\$ 62,200</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, 2025:

	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion
Governmental Activities					
Notes receivable	\$ 253,793	\$ -	\$ 74,150	\$ 179,643	\$ 84,094
Total notes receivable	<u>\$ 253,793</u>	<u>\$ -</u>	<u>\$ 74,150</u>	<u>\$ 179,643</u>	<u>\$ 84,094</u>

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

Capital asset activity for the year ended June 30, 2025 was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental activities				
Capital assets, not being depreciated/ amortized				
Land	\$ 9,352,282	\$ -	\$ -	\$ 9,352,282
Construction in progress	4,820,200	3,146,383	7,886,476	80,107
Total capital assets, not being depreciated/amortized	<u>14,172,482</u>	<u>3,146,383</u>	<u>7,886,476</u>	<u>9,432,389</u>
Capital assets, being depreciated/ amortized				
Buildings and systems	41,848,386	3,402,669	798,010	44,453,045
Machinery and equipment	5,838,047	439,308	739	6,276,616
Infrastructure	18,274,698	-	-	18,274,698
Land improvements	2,110,656	3,672,548	-	5,783,204
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>68,172,747</u>	<u>7,514,525</u>	<u>798,749</u>	<u>74,888,523</u>
Less accumulated depreciation/ amortization for				
Buildings and systems	26,846,579	1,151,060	497,820	27,499,819
Machinery and equipment	4,861,001	298,241	739	5,158,503
Infrastructure	17,701,217	38,027	-	17,739,244
Land improvements	590,782	161,656	-	752,438
Right of use leased assets	24,072	6,218	-	30,290
Right of use subscription IT assets	17,467	23,289	-	40,756
Total accumulated depreciation/ amortization	<u>50,041,118</u>	<u>1,678,491</u>	<u>498,559</u>	<u>51,221,050</u>
Total capital assets, being depreciated/amortized, net	<u>18,131,629</u>	<u>5,836,034</u>	<u>300,190</u>	<u>23,667,473</u>
Governmental activities capital assets, net	<u>\$ 32,304,111</u>	<u>\$ 8,982,417</u>	<u>\$ 8,186,666</u>	<u>\$ 33,099,862</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, 2025 was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Business-type activities				
Capital assets, not being depreciated/ amortized				
Land	\$ 733,694	\$ -	\$ -	\$ 733,694
Construction in progress	<u>832,083</u>	<u>729,365</u>	<u>-</u>	<u>1,561,448</u>
Total capital assets, not being depreciated/amortized	<u>1,565,777</u>	<u>729,365</u>	<u>-</u>	<u>2,295,142</u>
Capital assets, being depreciated/ amortized				
Buildings and systems	69,095,352	-	-	69,095,352
Machinery and equipment	4,644,241	124,116	-	4,768,357
Land improvements	3,992,905	-	-	3,992,905
Right of use leased assets	<u>256,431</u>	<u>265,805</u>	<u>-</u>	<u>522,236</u>
Total capital assets, being depreciated/amortized	<u>77,988,929</u>	<u>389,921</u>	<u>-</u>	<u>78,378,850</u>
Less accumulated depreciation/ amortization for				
Buildings and systems	46,967,582	1,236,372	-	48,203,954
Machinery and equipment	3,477,764	349,363	-	3,827,127
Land improvements	2,695,092	133,546	-	2,828,638
Right of use leased assets	<u>49,150</u>	<u>57,118</u>	<u>-</u>	<u>106,268</u>
Total accumulated depreciation/ amortization	<u>53,189,588</u>	<u>1,776,399</u>	<u>-</u>	<u>54,965,987</u>
Total capital assets, being depreciated/amortized, net	<u>24,799,341</u>	<u>(1,386,478)</u>	<u>-</u>	<u>23,412,863</u>
Business-type activities capital assets, net	<u>\$ 26,365,118</u>	<u>\$ (657,113)</u>	<u>\$ -</u>	<u>\$ 25,708,005</u>

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	\$	171,806
Public safety and transportation		118,921
Public works, including depreciation of general infrastructure assets		1,308,342
Health, welfare and recreation		29,709
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		1,383
Capital assets held in the permanent fund		<u>48,330</u>
Total depreciation and amortization expense for governmental activities	\$	<u>1,678,491</u>
Business-type activities		
Water fund	\$	1,173,376
Sewer fund		149,526
Golf fund		268,774
Environmental service fund		<u>184,723</u>
Total depreciation and amortization expense for business-type activities	\$	<u>1,776,399</u>

Note 9. Leases***Lease Receivable***

In the year ended June 30, 2025, the City entered into a lease agreement with a 5-year term and an interest rate of 4.21%. The City will receive monthly payments of \$1,000 for the life of the lease.

During the year ended June 30, 2025, the City recognized lease and interest revenue of \$6,564 and \$1,436, respectively. As of June 30, 2025, the City's receivable for the lease was \$47,457. Additionally, the City has a deferred inflow of resources associated with this lease that will be recognized as revenue systematically over the lease term, regardless of the availability of funds from the lease. As of June 30, 2025, the balance of the deferred inflow of resources was \$47,457.

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, 2025, the value of the lease liability was \$1,738. 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 \$801 and had accumulated amortization of \$30,290.

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

The future principal and interest lease payments as of June 30, 2025 were as follows:

Year ending June 30, 2026	Principal	Interest	Total
	\$ 1,738	\$ 14	\$ 1,752
	<u>\$ 1,738</u>	<u>\$ 14</u>	<u>\$ 1,752</u>

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 \$256,431 at the start of the lease. As of June 30, 2025, the value of the lease liability was \$166,378. 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 \$155,995 and had accumulated amortization of \$100,435.

On March 13, 2025, 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 \$108,516 at the start of the lease. As of June 30, 2025, the value of the lease liability was \$103,823. The City is required to make monthly principal and interest payments of \$2,096. The lease has an interest rate of 5.97%. 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 \$103,994 and had accumulated amortization of \$4,522.

On March 13, 2025, the City entered into a lease agreement for the use of equipment in the business-type activities. Payments did not begin until July 2025. An initial lease liability was recorded in the amount of \$157,289 at the start of the lease. As of June 30, 2025, the value of the lease liability was \$157,289. The City is required to make monthly principal and interest payments of \$3,039. The lease has an interest rate of 5.97%. 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 \$155,979 and had accumulated amortization of \$1,311.

The future principal and interest lease payments for business type funds as of June 30, 2025 were as follows:

Year ending June 30, 2026	Principal	Interest	Total
2026	\$ 98,209	\$ 22,217	\$ 120,426
2027	103,994	16,433	120,427
2028	110,121	10,306	120,427
2029	61,446	5,076	66,522
2030	53,720	1,613	55,333
	<u>\$ 427,490</u>	<u>\$ 55,645</u>	<u>\$ 483,135</u>

Notes to the Financial Statements**Note 10. Subscription-Based Information Technology Arrangements (SBITAs)**

On September 27, 2023, the City entered into a SBITA contract for the use of IT software. As of June 30, 2025, the value of the subscription liability was \$25,432. 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 amounts of right to use subscription assets and the related accumulated amortization on right to use subscription assets were \$69,869 and \$40,756, respectively.

Remaining principal and interest payments on subscriptions are as follows:

Year ending June 30, 2026	Principal	Interest	Total
	\$ 25,432	\$ 2,416	\$ 27,848
	<u>\$ 25,432</u>	<u>\$ 2,416</u>	<u>\$ 27,848</u>

Note 11. Long-Term Debt

The changes in long-term debt for the year ended June 30, 2025 were as follows:

	Balance June 30, 2024	Additions	Reductions	Balance June 30, 2025	Due Within One Year
Governmental activities					
Compensated absences*	\$ 804,415	\$ 373,777	\$ -	\$ 1,178,192	\$ 207,087
Lease	8,485	-	6,747	1,738	1,738
Lease - subscription IT	48,658	-	23,226	25,432	25,432
Retainage payable	115,113	-	84,742	30,371	30,371
Net pension liability	3,260,725	-	283,295	2,977,430	-
Other post-employment benefits liability	821,505	-	31,912	789,593	-
Governmental activities long-term liabilities	<u>\$ 5,058,901</u>	<u>\$ 373,777</u>	<u>\$ 429,922</u>	<u>\$ 5,002,756</u>	<u>\$ 264,628</u>

* The change in the compensated absences liability is presented as a net change.

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

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

The changes in long-term debt for the business-type activities for the year ended June 30, 2025 were as follows:

	Balance		Reductions	Balance		Due Within One Year
	June 30, 2024	Additions		June 30, 2025		
Business-type activities						
Compensated absences*	\$ 333,822	\$ 112,900	\$ -	\$ 446,723	\$ 81,508	
Lease	214,547	265,805	52,862	427,490	98,210	
Retainage payable	-	26,452	-	26,452	-	
Net pension liability	1,979,599	-	232,919	1,746,680	-	
Other post-employment benefits liability	428,513	-	15,018	413,495	-	
Business-type activities long-term liabilities	<u>\$ 2,956,481</u>	<u>\$ 405,157</u>	<u>\$ 300,799</u>	<u>\$ 3,060,840</u>	<u>\$ 179,718</u>	

* The change in the compensated absences liability is presented as a net change.

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

Note 12. Fund Balances

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

Nonspendable						
General - prepaid items					\$ 20,534	
Economic development - notes receivable, noncurrent					95,549	
Cemetery - permanent fund principal					100,000	
Restricted for						
Lodging tax					1,223,690	
Assigned to						
General - City Hall					938,313	
General - Police and Fire Buildings					1,461,941	
General - Public Works Buildings					1,000,000	
General - Recreation Center					1,609,666	
Unassigned					<u>27,657,741</u>	
					<u>\$ 34,107,434</u>	

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 cemetery permanent fund is used to account for the assets held by the City for the ongoing maintenance of the public cemetery.

Deficit Fund Balance

As of June 30, 2025, the following nonmajor funds had a deficit fund balance or net position:

Cemetery	\$ (121,843)
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Notes to the Financial Statements**Note 13. Commitments and Contingencies**

The City has several outstanding construction projects as of June 30, 2025. At year end, the City's commitments with contractors are as follows:

Project Name	Original Contract Amount	Expended To Date	Remaining Commitment
Business-type activities			
Water Fund			
Twin Ridge Water Transmission Line	\$ 2,282,404	\$ 152,307	\$ 2,130,097
Sewer Fund			
Grass Valley Lift Station	739,710	565,892	173,818
Environmental Services Fund			
NRCS Watershed Project Initial Study	610,000	579,500	30,500
Total business-type activities	<u>3,632,114</u>	<u>1,297,699</u>	<u>2,334,415</u>
Total primary government	<u>\$ 3,632,114</u>	<u>\$ 1,297,699</u>	<u>\$ 2,334,415</u>

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, 2025, 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 2025 and 2024 were \$109,483 and \$104,140, 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.

Notes to the Financial Statements

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, 2025, the City paid \$2,576,472 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>.

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 statutorily 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 both the employer and employee portion of pension contributions 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 18.62% of covered payroll.

The City's contributions to the PEPP for the year ended June 30, 2025, was \$678,989, while the employees' portion was \$0. For the year ended June 30, 2025, the City's statutorily required contributions to the PEPP was \$341,682. As of July 1, 2025, the statutorily required employer contribution rate will not increase for the employer or the employee.

The amount of contributions designated as employee contributions represents the portion of total contributions that a participant retains ownership of and can elect to receive as a refund upon termination of employment. Employers can 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.

Note 16. Pension Plans (Continued)

Public Employees' Pension Plan (PEPP) (Continued)

- Tier 1, the Plan allows for normal retirement after four years of service and attainment of age 60. Early retirement is allowed provided the employee has completed four years of service and attained age 50 or 25 years of service but will result in a reduction of benefits based on the length of time remaining to age 60.
- Tier 2, the Plan allows for normal retirement after four years of service and attainment of age 65. Early retirement is allowed provided the employee has completed four years of service and attained age 55, or 25 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.

Benefits and contribution rates 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 (COLA) adjustment provided to retirees. In addition, a COLA will not be approved by the legislature unless the plan is 100% funded after the COLA is awarded.

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 Retirement 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 9.50% of their annual covered salary and the employer is statutorily required to contribute 9.50% of the annual covered payroll for a total of 19.00%. Legislation enacted in 1979 allows the employer to subsidize all or part of the employee contribution. The City has elected to contribute both the employer and employee portions of pension contributions 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 19.00% of covered payroll.

Notes to the Financial Statements**Note 16. Pension Plans (Continued)*****Law Enforcement Pension Plan (Continued)***

The City's contributions to the LEPP for the year ended June 30, 2025, was \$382,584, while the employees' portion was \$0. As of July 1, 2025, the employer contribution rate will increase by 1.80% from 19.00% to 20.80% and there will be no increase in employee contribution rates.

For the year ended June 30, 2025, the City's statutorily required contributions to the LEPP was \$191,292. As of July 1, 2025, there will be .90% increase in employee and employer statutorily required contribution rates. The statutorily required contribution rates will increase from 9.5% to 10.4%.

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

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

On June 30, 2025, the City reported a total liability of \$4,724,110 for its proportionate share of the net pension liability. The net pension liability (asset) was determined by an actuarial valuation as of January 1, 2024, 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, 2024 is based on the results of an actuarial valuation as of January 1, 2024, rolled forward to a measurement date of December 31, 2024.

The schedule below shows the City's proportionate share of the net pension liability (asset) as of June 30, 2025, the proportionate portion at the measurement date of December 31, 2024, and the change in the proportion from the previous measurement date.

	Pension liability at June 30, 2025	Proportion at December 31, 2024	Increase (decrease) from December 31, 2023
Public Employees' Pension Plan	\$ 3,428,518	0.164392106%	-0.007830053%
Law Enforcement Pension Plan	1,295,592	0.964591218%	-0.020402345%
	<u>\$ 4,724,110</u>		

For the year ended June 30, 2025, the City recognized pension expense of \$412,939.

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)***

On June 30, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources		Total Outflows
	PEPP	LEPP	
Changes in assumptions	\$ -	\$ 101,210	\$ 101,210
Difference between actual and expected experience rate	222,309	245,019	467,328
Change in employer's proportion	95,669	172	95,841
Amortizing deferred outflows	317,978	346,401	664,379
Contributions subsequent to the measurement date	178,076	100,466	278,542
Total	\$ 496,054	\$ 446,867	\$ 942,921

	Deferred Inflows of Resources		Total (Inflows)
	PEPP	LEPP	
Net difference between projected and actual earnings on pension plan investments	\$ (434,083)	\$ (253,950)	\$ (688,033)
Changes in assumptions	-	(947,589)	(947,589)
Difference between actual and expected experience rate	(4,128)	(32,431)	(36,559)
Change in employer's proportion	(129,346)	(103,010)	(232,356)
Total	\$ (567,557)	\$ (1,336,980)	\$ (1,904,537)

The City reported \$278,542 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, 2026. 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
Year ended June 30:			
2026	\$ (54,425)	\$ (554,694)	\$ (609,119)
2027	196,071	(241,072)	(45,001)
2028	(281,524)	(131,909)	(413,433)
2029	(109,701)	(62,904)	(172,605)
	\$ (249,579)	\$ (990,579)	\$ (1,240,158)

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

The total pension liability at the December 31, 2024 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, 2024
Actuarial cost method	Entry Age Normal
Amortization method	Level Percentage of Payroll, Closed
Remaining amortization period	
PEPP	23 years
LEPP	20 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, 2024. 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.

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 2024. 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%	0.41%	0.40%
Gold	1.50%	2.33%	0.01%
Fixed income	20.00%	3.79%	4.22%
Equity	51.50%	6.51%	8.19%
Marketable alternatives	16.00%	4.54%	5.38%
Private markets	10.50%	6.23%	7.74%
Total	100.00%	5.53%	6.75%

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 4.08% (based on the daily rate closest to but not later than the measurement date of the Bond Buyer "20-GO Bond 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 (asset) 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%
	\$ 5,711,187	\$ 3,428,518	\$ 1,538,182
Law Enforcement Pension Plan	5.80%	6.80%	7.80%
	2,717,768	1,295,592	132,828

Payables to the Pension Plan

At June 30, 2025, the City reported \$44,794 as 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 after 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	-
Active plan members	93
	<u>93</u>

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

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.

Funding Policy

For fiscal year 2025, 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	251	611	2,445

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, 2025 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	7.00 percent for 2025 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	Bond Index	Bond Rate	Discount Rate
June 30, 2024	June 30, 2024	Fidelity GO AA 20 Years	3.97%	3.97%
June 30, 2025	June 30, 2025	Bond Buyer 20-Bond GO	5.20%	5.20%

Notes to the Financial Statements**Note 17. Other Post-Employment Benefits (OPEB) (Continued)*****Schedule of Changes in the Total OPEB Liability (June 30, 2024 to June 30, 2025)***

	Total OPEB Liability
Balance at June 30, 2024	\$ 1,250,018
Changes for the year	
Service cost	54,740
Interest	51,799
Difference between expected and actual experience	-
Changes in assumptions or other inputs	(153,469)
Benefit payments	-
Net changes in total OPEB liability	(46,930)
Total OPEB obligation - end of year	<u><u>\$ 1,203,088</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 (4.20%)	Discount Rate (5.20%)	1% Increase (6.20%)
Total OPEB Liability	\$ 1,315,294	\$ 1,203,088	\$ 1,106,080

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	\$ 1,065,379	\$ 1,203,088	\$ 1,365,838

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

On June 30, 2025, 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	\$ 88,947	\$ (36,063)
Changes in assumptions or other inputs	72,030	(237,913)
Total	\$ 160,977	\$ (273,976)

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 of Resources		Deferred Inflows of Resources	
	\$		\$	
2026	\$	43,948	\$	(45,266)
2027		43,948		(45,266)
2028		34,019		(45,266)
2029		21,038		(45,266)
2030		13,388		(39,436)
2031-2033		4,636		(53,476)
	<hr/>	<hr/>	<hr/>	<hr/>
	\$	160,977	\$	(273,976)

For the year ended June 30, 2025, the City recognized OPEB expense of \$105,221.

Note 18. Accounting Standards Issued, But Not Implemented

As of June 30, 2025, the Governmental Accounting Standards Board has issued the following standards, which the City may implement in its next fiscal year.

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.

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 yet 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, 2025

**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		
Revenues				
Property taxes and other taxes				
Property taxes	\$ 722,500	\$ 722,500	\$ 1,039,646	\$ 317,146
Sales and use taxes	6,655,000	6,655,000	7,835,035	1,180,035
Franchise fees	175,500	175,500	202,589	27,089
	<u>7,553,000</u>	<u>7,553,000</u>	<u>9,077,270</u>	<u>1,524,270</u>
Licenses and permits				
Licenses and permits	<u>176,600</u>	<u>176,600</u>	<u>339,825</u>	<u>163,225</u>
Fines and forfeitures				
Fines and forfeitures	<u>130,250</u>	<u>130,250</u>	<u>183,683</u>	<u>53,433</u>
Intergovernmental revenues				
State gasoline tax	550,425	550,425	547,081	(3,344)
Severance tax	420,000	420,000	422,061	2,061
Cigarette tax	70,000	70,000	55,468	(14,532)
State funding	1,817,591	1,817,591	1,817,593	2
Grants	1,179,453	1,179,453	375,809	(803,644)
Mineral royalties	600,000	600,000	598,042	(1,958)
Pari-mutuel/lottery tax	1,205,000	1,205,000	1,125,907	(79,093)
	<u>5,842,469</u>	<u>5,842,469</u>	<u>4,941,961</u>	<u>(900,508)</u>
Charges for services				
Public safety fees	<u>56,375</u>	<u>56,375</u>	<u>88,979</u>	<u>32,604</u>
	<u>56,375</u>	<u>56,375</u>	<u>88,979</u>	<u>32,604</u>
Investment income and miscellaneous				
Interest income	903,500	903,500	1,517,846	614,346
Miscellaneous revenues	106,735	106,735	131,551	24,816
	<u>1,010,235</u>	<u>1,010,235</u>	<u>1,649,397</u>	<u>639,162</u>
Total revenues	<u>14,768,929</u>	<u>14,768,929</u>	<u>16,281,115</u>	<u>1,512,186</u>

(Continued)

City of Evanston, Wyoming

Year Ended June 30, 2025

**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				
Expenditures						
Current						
General government	\$ 5,491,059	\$ 5,491,059	\$ 4,864,321	\$ 626,738		
Public safety and transportation	4,523,177	4,523,177	4,220,578	302,599		
Public works	2,606,865	2,606,865	2,350,388	256,477		
Health, welfare and recreation	2,971,368	2,971,368	2,992,998	(21,630)		
Capital outlay	3,522,500	3,606,500	1,959,750	1,646,750		
Debt service						
Principal	6,500	6,500	6,747	(247)		
Interest	1,000	1,000	260	740		
Total expenditures	19,122,469	19,206,469	16,395,042	2,811,427		
Net change in fund balances	(4,353,540)	(4,437,540)	(113,927)	\$ 4,323,613		
Fund balance - beginning of year	32,403,879	32,403,879	32,403,879			
Fund balance - end of year	\$ 28,050,339	\$ 27,966,339	\$ 32,289,952			

City of Evanston, Wyoming

Year Ended June 30, 2025

**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	\$ 959,108	\$ (31,204)
Charges for services	17,733	17,733	12,964	(4,769)
Investment income and miscellaneous	65,000	65,000	133,112	68,112
Rental income	-	-	8,000	8,000
Total revenues	1,073,045	1,073,045	1,113,184	40,139
Expenditures				
Current				
Health, welfare and recreation	45,000	45,000	14,076	30,924
Capital outlay	5,310,312	5,310,312	3,205,815	2,104,497
Total expenditures	5,355,312	5,355,312	3,219,891	2,135,421
Net change in fund balances	(4,282,267)	(4,282,267)	(2,106,707)	\$ 2,175,560
Fund balance - beginning of year	763,378	763,378	763,378	
Fund balance - end of year	\$ (3,518,889)	\$ (3,518,889)	\$ (1,343,329)	

City of Evanston, Wyoming

Last 10 Fiscal Years **

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

	2025	2024	2023	2022
Public Employees' Pension Plan				
City's proportion of the net pension liability	0.164392106%	0.172222159%	0.163781486%	0.162040573%
City's proportionate share of the net pension liability	\$ 3,428,518	\$ 3,909,755	\$ 4,475,844	\$ 2,470,668
City's covered payroll	\$ 3,485,145	\$ 3,234,879	\$ 2,957,128	\$ 2,949,022
City's proportionate share of the net pension liability as a percentage of its covered payroll	98.38%	120.86%	151.36%	83.78%
Plan fiduciary net position as a percentage of the total pension liability	82.46%	80.19%	75.47%	86.03%
Law Enforcement Pension Plan				
City's proportion of the net pension liability	0.964591218%	0.984993563%	1.047418317%	1.052464345%
City's proportionate share of the net pension liability	\$ 1,295,592	\$ 1,330,569	\$ 3,568,079	\$ 2,994,668
City's covered payroll	\$ 1,876,674	\$ 1,647,523	\$ 1,690,589	\$ 1,748,472
City's proportionate share of the net pension liability as a percentage of its covered payroll	69.04%	80.76%	211.06%	171.27%
Plan fiduciary net position as a percentage of the total pension liability	87.88%	86.90%	70.30%	75.62%

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

2021	2020	2019	2018	2017	2016
0.159636048%	0.161921551%	0.148417953%	0.133104370%	0.127015276%	0.135582701%
\$ 3,469,466	\$ 3,805,037	\$ 4,519,758	\$ 3,033,903	\$ 3,070,595	\$ 3,158,191
\$ 2,842,268	\$ 2,814,541	\$ 2,584,483	\$ 2,364,436	\$ 2,264,562	\$ 2,364,662
122.07%	135.19%	174.88%	128.31%	135.59%	133.56%
79.24%	76.83%	69.17%	76.35%	73.20%	73.40%
1.048707686%	1.057945216%	0.938982725%	0.831542466%	0.837491120%	0.875347099%
\$ 714,403	\$ 911,935	\$ 2,273,018	\$ 715,496	\$ 632,238	\$ 657,561
\$ 1,685,687	\$ 1,648,823	\$ 1,426,303	\$ 1,276,809	\$ 1,296,262	\$ 1,316,520
42.38%	55.31%	159.36%	56.04%	48.77%	49.95%
91.82%	89.05%	71.22%	87.99%	88.11%	87.49%

City of Evanston, Wyoming

Last 10 fiscal years

**Schedule of City Contributions
(Unaudited)**

	2025	2024	2023	2022
Public Employees' Pension Plan				
Statutorily required contribution	\$ 341,682	\$ 330,278	\$ 305,911	\$ 278,880
Contributions in relation to the statutorily required contribution	(341,682)	(330,278)	(305,911)	(278,880)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
City's covered payroll	\$ 3,646,553	\$ 3,524,845	\$ 3,264,792	\$ 2,976,307
Contributions as a percentage of covered payroll	9.37%	9.37%	9.37%	9.37%
Law Enforcement Pension Plan				
Statutorily required contribution	\$ 191,292	\$ 156,210	\$ 154,626	\$ 147,793
Contributions in relation to the statutorily required contribution	(191,292)	(156,210)	(154,626)	(147,793)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
City's covered payroll	\$ 2,013,600	\$ 1,816,395	\$ 1,797,977	\$ 1,718,523
Contributions as a percentage of covered payroll	9.50%	8.60%	8.60%	8.60%

2021	2020	2019	2018	2017	2016
\$ 264,316	\$ 260,730	\$ 236,519	\$ 206,193	\$ 196,716	\$ 192,965
(264,316)	(260,730)	(236,519)	(206,193)	(196,716)	(192,965)
<u>\$ -</u>					
\$ 2,898,202	\$ 2,939,459	\$ 2,743,840	\$ 2,463,477	\$ 2,350,251	\$ 2,305,436
9.12%	8.87%	8.62%	8.37%	8.37%	8.37%
\$ 151,570	\$ 148,404	\$ 139,544	\$ 116,620	\$ 112,450	\$ 113,998
(151,570)	(148,404)	(139,544)	(116,620)	(112,450)	(113,998)
<u>\$ -</u>					
\$ 1,762,442	\$ 1,725,628	\$ 1,622,605	\$ 1,356,047	\$ 1,307,558	\$ 1,325,558
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)**

	2025	2024	2023	2022
Total OPEB Liability				
Service cost	\$ 54,740	\$ 72,564	\$ 63,967	\$ 79,216
Interest	51,799	47,226	41,710	21,552
Differences between expected and actual experience	-	(47,333)	1,936	124,222
Changes in assumptions and other inputs	(153,469)	26,647	(17,245)	(168,977)
Benefit payments	-	-	(7,729)	(61,776)
Net change in OPEB liability	(46,930)	99,104	82,639	(5,763)
Total OPEB liability - beginning	<u>1,250,018</u>	<u>1,150,914</u>	<u>1,068,275</u>	<u>1,074,038</u>
Total OPEB liability - ending	<u>\$ 1,203,088</u>	<u>\$ 1,250,018</u>	<u>\$ 1,150,914</u>	<u>\$ 1,068,275</u>
Covered employee payroll	\$ 5,934,584	\$ 5,580,033	\$ 5,268,616	\$ 4,718,953
Total liability as a percentage of covered employee payroll	20.27%	22.40%	21.84%	22.64%

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

2021	2020	2019	2018	2017	2016
\$ 62,097 25,068	\$ 50,229 25,779	\$ 45,424 25,081	\$ 44,101 23,031	*	*
-	67,991	-	-	*	*
48,346 (44,865)	80,920 (29,616)	30,425 (11,290)	- (9,697)	*	*
<u>90,646</u>	<u>195,303</u>	<u>89,640</u>	<u>57,435</u>	*	*
<u>983,392</u>	<u>788,089</u>	<u>698,449</u>	<u>641,014</u>	*	*
<u>\$ 1,074,038</u>	<u>\$ 983,392</u>	<u>\$ 788,089</u>	<u>\$ 698,449</u>	*	*
\$ 4,868,680	\$ 4,298,259	\$ 3,820,068	\$ 2,300,000	*	*
22.06%	22.88%	20.63%	30.37%	*	*

Notes to the Required Supplementary Information

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 2025 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	\$ (84,000)

City of Evanston
June 30, 2025

Notes to the Required Supplementary Information

Note 1. Basis of Budgeting (Continued)

Explanation of Differences between Budgetary Basis and GAAP Basis

	General Fund	Economic Development Fund
Revenues		
Actual amounts (Budgetary) from the Schedule of Revenues, Expenditures, and Changes in Fund Balances compared to Budget (Budgetary Basis)	\$ 16,281,115	\$ 1,113,184
Differences - Budgetary Basis to GAAP		
Accounts receivable	(13,112)	-
Due from other governments	(425,105)	-
Property taxes	7,196	-
Accrued interest	47,102	-
Total revenues as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 15,897,196</u>	<u>\$ 1,113,184</u>
Expenditures		
Actual amounts (Budgetary) from the Schedule of Revenues, Expenditures, and Changes in Fund Balances compared to Budget (Budgetary Basis)	\$ 16,395,042	\$ 3,219,891
Differences - Budgetary Basis to GAAP		
Accounts payable	(88,835)	12,772
Accrued liabilities	17,133	-
Prepaid items	41,049	-
Capital outlay	47,200	-
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 16,411,589</u>	<u>\$ 3,232,663</u>

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, 2024 measurement date.

Notes to the Required Supplementary Information

Note 2. Explanation of Changes in Factors to Pension Plans (Continued)

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 was decreased from 7.00% to 6.80%. There have been no actuarial assumption changes or methods since the prior valuation for all plans.

PEPP

Measurement Date (Plan Year End)	Discount rate	Investment rate of return	Real return net of inflation	Inflation	Salary increases	Payroll growth rate
2024	6.80%	6.80%	4.55%	2.25%	2.50% - 6.50%	2.50%
2023	6.80%	6.80%	4.55%	2.25%	2.50% - 6.50%	2.50%
2022	6.80%	6.80%	4.55%	2.25%	2.50% - 6.50%	2.50%
2021	6.80%	6.80%	4.55%	2.25%	2.50% - 6.50%	2.50%
2020	7.00%	7.00%	4.75%	2.25%	2.50% - 6.50%	2.50%
2019	7.00%	7.00%	4.75%	2.25%	2.50% - 6.50%	2.50%
2018	7.00%	7.00%	3.52%	2.25%	4.75% - 8.75%	2.50%
2017	7.00%	7.75%	4.75%	3.25%	4.25% - 6.00%	4.25%
2016	7.75%	7.75%	4.50%	3.25%	4.25% - 6.00%	4.25%

LEPP

Measurement Date (Plan Year End)	Discount rate	Investment rate of return	Real return net of inflation	Inflation	Salary increases	Payroll growth rate
2024	6.80%	6.80%	4.55%	2.25%	5.25% - 9.25%	2.50%
2023	6.80%	6.80%	4.55%	2.25%	5.25% - 9.25%	2.50%
2022	6.80%	6.80%	4.55%	2.25%	5.25% - 9.25%	2.50%
2021	5.17%	6.80%	4.55%	2.25%	3.00% - 7.00%	2.50%
2020	7.00%	7.00%	4.75%	2.25%	4.75% - 8.75%	2.50%
2019	7.00%	7.00%	4.75%	2.25%	4.75% - 8.75%	2.50%
2018	5.92%	7.00%	3.52%	2.25%	4.75% - 8.75%	2.50%
2017	7.00%	7.75%	4.75%	3.25%	4.25% - 8.00%	4.25%
2016	7.75%	7.75%	4.50%	3.25%	4.25% - 8.00%	4.25%

Notes to the Required Supplementary Information

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.

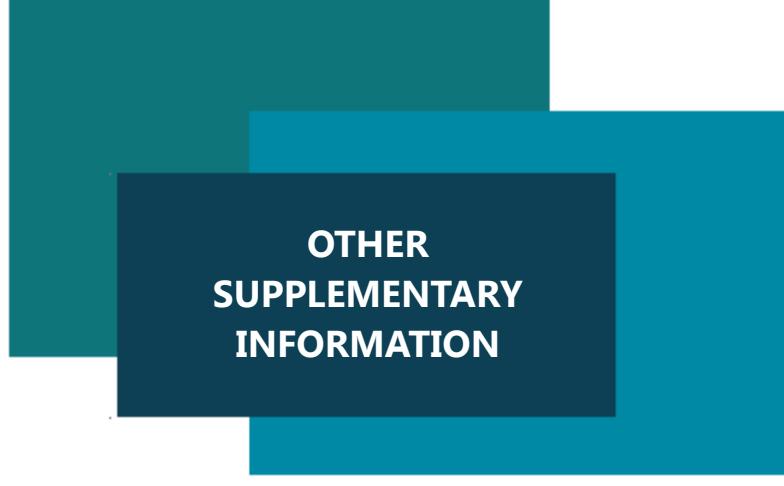
Changes of Assumptions

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)	Discount rate	Inflation rate	Salary increases	Healthcare cost trend rate	
				Pre medicare	Medicare
2025	5.00%	2.50%	3.00%	7.00%	4.50%
2024	3.97%	2.50%	3.00%	7.50%	4.50%
2023	3.86%	2.75%	3.00%	6.00%	3.50%
2022	3.69%	2.75%	3.00%	6.00%	3.50%
2021	1.92%	3.00%	3.00%	5.30%	n/a
2020	2.45%	3.00%	3.00%	5.30%	n/a
2019	3.13%	3.00%	3.00%	5.00%	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, 2025

Combining Balance Sheet

Nonmajor Governmental Funds

	Special Revenue Fund	Permanent Fund	Total Nonmajor Governmental Funds
	Lodging Tax Fund	Cemetery Fund	
ASSETS			
Cash and cash equivalents	\$ 739,654	\$ 100,000	\$ 839,654
Investments	492,503	-	492,503
Accounts receivable	-	6,580	6,580
Due from other governments	44,952	-	44,952
Accrued interest	1,814	-	1,814
Total assets	\$ 1,278,923	\$ 106,580	\$ 1,385,503
LIABILITIES			
Accounts payable	\$ 55,233	\$ 24,245	\$ 79,478
Due to other funds	-	104,178	104,178
Total liabilities	55,233	128,423	183,656
FUND BALANCES			
Nonspendable			
Permanent fund principal	-	100,000	100,000
Restricted	1,223,690	-	1,223,690
Unassigned	-	(121,843)	(121,843)
Total fund balances	1,223,690	(21,843)	1,201,847
Total liabilities and fund balances	\$ 1,278,923	\$ 106,580	\$ 1,385,503

City of Evanston, Wyoming

Year Ended June 30, 2025

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Governmental Funds

	Special Revenue Fund	Permanent Fund	Total Nonmajor Governmental Funds
	Lodging Tax Fund	Cemetery Fund	
Revenues			
Taxes	\$ 435,907	\$ -	\$ 435,907
Charges for services	-	76,250	76,250
Investment income and miscellaneous	27,046	-	27,046
Total revenues	<u>462,953</u>	<u>76,250</u>	<u>539,203</u>
Expenditures			
Current			
Health, welfare and recreation	<u>351,131</u>	<u>224,295</u>	<u>575,426</u>
Total expenditures	<u>351,131</u>	<u>224,295</u>	<u>575,426</u>
Excess (deficiency) of revenues over expenditures	<u>111,822</u>	<u>(148,045)</u>	<u>(36,223)</u>
Net change in fund balances	111,822	(148,045)	(36,223)
Fund balances - beginning of year	<u>1,111,868</u>	<u>126,202</u>	<u>1,238,070</u>
Fund balances - end of year	<u>\$ 1,223,690</u>	<u>\$ (21,843)</u>	<u>\$ 1,201,847</u>

City of Evanston, Wyoming

Year Ended June 30, 2025

**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	
	Original	Final				
Revenues						
Lodging tax	\$ 400,000	\$ 400,000	\$ 439,377	\$ 39,377		
Investment income and miscellaneous	25,000	25,000	27,045		2,045	
Total revenues	<u>425,000</u>	<u>425,000</u>	<u>466,422</u>		<u>41,422</u>	
Expenditures						
Current						
Health, welfare and recreation						
General expenses	-	-	117		(117)	
Marketing and promotion	323,400	323,400	298,377		25,023	
Event sponsorships	63,000	63,000	87		62,913	
Contractual services	58,500	58,500	26,000		32,500	
Total expenditures	<u>444,900</u>	<u>444,900</u>	<u>324,581</u>		<u>120,319</u>	
Excess (deficiency) of revenues over expenditures	(19,900)	(19,900)	141,841	\$	<u>161,741</u>	
Fund balance - beginning of year	<u>1,060,447</u>	<u>1,060,447</u>	<u>1,060,447</u>			
Fund balance - end of year	<u>\$ 1,040,547</u>	<u>\$ 1,040,547</u>	<u>\$ 1,202,288</u>			



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, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated December 22, 2025.

Report on Internal Control over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the 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 2025-001 and 2025-002 that we consider to be material weaknesses.



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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 22, 2025

Material Weakness in Internal Control over Financial Reporting

2025-001: 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)

2025-002: 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

Management has review procedures in place over financial reporting; however, certain complex accounting areas required additional analysis at year-end to ensure accurate financial reporting. As a result, several adjusting journal entries were identified and recorded to appropriately reflect specific transactions in the trial balance. The adjustments were necessary to ensure the financial statements were prepared in accordance with GAAP and primarily related to the following areas:

- Due from other governments
- Notes receivable
- Capital assets
- Accounts payable
- Accrued liabilities.

Cause

The adjustments primarily resulted from the complexity and judgment involved in certain transactions and accounting areas. While management performs review procedures, additional time, documentation, or focused analysis was needed to fully evaluate these items prior to year-end.

Effect or Potential Effect

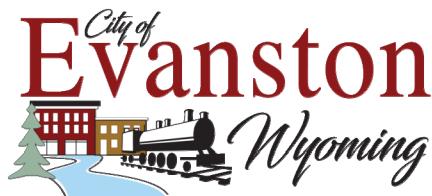
If complex accounting areas are not fully evaluated, amounts may be misstated or misclassified, which could affect the fair presentation of the financial statements.

Recommendation

We recommend management consider enhancing processes for identifying and evaluating complex accounting areas, such as through additional guidance, targeted training, or standardized review tools to further support accurate and consistent financial reporting.

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 – 2024-001 – 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 – 2024-002 – Material Audit Adjustments

Name of Contact Person – Trudy Lym, Director of Finance

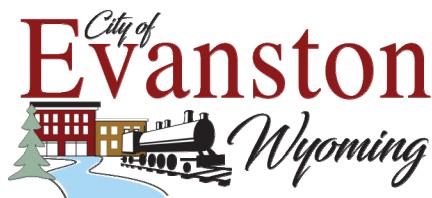
Condition

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 – 2025-001 – 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, 2026

Finding – 2025-002 – 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, 2026