

CITY OF LANDER, WYOMING

**FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2024**

TABLE OF CONTENTS

FINANCIAL SECTION	<u>Page</u>
Independent Auditor's Report.....	1-3
Management's Discussion and Analysis.....	4-11
Basic Financial Statements	
Government-Wide Financial Statements	
Statement of Net Position.....	12
Statement of Activities.....	13
Fund Financial Statements	
Balance Sheet - Governmental Funds.....	14
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds...	15
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	16
Statement of Net Position - Proprietary Fund.....	17
Statement of Revenues, Expenses, and Changes in Fund Net Position - Proprietary Fund.....	18
Statement of Cash Flows - Proprietary Fund.....	19
Notes to the Financial Statements.....	20-48
Required Supplementary Information	
Budgetary Comparison Schedule (Non GAAP Basis) - General Fund.....	49
Schedule of the City's Proportionate Share of the Net Pension Liability	50-52
Schedule of City Contributions.....	53-55
Notes to Required Supplementary Pension Information.....	56
Other Supplementary Information	
Combining Balance Sheet - Special Revenue Funds.....	57
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Special Revenue Funds.....	58
Detail Schedule of Departmental Expenditures by Object Classification - General Fund.....	59
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS.....	60
COMPLIANCE SECTION	
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With Government Auditing Standards	61-62
Independent Auditor's Report on Compliance for Each Major Program and on Internal Control over Compliance Required by Uniform Guidance	63-64
Schedule of Findings and Questioned Costs.....	65-66
Corrective Action Plan.....	67
Summary Schedule of Prior Audit Findings.....	68



INDEPENDENT AUDITOR'S REPORT

Honorable Members of the City Council
City of Lander
Lander, Wyoming

Report on the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Lander, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the 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 of Lander, as of June 30, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City of Lander 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 of the City of Lander's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.



Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards 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 generally accepted auditing standards 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 of Lander'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 of Lander'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, and required Governmental Accounting Standards Board pension schedules be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Lander's basic financial statements. The accompanying combining balance sheet and combining statement of revenues, expenditures, and changes in fund balance - special revenue funds, detail schedule of departmental expenditures by object classification - general fund, and schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, 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 auditing standards generally accepted in the United States of America. In our opinion, the combining balance sheet, combining statement of revenues, expenditures, and changes in fund balance - special revenue funds, detail schedule of departmental expenditures by object classification - general fund, and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 13, 2025, on our consideration of the City of Lander'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 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 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 of Lander's internal control over financial reporting and compliance.

SUMMIT WEST CPA GROUP, P.C.

Summit West CPA Group, P.C.
Lander, Wyoming
January 13, 2025

CITY OF LANDER, WYOMING

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2024

This section of the City of Lander's annual financial report presents our discussion and analysis of the City's financial performance during the fiscal year that ended June 30, 2024. Please read it in conjunction with the transmittal letter at the front of this report and the City's financial statements, which immediately follow this section.

FINANCIAL HIGHLIGHTS

The assets of the City of Lander exceeded its liabilities and deferred inflows of resources at June 30, 2024 by \$87,454,173 (net position). Of this amount, unrestricted net position of \$14,992,344 is broken down as follows: Business-Type (Water and Sewer Fund) \$4,0090,627; and Governmental Type has various board designated amounts that are unrestricted according to the Government-wide definitions for net position classifications - approximately \$10,901,717. In 2015 the City was also subject to Government Auditing Standard Statements No. 68-71 which required the City to put the City's unfunded portion of the Net Pension Liability on the financial statements. This has impacted the net position negatively as the total liability was approximately \$3.6 million. This liability is not something the City is responsible for paying beyond normal contributions as required by the Wyoming Retirement System. Upon removing this number from the balance sheet, the City would have a larger positive unrestricted fund balance in both the general fund and enterprise fund.

- Sales tax revenues, mineral royalties, severance taxes, and special state distributions totaled \$5,989,105 while water and sewer utility charges total \$3,731,979.
- The increases in water and sewer income numbers are due to the annual increases made to the water and sewer rates. The City will continue to raise the water and sewer rates by 7% annually due to their proposed five year plan for improvements for water and sewer. The City received a \$45 million loan with grant forgiveness of approximately \$11.2 million with an interest rate of .25% from the State Land and Investments Board (SLIB). The City would complete a couple major water/sewer/curb gutter & street projects a year for a period of five years. The curb and gutter expenses on these projects will be paid out of the optional monies. The City had to show SLIB that they had this money in the bank to cover the cost of the curb and gutter; therefore, there weren't any big optional projects completed in the last couple of years to save these funds for these improvement projects. Therefore, the reason there is a larger amount of monies sitting in the unrestricted funds in general government.
- The City has actively been pursuing grants/loans to finance the Table Mountain Assisted Living and Memory Care facility. They were awarded grant funds from SLIB in the amount of \$2,000,000 along with the \$2,640,000 received from the American Rescue Plan Act (ARPA) funds from SLIB. This project is under the Housing Authority which also manages Push Root. However, the City wasn't able to secure enough funding to see this project through to date. We will complete the road and water project into this property with SLIB monies that were award, but will sit on the project for now until additional funds can be found. The City will be returning the monies received from ARPA that haven't been used.
- The City of Lander continues to work with FEMA to complete a flood mitigation plan. This plan is ongoing and the hope is to have the study completed in 2025.
- The City has all of the monies it was due from FEMA monies for the flood of 2017.
- The City has received funding for Safe Routes to School to enhance many traffic patterns, parking and sidewalks within city limits. These projects will take place in the Summer of 2025.

USING THIS ANNUAL REPORT

This discussion and analysis is intended to serve as an introduction to the City of Lander's basic financial statements. The City of Lander's basic financial statements comprise three components: 1) government-wide statements, 2) fund financial statements, and 3) notes to the financial statements.

Government-Wide Statements

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

The **statement of net position** presents information on all of the City'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 as to whether the financial position of the City is improving or deteriorating.

The **statement of activities** presents information showing how the City'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 timing of related cash flows. Thus, revenues and expenses reported in this statement for some items will result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City of Lander 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 Lander include general government, public safety (police, fire, building inspection), public works (streets, parks, and cemetery), community development and services. The business-type activities include the water and sewer systems.

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. Some funds are required to be established by State law and bond covenants; however, the City Council establishes other funds to help control and manage money for specific purposes. All the City's funds can be divided into three categories: Governmental Funds, Proprietary Funds and Fiduciary Funds.

Governmental funds – Most of the City's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending. The funds are reported using an accounting method called *modified accrual* accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental funds statements provide a detailed short-term view to cash, the governmental fund operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs.

Proprietary funds – When the City charges customers for the services it provides, these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Position and the Statement of Activities. The City's enterprise fund (proprietary fund) is the same as the business-type activity reported in the government-wide statements but provides more detail and additional information, such as cash flows.

Fiduciary funds – Fiduciary funds are used to account for resources held for the benefit of parties outside the government. The fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs.

Notes to 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.

REMAINDER OF PAGE INTENTIONALLY LEFT BLANK

City of Lander, Wyoming
Management's Discussion and Analysis
June 30, 2024

The City as a whole:

	Governmental Activities 2023	Governmental Activities 2024	Business-Type Activities 2023	Business-Type Activities 2024	Total Primary Government 2023	Total Primary Government 2024
ASSETS						
Current and other assets	\$13,775,666	\$16,420,488	\$8,279,103	\$12,125,040	\$22,054,769	\$28,545,528
Capital assets	47,532,158	47,842,125	30,500,349	35,956,829	78,032,507	83,798,954
Total Assets	61,307,824	64,262,613	38,779,452	48,081,869	100,087,276	112,344,482
DEFERRED OUTFLOW OF RESOURCES						
Pension	1,692,526	827,612	1,779,110	1,806,786	3,471,636	2,634,398
LIABILITIES						
Current and other liabilities	2,108,320	1,224,114	2,981,910	7,262,287	5,090,230	8,486,401
Noncurrent liabilities						
Net pension liability	4,106,262	2,312,975	1,487,299	1,295,488	5,593,561	3,608,463
Compensated absences	131,355	158,119	60,773	72,463	192,128	230,582
Notes payable	3,046,138	2,850,621	5,051,844	4,533,431	8,097,982	7,384,052
Total Liabilities	9,392,075	6,545,829	9,581,826	13,163,669	18,973,901	19,709,498
DEFERRED INFLOW OF RESOURCES						
Leases	4,756,361	4,598,651	0	0	4,756,361	4,598,651
Pension	577,973	1,244,352	1,273,126	1,473,761	1,851,099	2,718,113
Property taxes	451,154	498,445	0	0	451,154	498,445
	5,785,488	6,341,448	1,273,126	1,473,761	7,058,614	7,815,209
NET POSITION						
Net investment in capital assets	39,479,891	40,024,122	25,112,441	31,014,086	64,592,332	71,038,208
Restricted for:						
Endowment - spendable	313,342	307,331	0	0	313,342	307,331
Special projects	271,717	270,763	0	0	271,717	270,763
Economic Development	482,752	699,015	0	0	482,752	699,015
Loan guarantee	0	0	146,512	146,512	146,512	146,512
Assigned						
Optional sales tax	4,607,730	7,026,251	0	0	4,607,730	7,026,251
Replacement fund	1,423,715	1,423,715	3,713,431	3,563,083	5,137,146	4,986,798
Retirement payout	411,106	411,106	450,000	450,000	861,106	861,106
Unrestricted	832,534	2,040,645	281,226	77,544	1,113,760	2,118,189
Total Net Position	\$47,822,787	\$52,202,948	\$29,703,610	\$35,251,225	\$77,526,397	\$87,454,173

City of Lander, Wyoming
Management's Discussion and Analysis
June 30, 2024

This section contains a condensed comparison of revenues and expenses and explanations for significant differences. The following table shows the summarized revenues and expenses for fiscal year 2024 compared to 2023.

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2023	2024	2023	2024	2023	2024
REVENUES						
Program Revenues						
Charges for services	\$ 978,353	\$ 1,044,947	\$ 3,723,370	\$ 3,731,979	\$ 4,701,723	\$ 4,547,828
Operating grants & contributions	1,250,742	496,495	0	0	1,250,742	496,495
Capital grants & contributions	3,023,762	2,032,067	695,987	5,877,313	3,719,749	7,909,380
General Revenues						
Property & vehicle taxes	896,161	935,424	0	0	896,161	786,236
Sales & use tax	3,645,094	3,760,269	0	0	3,645,094	3,456,120
Franchise fees	525,278	522,050	0	0	525,278	494,112
Other taxes	1,185,173	1,157,898	0	0	1,185,173	1,131,132
Mineral taxes	460,712	464,892	0	0	460,712	474,180
Severance taxes	271,726	272,061	0	0	271,726	271,629
Special state distributions	981,712	1,491,786	0	0	981,712	946,079
Investment earnings	218,359	527,933	152,558	329,036	370,917	(126,471)
Gain (loss) on sale of assets	0	0	0	5,055	0	(6,990)
Other revenue	26,039	225,127	0	0	26,039	92,702
Total Revenues	13,463,111	12,930,949	4,571,915	9,943,383	18,035,026	20,472,432
EXPENSES						
Current						
General government	2,734,640	2,322,319	0	0	2,734,640	2,322,319
Public safety	2,779,648	3,061,518	0	0	2,779,648	3,061,518
Public works	2,843,165	3,018,868	0	0	2,843,165	3,018,868
Water & wastewater	0	0	5,292,776	4,498,922	5,292,776	4,498,922
Total Expenses	8,357,453	8,402,705	5,292,776	4,498,922	13,650,229	12,901,627
Increase (decrease) in net position	\$5,105,658	\$4,528,244	(\$720,861)	\$5,444,461	\$4,384,797	\$7,570,805

Governmental activities saw a decrease in net position and business-type activities saw an increase in net position of approximately \$4.5 million and \$5.4 million, respectively, for fiscal years 2024 and 2023.

The City's Funds

Information on the City's major Governmental Funds begins on page 14. These funds are accounted for using the modified accrual basis of accounting. As the City completed the year, its General Funds reported a combined fund balance of \$14,876,256 in 2024 and \$11,388,956 in 2023 with the following are fund balance restrictions

	2023	2024
Restricted for special projects	\$ 313,342	\$ 270,763
Restricted for senior endowment	271,717	307,763
Economic Development	482,752	699,015

City of Lander, Wyoming
Management's Discussion and Analysis
June 30, 2024

General government revenues by source is summarized as follows:

	Revenues by Source -	
	2023	2024
Taxes	76.00%	78.27%
License and fees	2.00%	3.12%
Fines and forfeitures	2.00%	1.42%
Intergovernmental	15.00%	7.96%
Charges for service	1.00%	2.21%
Investment income	1.00%	4.45%
Other revenue	1.11%	0.31%
WBCA grant chamber contributions	0.52%	0.15%
Rent	1.00%	2.10%
Total	100%	100%

General government expenditures include all administrative functions of the City (i.e. Council, Clerk, Treasurer, Finance, Attorney, Municipal Court, and Other General Accounts). Public Safety includes Police, Fire, Building Inspector, Emergency Management and Compliance, Engineering and Weed and Pest. Public Works includes Streets and Alleys, Building Repair and Maintenance, Airport, Cemetery, Maintenance Shop, Parks and Recreation, Rodeo Grounds and Public Works Administration.

	Expenses by Function -	
	2023	2024
General Government	\$ 2,848,612	\$ 2,322,319
Public Safety	2,779,648	3,061,518
Public Works	2,843,165	3,018,868
Capital Outlay	1,051,884	1,557,790
Total	\$ 9,523,309	\$ 9,960,495

General Fund Budgetary Highlights

Over the course of the year, the City Council revised the City budget one time. All of the recommended amendments for budget changes came through the City Treasurer's Office to City Council via resolution. Budget amendments require a public hearing and the opportunity for public discussion. The budget was amended due to increase/decrease between government departments and decrease in revenue.

Capital Assets and Debt Administration

Capital Assets

The City's investment in capital assets for its governmental and business-type activities as of June 30, 2024 amounts to \$79 million. This amount excludes infrastructure assets constructed prior to July 1, 2003.

Major capital additions during fiscal year 2024 included the completion waterline improvements, and the new water tank project was started. The table below provides a summary of net capital assets at June 30, 2024 compared to June 30, 2023

City of Lander, Wyoming
Management's Discussion and Analysis
June 30, 2024

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2023	2024	2023	2024	2023	2024
Land	\$ 4,125,614	\$ 4,125,614	\$ 0	\$ 0	\$ 4,125,614	\$ 4,125,614
Construction in progress	1,139,956	1,746,061	889,258	6,900,270	2,029,214	8,646,331
Building & improvements	21,736,463	21,849,448	1,077,926	1,077,926	22,814,389	22,927,374
Equipment	4,149,768	4,803,218	2,704,365	2,743,792	6,854,133	7,547,010
Vehicles	3,407,928	3,213,374	357,786	357,786	3,765,714	3,571,160
Office furniture	109,360	109,360	65,661	65,339	175,021	174,699
Infrastructure	22,175,949	22,207,108	0	0	22,175,949	22,207,108
Water distribution system	0	0	33,741,227	34,240,007	33,741,227	34,240,007
Sewer service system	0	0	12,706,453	12,722,171	12,706,453	12,722,171
Less: Accumulated Depreciation	(14,091,018)	(14,945,893)	(21,042,327)	(22,150,462)	(35,133,345)	(37,096,355)
Total Capital Assets	\$ 42,754,020	\$ 43,108,290	\$30,500,349	\$35,956,829	\$ 73,254,369	\$ 79,065,119

The City remains committed to the upkeep and maintenance of the City's largest assets. The City is continuing it's work funding and developing the replacement schedule for all assets.

Debt

Note 8 to the financial statement on page 35 provides a summary of the City's long-term debt. This pension liability is deceiving as it will not be required for the City to fund this pension obligation; however, Government Auditing Standard Statements No. 68-71 require the City to book this amount on their balance sheet.

Business-Type Activities

The loan advances are set to zero due to all projects being completed and closed. The change in fund balance for the enterprise fund was unallocated monies that had been previously restricted due to loan obligations. Council voted to reclassify them to unrestricted.

Economic Factors and Next Year's Budgets and Rates

The City has given substantial cost of living raises over the past two-year period. The amount of increase was 5.0% for 2024 and 8.7% for 2023. These increases in the wage schedule have enabled the City the leverage to fill their open positions with highly qualified individuals. These wages should also help retain the current talent that we have on staff. Along with increases in wages, the cost of insurance has increased by 4% for 2024 and 17.5% for 2023.

The City continues to work on their automation processes. The City is currently building databases using the software Airtable and Stacker. The processes have helped build efficiencies within the City to make better budget decisions. The City is currently completely "paperless" for the purchase order system. The City's goal to automate all manual processes within two years and have all forms online.

City of Lander, Wyoming

Management's Discussion and Analysis June 30, 2024

The future of Wyoming's dependency on oil and gas remains a concern for administration for future years. The City of Lander receives more than 77% of their total revenues from monies dictated through the legislature. The City is strongly advocating to their local legislators their need to maintain the municipalities at the current level of funding. The City has received additional funds for their supplemental distribution for the next biennium. These monies have not been mainstreamed into the budget. They have been designated to go to the equipment replacement fund or to the undesignated funds. The idea for this type of budgeting is that these monies are most likely temporary in nature and the City doesn't need to get used to spending monies that won't be permanent funding.

Contacting the City's Financial Management

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the City's finances and to show the City's accountability for the funds and assets it received. If you have questions about this report, or should you need additional financial information, contact the City Treasurer's Office at City of Lander, 240 Lincoln Street, Lander, WY 82520.

CITY OF LANDER, WYOMING
STATEMENT OF NET POSITION
JUNE 30, 2024

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current Assets			
Other cash and investments	\$ 7,736,758	\$ 6,610,186	\$ 14,346,944
Restricted cash	1,277,109	146,512	1,423,621
Receivables, net			
Taxes receivable	937,060	0	937,060
Intergovernmental and grants receivable	1,382,439	0	1,382,439
Accounts receivable	257,541	409,462	667,003
Grants receivable	0	4,890,448	4,890,448
Internal balances	4,829,581	0	4,829,581
Inventory	0	68,432	68,432
Total Current Assets	<u>16,420,488</u>	<u>12,125,040</u>	<u>28,545,528</u>
Noncurrent Assets			
Interest receivable	95,974	0	95,974
Lease receivable	4,637,860	0	4,637,860
Fixed assets, net of accumulated depreciation	43,108,291	35,956,829	79,065,120
Total Noncurrent Assets	<u>47,842,125</u>	<u>35,956,829</u>	<u>83,798,954</u>
TOTAL ASSETS	<u>\$ 64,262,613</u>	<u>\$ 48,081,869</u>	<u>\$ 112,344,482</u>
DEFERRED OUTFLOW OF RESOURCES			
Pension	827,612	1,806,786	2,634,398
TOTAL DEFERRED OUTFLOW OF RESOURCES	<u>827,612</u>	<u>1,806,786</u>	<u>2,634,398</u>
LIABILITIES			
Current Liabilities			
Accounts payable and accrued expenses	\$ 943,898	\$ 1,927,681	\$ 2,871,579
Internal balances	0	4,835,630	4,835,630
Renter deposits	46,668	17,200	63,868
Current portion of long-term liabilities	233,548	481,776	715,324
Total Current Liabilities	<u>1,224,114</u>	<u>7,262,287</u>	<u>8,486,401</u>
Noncurrent Liabilities			
Net pension liability	2,312,975	1,295,488	3,608,463
Compensated absences	158,119	72,463	230,582
Notes payable	2,850,621	4,533,431	7,384,052
Total Noncurrent Liabilities	<u>5,321,715</u>	<u>5,901,382</u>	<u>11,223,097</u>
TOTAL LIABILITIES	<u>6,545,829</u>	<u>13,163,669</u>	<u>19,709,498</u>
DEFERRED INFLOW OF RESOURCES			
Leases	4,598,651	0	4,598,651
Pension	1,244,352	1,473,761	2,718,113
Property taxes	498,445	0	498,445
TOTAL DEFERRED INFLOW OF RESOURCES	<u>6,341,448</u>	<u>1,473,761</u>	<u>7,815,209</u>
NET POSITION			
Net investment in capital assets	40,024,122	31,014,086	71,038,208
Restricted			
Endowment - spendable	307,331	0	307,331
Special projects	270,763	0	270,763
Economic development	699,015	0	699,015
Loan guarantee	0	146,512	146,512
Board Designated - Unrestricted			
Optional 1% sales tax	7,026,251	0	7,026,251
Assigned replacement fund	1,423,715	3,563,083	4,986,798
Retirement payout	411,106	450,000	861,106
Unrestricted	<u>2,040,645</u>	<u>77,544</u>	<u>2,118,189</u>
TOTAL NET POSITION	<u>\$ 52,202,948</u>	<u>\$ 35,251,225</u>	<u>\$ 87,454,173</u>

See Notes to Financial Statements

**CITY OF LANDER, WYOMING
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2024**

	General Fund	Special Revenue Funds	Non-Major Fund Senior Center Trust Permanent Fund	Total Governmental Funds
ASSETS				
Other cash and investments	\$ 8,704,001	\$ 0	\$ 309,866	\$ 9,013,867
Cash with fiscal agent	0	0	0	0
Receivables, net				
Taxes	934,389	0	0	934,389
Intergovernmental and grants	29,888	1,352,831	0	1,382,719
Accounts receivable	257,541	0	0	257,541
Interest	0	0	2,392	2,392
Due from other funds	4,955,709	878,249	6,028	5,839,986
Total Assets	<u>\$ 14,881,528</u>	<u>\$ 2,231,080</u>	<u>\$ 318,286</u>	<u>\$ 17,430,894</u>
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable and accrued expenses	\$ 418,207	420,183	\$ 10,955	\$ 849,345
Accrued payroll	100,602	0	0	100,602
Due to other funds	0	1,004,354	0	1,004,354
Deposits	0	46,668	0	46,668
Total Liabilities	<u>518,809</u>	<u>1,471,205</u>	<u>10,955</u>	<u>2,000,969</u>
DEFERRED INFLOW OF RESOURCES				
Property taxes	<u>553,669</u>	<u>0</u>	<u>0</u>	<u>553,669</u>
Total Deferred Inflow of Resources	<u>553,669</u>	<u>0</u>	<u>0</u>	<u>553,669</u>
Fund Balances				
Restricted for				
Endowment - spendable	0	0	307,331	307,331
Special projects	270,763	0	0	270,763
Economic development	0	699,015	0	699,015
Optional 1% sales tax	7,026,251	0	0	7,026,251
Assigned				
Retirees	411,106	0	0	411,106
Equipment	1,423,715	0	0	1,423,715
Unassigned				
General fund	4,677,215	0	0	4,677,215
Special revenue funds	0	60,860	0	60,860
Total Fund Balances	<u>13,809,050</u>	<u>759,875</u>	<u>307,331</u>	<u>14,876,256</u>
Total Liabilities, Deferred Inflows, and Fund Balances	<u>\$ 14,881,528</u>	<u>\$ 2,231,080</u>	<u>\$ 318,286</u>	<u>\$ 17,430,894</u>
Total Fund Balances from above				\$ 14,876,256
Amounts reported for governmental activities in the statement of net position are different because:				
Capital assets used in governmental activities are not financial resources, and therefore are not reported in the funds.				43,108,291
Taxes receivable are not available to pay current period expenditures, and therefore are deferred in the funds.				55,221
Leases and related interest receivable are not available to pay current period expenditures, and therefore are deferred in the funds.				4,733,834
Deferred inflows of resources related to leases are applicable to future periods, and therefore not reported in the governmental fund statements.				(4,598,651)
Deferred outflows of resources related to pensions are applicable to future periods, and therefore not reported in the governmental fund statements.				827,612
Deferred inflows of resources related to pensions are applicable to future periods, and therefore not reported in the governmental fund statements.				(1,244,352)
Long-term liabilities, including compensated absences, are not due in the current period, and therefore are not reported in the funds.				(3,242,288)
Net pension liability				<u>(2,312,975)</u>
Net Position of Governmental Activities				<u>\$ 52,202,948</u>

See Notes to Financial Statements

CITY OF LANDER, WYOMING
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2024

	<u>General Fund</u>	<u>Special Revenue Funds</u>	<u>Non-Major Funds Senior Center Trust Permanent Fund</u>	<u>Total Governmental Funds</u>
REVENUES				
Taxes	\$ 7,318,381	\$ 0	\$ 0	\$ 7,318,381
Licenses and fees	291,393	0	0	291,393
Fines and forfeitures	132,994	0	0	132,994
Intergovernmental and grants	744,571	2,881,323	0	3,625,894
Charges for services	206,616	495,157	0	701,773
Investment income	416,471	0	17,204	433,675
Rent	29,374	0	0	29,374
WBCA grant and chamber contributions	14,015	0	0	14,015
Other revenue	196,648	73,396	0	270,044
Total Revenues	<u>\$ 9,350,463</u>	<u>\$ 3,449,876</u>	<u>\$ 17,204</u>	<u>\$ 12,817,543</u>
EXPENDITURES				
Current				
General government	\$ 1,434,891	369,699	\$ 23,215	\$ 1,827,805
Public safety	2,951,994	0	0	2,951,994
Public works	1,619,866	0	0	1,619,866
Airport	0	471,997	0	471,997
Economic Development	0	630,245	0	630,245
Capital outlay	1,412,218	0	0	1,412,218
Total Expenditures	<u>7,418,969</u>	<u>1,471,941</u>	<u>23,215</u>	<u>8,914,125</u>
Excess of revenues over (under) expenditures	<u>1,931,494</u>	<u>1,977,935</u>	<u>(6,011)</u>	<u>3,903,418</u>
OTHER FINANCING SOURCES (USES)				
Operating transfers in/(out)	(113,200)	113,200	0	0
Other financing sources - Proceeds from long-term debt	0	0	0	0
Other financing uses - loan payments	(134,085)	(133,950)	0	(268,035)
Total Other Financing Sources (Uses)	<u>(247,285)</u>	<u>(20,750)</u>	<u>0</u>	<u>(268,035)</u>
Excess of revenues and other sources over (under) expenditures and other uses	<u>1,684,209</u>	<u>1,957,185</u>	<u>(6,011)</u>	<u>3,635,383</u>
RESTATE FUND BALANCES - JULY 1	<u>12,124,841</u>	<u>(1,197,310)</u>	<u>313,342</u>	<u>11,240,873</u>
FUND BALANCES - JUNE 30	<u>\$ 13,809,050</u>	<u>\$ 759,875</u>	<u>\$ 307,331</u>	<u>\$ 14,876,256</u>

See Notes to Financial Statements

CITY OF LANDER, WYOMING
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2024

Amounts reported for governmental activities in the statement of activities (page 13) are different because:

Net change in fund balances - total governmental funds (page 15)	\$ 3,635,383
--	--------------

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.

Capital asset additions	1,557,790
Depreciation expense	(1,203,520)

The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. This amount is the net effect of those differences in the treatment of long-term debt and related items:

Leases and other changes	10,000
Loan proceeds	0
Principal payments	208,035

The change in lease receivables and deferred inflows of resources for leases is a result of the economic resources measurement focus and accrual basis of accounting used in the government-wide statements. These adjustments recognize revenue when earned rather than when received, as reported in the governmental funds

113,406

The net pension expense is an actuarial calculation and does not require the use of current financial resources and it is excluded as an expenditure in governmental funds. Additionally, since the current year contributions to the pension plan will be included in the subsequent year's pension expense calculation, those contributions should not be considered in the government-wide statements.

Change in net pension liability	(1,793,287)
Change in pension related deferred outflows and inflows of resources	1,899,690

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

Change in deferred revenues	47,218
-----------------------------	--------

Some expenses reported in the statement of activities do not require the use of current financial resources, and therefore are not reported as expenditures in governmental funds.

Change in compensated absences	53,529
--------------------------------	--------

Change in Net Position of Governmental Activities (page 13)	\$ 4,528,244
---	--------------

CITY OF LANDER, WYOMING
STATEMENT OF NET POSITION
BUSINESS-TYPE ACTIVITIES - PROPRIETARY FUND
JUNE 30, 2024

	<u>Water and Sewer Fund</u>
ASSETS	
Current assets	
Other cash and investments	\$ 6,610,186
Restricted cash	146,512
Accounts receivable, net	409,462
Grants receivable	4,890,448
Inventory on hand and material for repairs	<u>68,432</u>
Total Current Assets	<u>12,125,040</u>
Noncurrent assets	
Fixed assets, net	<u>35,956,829</u>
Total Noncurrent Assets	<u>35,956,829</u>
Total Assets	<u>\$ 48,081,869</u>
DEFERRED OUTFLOW OF RESOURCES	
Pension	<u>1,806,786</u>
LIABILITIES	
Current liabilities	
Accounts payable and accrued expenses	1,897,181
Accrued payroll	30,500
Deferred revenue	17,200
Due to other funds	4,835,630
Current portion of compensated absences	72,464
Current portion of notes payable	<u>409,312</u>
Total Current Liabilities	<u>7,262,287</u>
Noncurrent liabilities	
Compensated absences	72,463
Notes payable	4,533,431
Net pension liability	<u>1,295,488</u>
Total Noncurrent Liabilities	<u>5,901,382</u>
Total Liabilities	<u>13,163,669</u>
DEFERRED INFLOW OF RESOURCES	
Pension	<u>1,473,761</u>
NET POSITION	
Net investment in capital assets	31,014,086
Restricted	
State Land & Investment Board (SLIB) loan reserves	146,512
Board Designated - Unrestricted	
Equipment replacement	3,563,083
Retirement payouts	450,000
Unrestricted	<u>77,544</u>
Total Net Position	<u>\$ 35,251,225</u>

See Notes to Financial Statements

**CITY OF LANDER, WYOMING
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET POSITION
BUSINESS-TYPE ACTIVITIES - PROPRIETARY FUND
FOR THE YEAR ENDED JUNE 30, 2024**

	Water and Sewer Fund
OPERATING REVENUES	
Charges for goods and services	\$ 3,731,979
Total Operating Revenues	<u>3,731,979</u>
OPERATING EXPENSES	
Salaries and benefits	1,729,450
Contractual services	819,038
Materials and supplies	694,349
Depreciation	<u>1,117,402</u>
Total Operating Expenses	<u>4,360,239</u>
Operating income (loss)	<u>(628,260)</u>
NONOPERATING REVENUES (EXPENSES)	
Investment income	329,036
Grant revenues	5,877,313
Gain (loss) on sale of capital assets	5,055
Project costs	(16,866)
Interest expense	<u>(121,817)</u>
Total Nonoperating Revenues (Expenses)	<u>6,072,721</u>
Change in Net Position	5,444,461
TOTAL RESTATED NET POSITION - JULY 1	<u>29,806,764</u>
TOTAL NET POSITION - JUNE 30	<u><u>\$ 35,251,225</u></u>

CITY OF LANDER, WYOMING
STATEMENT OF CASH FLOWS
BUSINESS-TYPE ACTIVITIES - PROPRIETARY FUND
FOR THE YEAR ENDED JUNE 30, 2024

	Water and Sewer Fund
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from service users	\$ 3,601,270
Cash paid for goods and services	(3,016,513)
Cash paid to employees	(1,717,760)
Net cash provided by (used in) operating activities	<u>(1,133,003)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Cash received from (used in) federal grant projects	5,877,313
Cash increase (decrease) in net amount due (to) from other funds	2,656,691
Net cash provided by (used in) noncapital financing activities	<u>8,534,004</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Interest paid on debt	(121,817)
Payments for capital acquisitions	(6,764,872)
Principal paid on capital debt	(518,413)
Net cash provided by (used in) capital and related financing activities	<u>(7,405,102)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Investment income	329,036
Net cash provided by (used in) investing activities	<u>329,036</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	324,935
CASH AND INVESTMENTS IN TREASURY AND OTHER CASH	
Balances - July 1	<u>6,431,763</u>
Balances - June 30	<u>\$ 6,756,698</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES	
Operating income (loss)	\$ (628,260)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities	
Depreciation	1,117,402
Change in assets/outflows - (increase) decrease	
Accounts and grants receivable	(3,116,205)
Inventory	4,665
Deferred outflows of resources	(27,676)
Change in liabilities/inflows - increase (decrease)	
Accounts payable and accrued expenses	1,512,247
Pension liability	(191,811)
Deferred inflows of resources	200,635
Deferred revenue	(4,000)
NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES	<u>\$ (1,133,003)</u>
NON-CASH INVESTING AND FINANCING TRANSACTIONS	
Net increase (decrease) in fair value of investments	<u>\$ 17,907</u>

See Notes to Financial Statements

CITY OF LANDER, WYOMING
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of Lander, Wyoming (the City) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Significant City accounting policies are described below.

Reporting Entity

The City of Lander, Wyoming operates under a Mayor-Council form of government and provides the following services as authorized by its charter: public safety (police and fire), streets, sanitation, health and social services, recreation, public improvements, planning and zoning, and general administrative services.

The legislative branch of the City government is composed of an elected Mayor and six elected City Council members. The establishment and adoption of policy is the responsibility of the Mayor and City Council members. The Mayor and Council members appoint the following officials: Assistant to the Mayor, the Fire Administrator, Clerk, Treasurer, Chief of Police, Public Works Director, City Attorney, and Municipal Court Judge.

The accompanying financial statements present the primary government. The City has no oversight responsibility for any other governmental entity since no other entities are considered to be controlled by, or dependent on, the City. Control or dependence is determined on the basis of budget adoption, taxing authority, funding, and appointment of the respective governing board. All potential component units have been considered for possible inclusion in the reporting entity.

Related Organizations

The City is responsible for appointing members to the boards of other organizations, but is not accountable for these organizations. The following related organizations are not included in the reporting entity:

- **Planning Commission** – seven member board, all appointed by the City Council.
- **City of Lander Housing Authority** – In February 1979, the City of Lander, Wyoming created a Housing Authority, pursuant to Wyoming Statutes, for the creation and operation of Pushroot Village, a senior citizen housing project. The Housing Authority borrowed \$1,484,000 from the Farmers Home Administration for building the facility, which is payable over 50 years solely from its operating revenues. Although the Authority's Board is appointed by the Mayor and City Council, the City does not have the ability to significantly influence operations, and does not have the absolute authority over all funds vested within its jurisdiction.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

Related Organizations (cont.)

Jointly Governed Organizations

- *Fremont County Association of Governments (FCAG)* – This is a joint powers board consisting of the following municipalities: Fremont County, Town of Pavillion, Town of Hudson, Town of Shoshoni, Town of Dubois, City of Riverton, and the City of Lander. The FCAG was created to plan, create, expand, finance, and operate any or all of the projects set forth in Section 16-1-104 c., Wyoming Statutes, 1997 amended. The FCAG Board consists of the six mayors of Fremont County and one County Commissioner. The "Mission" of the FCAG is "Cooperating to Enhance Quality Public Services."

The City provides annual support to the FCAG when needed. For the year ended June 30, 2024, the City paid \$8,000 to the FCAG.

A copy of the audited financial statements of the FCAG is available for inspection at their office.

- *Tiger Joint Powers Board (Tiger)* – This is a joint powers board that was created in October 2004 through the joint efforts of the City of Lander, Wyoming and Fremont County School District Number 1. Tiger was formed for the purpose of developing a downtown Lander business park by demolishing the old Lander Valley High School, making improvements to the site, installing infrastructure, and marketing the lots to provide economic development and community improvement. The Tiger board consists of five members, two appointed by the City of Lander, Wyoming, and three appointed by Fremont County School District Number 1. Members serve terms of varying length.

The City serves as the pass-through agent on the state grant providing the funding for the project.

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e. the Statement of Net Position and Statement of Activities) report information on all of the non-fiduciary 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 segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include: (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds (when applicable), even though the latter are excluded from the government-wide financial statements. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Government-Wide Financial Statements

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and private-purpose trust fund 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.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

Amounts reported as *program revenues* include: (1) charges to customers or applicants for goods, services, or privileges provided, (2) operating grants and contributions, and (3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

Fund Financial Statements

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered 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 City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. The remaining receivables have been classified as deferred revenues and will be recognized as revenue in the period of the actual receipt. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, other taxes, franchise fees, licenses, and interest associated with the current fiscal period, are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the City.

The City reports the following major governmental funds:

- **General Fund** – The General Fund is the City's primary operating fund. It accounts for all financial resources not accounted for and reported in another fund.
- **Special Revenue Fund** – Special Revenue Fund account for the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.
- **Senior Center Trust Permanent Fund** – This fund accounts for the restricted spendable endowment for the operations of the Senior Center.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

Fund Financial Statements (cont.)

The City reports the following major proprietary fund:

- **Water and Sewer Fund** – The Water and Sewer Fund is an enterprise fund that accounts for the water and sewer services provided to residential and commercial users in the City of Lander, Wyoming. Additionally, the City reports the following fund types:
- **Capital Projects Fund** – Capital Projects Fund accounts for all financial resources that are restricted, committed, or assigned to expenditure for capital outlays.
- **Enterprise Fund** – The City's only enterprise fund is the Water and Sewer Fund (see above). An Enterprise Fund accounts for operations (1) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (2) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.
- **Agency Fund** – This fund type accounts for assets which are held by the City in a trustee capacity or as an agent for individuals, private organizations, other governments and/or other funds. The City has no agency funds as of June 30, 2024. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.
- **Permanent Fund** – The Senior Center Trust Fund is a permanent fund that accounts for resources that are restricted to the extent that the principal amount, as well as earnings, may be used for maintenance of the City's Senior Citizen Center.

The financial statements of the City have been prepared in conformity with generally accepted accounting principles as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for governmental accounting and financial reporting principles.

Proprietary funds distinguish *operating* revenues and expenses from *non-operating* 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 revenue of the City's enterprise fund is charges to customers for sales and services. Operating expenses for the enterprise 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 non-operating revenues and expenses.

The City applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted Net Position are available.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

Cash and Cash Equivalents

The City considers cash and cash equivalents to consist of all cash, either on hand or in banks, including time deposits and any highly liquid debt instruments purchased with a maturity of three months or less.

Investments

The City follows GASB Codification Section N50. That section requires most investments to be reported at their fair value. Unrealized gains and losses on investments are included in the statements of revenues, expenditures and changes in fund balances for governmental fund types and in the statement of revenues, expenses and changes in fund Net Position for proprietary fund types.

Accounts Receivable

Water and sewer fund customer accounts receivable and other miscellaneous accounts receivable in the general fund are recorded at the amount the City expects to collect on balances outstanding at year-end. Balances unpaid for more than 30 days are considered past due. Water and sewer fund customer accounts receivable balances that are more than 90 days past due are approximately \$9,968 as of June 30, 2024. Miscellaneous accounts receivable in the general fund that are more than 90 days past due are \$0 as of June 30, 2024.

Leases Receivable

The City's leases receivable are measured at the present value of lease payments expected to be received during the lease term. A deferred inflow of resources is recorded at the initiation of the lease in an amount equal to the initial recording of the lease receivable. The deferred inflow of resources is amortized on a straight-line basis over the term of the lease.

Allowance for Uncollectible Accounts

Receivables have been reported net of the allowance for uncollectible accounts. The allowance is estimated based on prior experience. The allowance for uncollectible accounts as of June 30, 2024 is \$0.

Inventory

Materials and supplies used in the Water and Sewer Fund are recorded as inventory at the lower of cost or net realizable value and expensed when consumed. Office supplies and other non-inventory items are expensed in the period purchased.

Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of funds are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in governmental funds. Encumbrances outstanding at year-end are reported as reservations of fund balances since they do not constitute expenditures or liabilities.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

Restricted Assets

Certain proceeds of a City capital facilities tax, as well as certain resources set aside for bonded debt repayment, are classified as restricted assets on the government-wide financial statements and governmental funds financial statements balance sheets because their use is limited by applicable debt covenants and/or laws and regulations. The restricted assets are used to report resources set aside to: (1) provide a reserve for debt service, and (2) provide a reserve for endowment.

Capital Assets

- **Capitalization and Valuation** Capital assets, which include property, plant, and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Expenditures for capital assets having a useful life greater than five years and a value greater than \$5,000 are capitalized. Individual items having a lesser value may be capitalized if they are purchased in a group. Capital assets are recorded at historical cost or estimated historical cost if purchased or constructed. Approximately \$3,329,400 of capital assets of governmental activities and \$7,000,000 of capital assets of business-type activities are carried at estimated cost. Estimates were made by City personnel. Donated capital assets are recorded at estimated fair market value at the date of donation. Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of business-type activities is included as part of the capitalized value of the assets constructed.

- **Depreciation Method and Useful Lives** Property, plant, and equipment are depreciated using the straight-line method over the following estimated useful lives:

Buildings and improvements	50 years
Equipment	10 years
Office furniture	5-10 years
Vehicles	10-25 years
Water and sewer systems	50 years

- **Capitalization of Infrastructure** The governmental activities column in the government-wide financial statements does not reflect those infrastructure asset projects completed before July 1, 2003. However, they do reflect those assets that were completed subsequent to June 30, 2003. City management decided the capitalization of infrastructure put in place prior to July 1, 2003 would be cost prohibitive and not useful as a management tool.

Compensated Absences

City policy permits employees to accumulate a limited amount of earned, but unused vacation and sick leave. These benefits are payable to employees upon separation from service. All leave pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported. The City considers approximately 50 percent of this liability current and due within one year.

All vacation and sick pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

Deferred Inflows and Outflows of Resources

Deferred Outflows of Resources – In addition to assets, the statement of net position will report a separate section for deferred outflows of resources. *Deferred Outflows of Resources*, represents a consumption of net position that applies to a future period and so will not be recognized as an expense or expenditure until then. The City has one item that meets this criterion: pension deferrals.

Deferred Inflows of Resources – In addition to liabilities, the statement of net position will report a separate section for deferred inflows of resources. *Deferred Inflows of Resources*, represents an acquisition of net position that applies to a future period and so will not be recognized as revenue until then. The City has three items that meet the criterion for this category: pension deferrals, property taxes, and leases.

Interfund Receivables and Payables

All 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.”

Interfund Transfers

Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed. All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers.

Estimates

The accounting policies of the City of Lander, Wyoming conform to U.S. generally accepted accounting principles (GAAP) as applicable to governments. Preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain reported amounts and related disclosures. Actual results could differ from those estimates.

Fund Balance

The City uses the fund balance definitions in GASB Codification Section 1800 for financial reporting for all governmental fund types. The definitions provide more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balances more transparent. The following classifications describe the relative strength of the spending constraints:

- **Nonspendable fund balance** – amounts that are in nonspendable form (such as inventory) or are required to be maintained intact.
- **Restricted fund balance** – amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government) through constitutional provisions, or by enabling legislation.
- **Committed fund balance** – amounts constrained to specific purposes by the City itself enacted by resolution of the City Council. Committed fund balance cannot be used for any other purpose unless the commitment expires as set forth in the resolution, or a new resolution is enacted by the City Council.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

Fund Balance (cont.)

- **Assigned fund balance** – amounts the City intends to use for a specific purpose. Intent can be expressed by the City Council or by an official or body to which the City Council delegates authority.
- **Unassigned fund balance** – amounts that are available for any purpose. Positive amounts are reported only in the general fund.

The City utilizes restricted fund balances first, followed by committed resources, and then assigned resources.

The City Council establishes (and modifies or rescinds) fund balance commitments by passage of an ordinance or resolution. This is typically done through adoption and amendment of the budget. A fund balance commitment is further indicated in the budget document as a designation or commitment of the fund (such as for special incentives). Assigned fund balance is established by City Management through adoption or amendment of the budget as intended for a specific purpose (such as the purchase of fixed assets, construction, debt service, or for other purposes).

The City Council has not elected to adopt a minimum fund balance policy as of June 30, 2024. It is the responsibility of the general fund to cover shortages in fund balance for the other funds besides the enterprise fund. In some cases the City may elect to formally loan money from the enterprise fund to the respective fund with a shortfall.

Net Position

In the proprietary fund financial statements, Net Position consists of restricted and unrestricted amounts. The City records restrictions to indicate that a portion of the Net Position is segregated for a specific future use and does not represent current available expendable financial sources. Following is a list of all restrictions used by the City and a description of each:

- **Restricted for endowment** – See note 13 for additional information on the restricted net position regarding the senior center permanent trust.
- **Restricted for special projects** – The City of Lander over the years has received various donations made for a specific purpose. The majority of all the donations are specified for the future perpetual care of Mount Hope Cemetery.
- **Restricted for economic development** – In August of 2020, the constituents within Fremont County approved and passed an economic development excise tax. The tax is collected at the State level and remitted to the City of Lander monthly with the restriction to spend the proceeds on specific economic development.
- **Restricted for loan guarantee** – In 2012, the City was awarded two loans from the State Land and Investment Board to upgrade water lines and sewage lagoons. As part of the conditions for the loans noted above, the City is required to fund a cumulative debt reserve totaling \$146,512. This fund is to be used for repairs and maintenance on both of the structures.
- **Council designated** – The City Council has elected to designate funds for future State Land and Investment Board loans and the related projects that are underway in order to budget for unanticipated cost overruns and changes to the initial project scopes. The City Council has further designated funds to replace aging equipment that may be cost prohibitive to repair. Lastly the City Council has elected to designate \$411,106 for payouts from the general fund and \$450,000 from water sewer funds to retirees.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

Net Position (cont.)

As of June 30, 2024, the City has approximately 21 employees in the City that are eligible for retirement over the next six years.

The City Council has designated \$4,986,798 to be used for future emergency equipment replacement that may be needed during normal City operations; \$1,423,715 from general fund and \$3,563,083 from water sewer funds.

- **Unrestricted** – Water and Sewer Fund unrestricted Net Position is restricted by state law for (1) the general operation of the water and sewer fund, and (2) the retirement of any bonds issued to fund the construction of water and sewer plants. Only after all bonds have been retired can water and sewer fund Net Position be transferred to the general fund.

New and Upcoming Accounting Pronouncements

The following are Statements of the Governmental Accounting Standards Board (GASB) that are, or will be, applicable to the District. At June 30, 2024, the City was aware of the following new standards issued by GASB:

Implemented in the Current Year

- None

Not Yet Implemented

- GASB Statement No. 101, *Compensated Absences*, effective for fiscal year beginning after December 15, 2023.

In June 2022, the GASB issued Statement No. 101, *Compensated Absences*. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures.

This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. Leave is attributable to services already rendered when an employee has performed the services required to earn the leave. Leave that accumulates is carried forward from the reporting period in which it is earned to a future reporting period during which it may be used for time off or otherwise paid or settled. In estimating the leave that is more likely than not to be used or otherwise paid or settled, a government should consider relevant factors such as employment policies related to compensated absences and historical information about the use or payment of compensated absences. However, leave that is more likely than not to be settled through conversion to defined benefit postemployment benefits should not be included in a liability for compensated absences.

This Statement amends the existing requirement to disclose the gross increases and decreases in a liability for compensated absences to allow governments to disclose only the net change in the liability (as long as they identify it as a net change). In addition, governments are no longer required to disclose which governmental funds typically have been used to liquidate the liability for compensated absences.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

New and Upcoming Accounting Pronouncements (cont.)

The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter. Earlier application is encouraged.

The City is evaluating the impact that the above GASB statement will have on its financial reporting

NOTE 2 - BUDGETS AND BUDGETARY ACCOUNTING

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

- Prior to May 15, the City Treasurer submits to the City Council a proposed operating budget for the fiscal year commencing that July 1. The operating budget includes proposed expenditures and the means of financing them for the upcoming year, along with estimates for the current year and actual data for the two preceding years.
- Public hearings are conducted on the third Tuesday of June to obtain taxpayer comments.
- The budget is legally adopted through passage of a resolution. All appropriations, except for capital project funds, lapse at the end of each fiscal year.
- The City Council can, after adequate public notice and a public hearing, amend the budget.
- Budgets for the governmental and proprietary fund types are adopted on a basis generally consistent with generally accepted accounting principles (GAAP). The general fund expenditure classifications for GAAP and budgetary purposes differ due to classification of expenditures. Budgeted amounts are the final authorized amounts as revised during the year. The original budget for the fiscal year has been amended.

The following table summarizes the adjustments necessary to reconcile the GAAP basis statements to the budgetary basis statements for the General Fund.

GAAP Basis	\$ 1,684,209
Net Adjustments for Revenue Accruals	28,843
Net Adjustments for Expenditure Accruals	<u>125,852</u>
Budget Basis	<u>\$ 1,838,904</u>

NOTE 3 - PROPERTY TAXES

The City's property taxes are levied at the County level on October 1 of each year. The County Assessor is responsible for assessment of all taxable real property within Fremont County. The County Treasurer computes the annual tax for each parcel of real property and prepares tax books used as the basis for issuing tax bills to all taxpayers in the County. Property taxes are collected by the County Treasurer, who remits to each unit its respective share of the collections. Provided the payments are timely, the tax can be paid in two equal installments on November 10 and May 10, or the tax may be paid in full on December 31 with no interest accrual. Taxes collected are distributed after the end of each month.

The property tax levy becomes an enforceable lien against the property on December 1 of the preceding levy year. In accordance with GASB Statement No. 65, a property tax receivable has been recorded at 50% of the amount levied for the City as of the following August. This receivable is reported as a deferred inflow of resources and will be recognized as revenue in the period for which the taxes are levied. An allowance for doubtful accounts, equal to 1% of the receivable, has been recorded at year-end to account for potential uncollectible amounts.

NOTE 4 - CASH AND INVESTMENTS

Cash in treasury represents deposits included in the City's combined cash fund. Each fund's share of the deposits are accounted for separately in the financial statements. Negative cash in treasury figures represents borrowings from the pool. In all such cases, cash flows sufficient to reimburse the pool for the temporary borrowings are anticipated. Earnings from the cash in treasury are allocated to the various funds based on each fund's ownership percentage.

Other cash represents deposits and investments not included in the combined cash fund.

Statutes authorize the City to invest in various instruments of the federal government and its agencies, savings certificates of savings and loan associations, bank certificates of deposit, and investment pools that purchase allowable investments. The City invests cash in excess of immediate operational needs in authorized investment pools, certificates of deposit, and other approved investment vehicles in accordance with state statutes and the City's investment policy.

Custodial Credit Risk of Bank Deposits

Custodial credit risk is the risk that, in the event of a bank failure, the City's deposits may not be returned. The City's deposit policy for custodial credit risk requires compliance with state laws, which mandate that all deposits in financial institutions be fully collateralized or insured.

As of June 30, 2024, the City's bank balance was \$1,153,799. Of this amount, \$250,000 was insured by the Federal Deposit Insurance Corporation (FDIC). The remaining balance of \$903,799 was collateralized with securities held by the pledging financial institution's trust department or agent in the City's name. The City does not have a formal policy for custodial credit risk beyond the requirements of state law.

Custodial Credit Risk of Investments

Custodial credit risk is the risk that, in the event of a failure of the counterparty, the City would not be able to recover the value of its investments or collateral securities held by an outside party. Securities held in pooled investment accounts are maintained in safekeeping by a third-party trust in the name of the investment pool.

As of June 30, 2024, the City had \$10,984,598 invested in an external investment pool administered by the State Treasurer, \$785,366 invested with an asset management firm,

NOTE 4 - CASH AND INVESTMENTS (cont.)

Custodial Credit Risk of Investments (cont)

\$65,895 invested in a government investment fund, and \$3,048,265 invested in certificates of deposit. These investments comply with the City's investment policy and applicable state statutes.

The City's certificates of deposit mature in 1 to 56 months and have interest rates ranging from 3.15% to 3.56% as of June 30, 2024

Fair Value of Investments

The Wyo-Star Investment Pool and Wyoming Government Investment Fund are external investment pools administered by the Wyoming State Treasurer. These pools invest in various securities including equities, bonds, real estate investment trusts, fixed income investments, and various private equity offerings. Wyo-Star investment pool reports their investments at amortized cost, which they believe approximates fair value. It holds investments that fall into each of the three categories as described below.

Management has determined the Wyoming Government Investment Fund qualifies as a Level 1 investment, excluding Certificates of Deposit which are specifically excluded from Government Accounting Standards Board Statement (GASB) No. 72, *Fair Value Measurement and Application*.

The City has invested funds with an external investment company, mostly in Certificates of Deposit which are specifically excluded from Government Accounting Standards Board Statement (GASB) No. 72, *Fair Value Measurement and Application*. One investment with this company qualifies for fair value reporting below.

The City defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in accordance with the Government Accounting Standards Board Statement (GASB) No. 72, *Fair Value Measurement and Application*. This statement establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels:

Level 1 Fair Value Measurements

The fair value of government and municipal obligations, corporate obligations, and equities are based on quoted values of the shares held by the City at year-end. Of the investments held by the pools, on behalf of the City, less than 1% fall into this category.

Level 2 Fair Value Measurements

These are inputs other than quoted prices included within Level 1 that are observable for the asset or liability either directly or indirectly. These inputs are derived from or corroborated by observable market data through correlation or by other means. Approximately 99% of the investments held, on behalf of the City, fall into this category

Level 3 Fair Value Measurements

These are largely unobservable inputs for the asset or liability; they should be used only when relevant Level 1 and Level 2 inputs are unavailable. Of the investments held by the pools, on behalf of the City, less than 1% fall into this category.

CITY OF LANDER, WYOMING
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 4 - CASH AND INVESTMENTS (cont.)

Composition of cash and investment accounts in the financial statements is as follows:

	<u>Other Cash and Investments</u>
Cash on hand	\$ 1,000
Bank deposits	768,492
Certificates of deposit	3,291,265
Money market investment pools	<u>11,709,808</u>
Total Cash and Investments	<u>\$ 15,770,565</u>

NOTE 5 - RECEIVABLES

Receivables at June 30, 2024, consisted of taxes, accounts, intergovernmental and grants, and accrued interest. Taxes receivable represent sales and use taxes receivable from the state, as well as current and delinquent property taxes and interest thereon. Other receivables at June 30, 2024, consisted of grants receivable, miscellaneous accounts receivable and accrued interest on investments. No allowance has been recorded on accounts receivable, as all amounts are considered fully collectible.

NOTE 6 - INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund balances as of June 30, 2024 is as follows:

	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
General Fund	\$ 4,955,709	\$ 0
Senior Center Trust Permanent Fund	6,028	0
Airport	0	-
Special Revenue Funds	878,249	1,004,354
Proprietary Fund (Water and Sewer)	<u>0</u>	<u>4,835,632</u>
Total Primary Government	<u>\$ 5,839,986</u>	<u>\$ 5,839,986</u>

Interfund Receivable and payable account balances are the result from the use of various funding sources that can be used to pay for the same projects. All balances are expected to be paid within one year.

	<u>Transfers To Other Funds</u>	<u>Transfers From Other Funds</u>
General Fund	\$ 113,200	\$ 0
Special Revenue Fund	<u>0</u>	<u>113,200</u>
	<u>\$ 113,200</u>	<u>\$ 113,200</u>

Transfers are used to move revenues from the fund that ordinance or budget requires to collect them, to the fund that ordinance or budget requires to expend them.

CITY OF LANDER, WYOMING
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 7 - CAPITAL ASSETS

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

Governmental Activities	Balance June 30, 2023	Additions	Deletions	Transfers	Balance June 30, 2024
Nondepreciable Capital Assets					
Land	\$ 4,125,614	\$ 0	\$ 0	\$ 0	\$ 4,125,614
Construction in process	1,139,956	648,329	0	(42,224)	1,746,061
Total Nondepreciable Capital Assets	5,265,570	648,329	0	(42,224)	5,871,675
Depreciable Capital Assets					
Buildings and improvements	21,736,463	83,537	(12,776)	42,224	21,849,448
Equipment	4,149,768	794,765	(141,315)	0	4,803,218
Vehicles	3,407,928	0	(194,554)	0	3,213,374
Office furniture	109,360	0	0	0	109,360
Infrastructure	22,175,949	31,159	0	0	22,207,108
Total Depreciable Capital Assets	51,579,468	909,461	(348,645)	42,224	52,182,508
Less Accumulated Depreciation					
Buildings and improvements	5,174,489	459,260	(12,776)	0	5,620,973
Equipment	3,283,523	165,038	(141,315)	0	3,307,246
Vehicles	2,326,047	116,115	(194,554)	0	2,247,608
Office furniture	43,673	9,476	0	0	53,149
Infrastructure	3,263,286	453,631	0	0	3,716,917
Total Accumulated Depreciation	14,091,018	1,203,520	(348,645)	0	14,945,893
Total Depreciable Capital Assets, Net	37,488,450	(294,059)	0	42,224	37,236,615
Governmental Activities Capital Assets, Net	\$ 42,754,020	\$ 354,270	\$ 0	\$ 0	\$ 43,108,290

CITY OF LANDER, WYOMING
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 7 - CAPITAL ASSETS (cont.)

Business-Type Activities	Balance June 30, 2023	Additions	Deletions	Transfers	Balance June 30, 2024
Nondepreciable Capital Assets					
Construction in process	\$ 889,258	\$ 6,011,012	\$ 0	\$ 0	\$ 6,900,270
Depreciable Capital Assets					
Buildings and improvements	1,077,926	0	0	0	1,077,926
Equipment	2,704,365	39,427	0	0	2,743,792
Vehicles	357,786	0	0	0	357,786
Office furniture	65,661	9,290	(9,612)	0	65,339
Water distribution system	33,741,227	498,780	0	0	34,240,007
Sewer service system	12,706,453	15,718	0	0	12,722,171
Total Depreciable Capital Assets	50,653,418	563,215	(9,612)	0	51,207,021
Less Accumulated Depreciation					
Buildings and improvements	227,268	25,059	0	0	252,327
Equipment	1,694,314	130,179	0	0	1,824,493
Vehicles	195,036	24,397	0	0	219,433
Office furniture	51,504	2,315	(8,074)	0	45,745
Water distribution system	13,893,405	680,041	0	0	14,573,446
Sewer service system	4,980,800	254,218	0	0	5,235,018
Total Accumulated Depreciation	21,042,327	1,116,209	(8,074)	0	22,150,462
Total Depreciable Capital Assets, Net	29,611,091	(552,994)	(1,538)	0	29,056,559
Business-Type Activities Capital Assets, Net	<u>\$ 30,500,349</u>	<u>\$ 5,458,018</u>	<u>\$ (1,538)</u>	<u>\$ 0</u>	<u>\$ 35,956,829</u>

Depreciation

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

Governmental Activities	
General Government	\$ 579,222
Public Safety	459,260
Public Works	<u>165,038</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 1,203,520</u>
Business-Type Activities	
Water and Sewer Services	<u>\$ 1,116,209</u>

CITY OF LANDER, WYOMING
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 8 - CHANGES IN LONG-TERM LIABILITIES

The following is a summary of the changes in general long-term debt of the City for the year ended June 30, 2024:

	Balance June 30, 2023	Additions	Reductions	Balance June 30, 2024	Due Within One Year
Governmental Activities					
Compensated absences	\$ 262,709	\$ 206,209	\$ (152,680)	\$ 316,238	\$ 158,119
Deferred lease obligation - right of use	10,000	0	(10,000)	0 ***	0
Notes payable	3,132,772	0	(206,722)	2,926,050	75,429
Net pension liability	4,106,262	0	(1,793,287)	2,312,975	0
	<u>\$ 7,511,743</u>	<u>\$ 206,209</u>	<u>\$ (2,162,689)</u>	<u>\$ 5,555,263</u>	<u>\$ 233,548</u>
Business-Type Activities					
Compensated absences	\$ 121,546	\$ 91,976	\$ (68,595)	\$ 144,927	\$ 72,464
Notes payable	5,387,908	0	(445,165)	4,942,743	409,312
Net pension liability	1,487,297	0	(191,811)	1,295,486	0
	<u>\$ 6,996,751</u>	<u>\$ 91,976</u>	<u>\$ (705,571)</u>	<u>\$ 6,383,156</u>	<u>\$ 481,776</u>

*** As this lease is near the completion of its term, management elected not to perform the present value calculation of the remaining cash flow payments under GASB 87 as the difference is considered immaterial to the financial statements.

NOTE 9 - LEASES

In approximately 1978, the City entered into a lease agreement leasing land to a third party with terms requiring annual payments of approximately \$15,300 through June 30, 2077. As of June 30, 2024, the lease receivable related to this agreement remains at \$292,019.

During fiscal year 2023, the City entered into another lease agreement as the lessor of real property. This noncancellable lease extends through 2053 and was initially recorded with a lease receivable of \$4,466,095. The terms of the lease align with a revenue recapture plan reflecting the Wyoming Business Council (WBC) Business Ready Community (BRC) grant and loan program. Under this plan, lease payments are structured to repay the BRC loan, and in the event of default, the lessee assumes responsibility for negotiating resolutions with the City and repaying any amounts owed to the BRC loan and grant program.

Lease payments recaptured by the City are used to support long-term economic development efforts. Per program rules, 25% of net income derived from these funds is returned to the WBC, while the remaining funds are retained for further economic development activities within the community. The lease is structured with a capitalization rate of 2.0% and includes scheduled increases of 15% every five years.

As of June 30, 2024, the City's total receivable for lease payments was \$4,637,860, representing the outstanding balance due from lessees. This receivable is recorded as an asset on the City's balance sheet.

In accordance with applicable accounting standards, the City has also recognized a deferred inflow of resources related to these leases. This deferred inflow represents the portion of lease revenue that has not yet been earned and will be recognized over the lease term. As of June 30, 2024, the balance of deferred inflows of resources was \$4,598,651, corresponding to the remaining unearned lease revenue. This amount is recorded as deferred inflows of resources on the balance sheet.

CITY OF LANDER, WYOMING
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 9 - LEASES (cont)

The following table shows the future lease revenues and interest revenues to be recognized

Year Ended June 30,	Governmental Activities		
	Principal	Interest	Total Receipts
2025	\$ (21,298)	\$ (127,002)	\$ (148,300)
2026	(44,586)	(103,714)	(148,300)
2027	(45,527)	(102,773)	(148,300)
2028	(46,489)	(101,811)	(148,300)
2029	(47,473)	(100,827)	(148,300)
5 Years Ending 2034	(393,480)	(483,020)	(876,500)
5 Years Ending 2039	(603,017)	(433,483)	(1,036,500)
5 Years Ending 2044	(866,261)	(360,239)	(1,226,500)
5 Years Ending 2049	(1,199,395)	(257,105)	(1,456,500)
5 Years Ending 2054	(1,284,136)	(116,364)	(1,400,500)
5 Years Ending 2059	(31,238)	(45,262)	(76,500)
5 Years Ending 2064	(40,090)	(36,410)	(76,500)
5 Years Ending 2069	(51,450)	(25,050)	(76,500)
5 Years Ending 2074	(66,029)	(10,471)	(76,500)
Total Future Receipts	\$ (4,740,470)	\$ (2,303,530)	\$ (7,044,000)

NOTE 10 - LONG-TERM DEBT

State Land and Investment Board Awards (DWSRF)

- Loan in the amount of \$1,500,000 to begin amortizing for 20 years upon completion of the project. The City will be reimbursed with loan proceeds upon approval of project costs by the State Land and Investment Board. Interest begins accruing on all amounts drawn from the loan at a rate of 2.5% annually. Upon completion of the project, approximately \$750,000 or 50%, whichever is less, may be forgiven from the loan. This project was completed during the year ended June 30, 2016 and 50% of the outstanding balance was forgiven in the amount of \$693,270. The remaining loan balance as of June 30, 2024 was \$422,915 and is subject to the payment terms as noted below. During the fiscal year ending June 30, 2024, the City of Lander refinanced all loans with the State Lands and Investment Board to a reduced interest rate of 1%.

As part of the conditions for the loan noted above, the City is required to fund a cumulative debt reserve totaling \$48,110. This fund is to be used for repairs and maintenance on both of the structures.

- Loan in the amount of \$2,070,000 began amortizing for 20 years starting July 15, 2018 through July 2037. The purpose of this loan was to refinance the revenue bond that was outstanding at the end of June 30, 2017 of \$2,070,000. The new refinance of the bond to the note decreased the interest rate from 4.5% to 2.5%. The remaining loan balance as of June 30, 2024 was \$1,199,388 and is subject to the payment terms as noted below. During the fiscal year ending June 30, 2024, the City of Lander refinanced all loans with the State Lands and Investment Board to a reduced interest rate of 1%.

NOTE 10 - LONG-TERM DEBT (cont.)

State Land and Investment Board Awards (DWSRF) (cont.)

- Loan in the amount of \$509,054 to begin amortizing for 20 years upon completion of the project. The City will be reimbursed with loan proceeds upon approval of project costs by the State Land and Investment Board. Interest begins accruing on all amounts drawn from the loan at a rate of 2.5% annually. This loan is collateralized against future user fees from sewer services. The remaining loan balance as of June 30, 2024 was \$442,355 and is subject to the payment terms as noted below. During the fiscal year ending June 30, 2024, the City of Lander refinanced all loans with the State Lands and Investment Board to a reduced interest rate of 1%.

The table below represents the combined payment requirements on the drinking water state revolving loans described above.

Drinking Water State Revolving Loans Program			
Year Ending	Principal	Interest	Total Principal and Interest
June 30,			
2025	\$ 182,027	\$ 27,892	\$ 209,919
2026	184,720	25,199	209,919
2027	187,453	22,466	209,919
2028	190,226	19,693	209,919
2029-2033	963,482	55,407	1,018,889
2034-2038	169,951	7,740	177,691
thereafter	7,427	110	7,537
Total	\$ 1,885,285	\$ 158,507	\$ 2,043,791

State Land and Investment Board Awards (CWSRF)

- Loan in the amount of \$3,068,000 to begin amortizing for 20 years upon completion of the project. The City will be reimbursed with loan proceeds upon approval of project costs by the State Land and Investment Board. Interest begins accruing on all amounts drawn from the loan at a rate of 2.5% annually. Upon completion of the project, approximately \$1,534,000 or 50%, whichever is less, may be forgiven from the loan. After the loan forgiveness the loan balance remaining of \$1,534,000 was termed out for 20 years according to the original terms. As of June 30, 2024 the outstanding balance of the loan was \$1,131,395 and is subject to the payment terms as noted below. During the fiscal year ending June 30, 2024, the City of Lander refinanced all loans with the State Lands and Investment Board to a reduced interest rate of 1%.

As part of the conditions for the loan noted above, the City is required to fund a cumulative debt reserve totaling \$98,402. This fund is to be used for repairs and maintenance on both of the structures.

- Loan in the amount of \$2,054,640 to begin amortizing for 20 years upon completion of the project. The City will be reimbursed with loan proceeds upon approval of project costs by the State Land and Investment Board. Interest begins accruing on all amounts drawn from the loan at a rate of 2.5% annually. Upon completion of the project approximately \$357,040 or 17.3772%, whichever is less, may be forgiven from the loan. This loan is collateralized against future user fees from sewer services. As of June 30, 2024, the outstanding balance of the loan was \$1,296,924 and is subject to the payment terms as noted below. During the fiscal year ending June 30, 2024, the City of Lander refinanced all loans with the State Lands and Investment Board to a reduced interest rate of 1%.

NOTE 10 - LONG-TERM DEBT (cont.)

State Land and Investment Board Awards (CWSRF) (cont.)

- Loan in the amount of \$2,861,937 to begin amortizing for 20 years upon completion of the project. The City will be reimbursed with loan proceeds upon approval of project costs by the State Land and Investment Board. Interest begins accruing on all amounts drawn from the loan at a rate of 2.5% annually. Upon completion of the project, approximately \$357,040 or 12.4755%, whichever is less, may be forgiven from the loan. This loan is collateralized against future user fees from sewer services. As of June 30, 2024, the outstanding balance of the loan was \$894,931 and is subject to the payment terms as noted below. During the fiscal year ending June 30, 2024, the City of Lander refinanced all loans with the State Lands and Investment Board to a reduced interest rate of 1%.

The table below represents the combined payment requirements on the clean drinking water state revolving loan described above.

Clean Water State Revolving Loans Program			
Year Ending			Total Principal
June 30,	Principal	Interest	and Interest
2025	\$ 227,287	\$ 45,801	\$ 273,088
2026	230,649	42,439	273,088
2027	234,062	39,026	273,088
2028	237,525	35,564	273,088
2029-2033	1,241,385	124,055	1,365,441
2034-2038	895,671	33,307	928,977
thereafter	29,252	433	29,684
Total	\$ 3,095,830	\$ 320,625	\$ 3,416,455

The loans from the State Land and Investment Board accrue interest when the initial draw is done on the loan. As of June 30, 2024 the City has recognized \$72,460 in accrued interest.

Wyoming Business Council

The City entered into a project to build a new building for the Chamber of Commerce. The Building had a total cost of \$865,404. The building was funded by a grant totaling \$466,210, a loan through the Wyoming Business Council of \$194,316, with the remaining \$182,244 being paid for by the Chamber of Commerce. The City's loan for the Chamber of Commerce building requires payments starting April 5, 2019 and is amortized over 15 years at 1%. Annual payments are required in the amount of \$14,015. This loan is collateralized by the chamber building. The City of Lander has paid this loan in full as of June 30, 2024.

NOTE 10 - LONG-TERM DEBT (cont.)

Wyoming Business Council (cont.)

The City entered into a project to build a new building for Maven Outdoor Equipment Company. The Building had a total cost of \$6,304,432. The building was funded by a grant from the Wyoming Business Council in the amount of \$3,000,000 and a loan from the Wyoming Business Council in the amount of \$3,000,000. The remaining costs was required of the building occupant. The City's loan for the Maven building requires payments starting March 2024 and is amortized over 30 years at 2%. Annual payments are in the amount of \$133,950. This loan is collateralized by the Maven building. The table below represents a summary of the payment requirements on the loan. Maven itself is required to make payments to the City in the same amounts listed in the table below.

Wyoming Business Council Loan - Maven Project			
Year Ending			Total Principal
June 30,	Principal	Interest	and Interest
2025	\$ 75,429	\$ 58,521	\$ 133,950
2026	76,937	57,012	133,950
2027	78,476	55,474	133,950
2028	80,046	53,904	133,950
2029-2033	424,891	244,857	669,748
2034-2038	469,115	200,634	669,749
thereafter	1,721,157	288,090	2,009,247
Total	<u>\$ 2,926,050</u>	<u>\$ 958,493</u>	<u>\$ 3,884,543</u>

Legal Debt Margin

The Wyoming Constitution provides that the City shall not create any general obligation indebtedness exceeding 4% of the assessed value of the property therein, except that an additional indebtedness of 4% of the assessed value of the taxable property therein may be created for sewage disposal systems. Indebtedness created for supplying water to the City is exempt from this provision. At June 30, 2024, the City's assessed valuation was \$107,892,278.

NOTE 11 - DEFINED BENEFIT PENSION PLAN

The City contributes to the Wyoming Retirement System (WRS) pension plan, a cost-sharing, multiple-employer defined benefit pension plan administered by the Wyoming Retirement System. WRS provides retirement, disability and death benefits to plan members and beneficiaries. The Wyoming Retirement Board, after approval of the Wyoming State Legislature, may amend contribution requirements to WRS. WRS issues a publicly available financial report that includes financial statements and supplementary information for WRS. That report may be obtained by writing to Wyoming Retirement Board, First Floor East - Herschler Building, 112 West 25th Street, Cheyenne, WY 82002.

Information about the General Public Employees Pension Plan

Plan Descriptions - Substantially all qualified employees of the State, Public School Systems, and other political subdivisions of Wyoming which have elected to participate are eligible for the Public Employees Pension Plan, a cost-sharing, multiple employer defined benefit pension plan administered by the Wyoming Retirement System (WRS). Benefit provisions under the Plan are established by State statute. WRS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the WRS website.

Employees terminating prior to normal retirement can elect to withdraw all employee contributions plus accumulated interest through the date of termination or, if they are vested, they may elect to remain in the Plan and be eligible for early retirement benefits at age 50 (Tier 1 employees) and 60 (Tier 2 employees).

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

Benefits are determined based on two tiers:

Tier 1 are members who joined WRS by August 31, 2012. 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. Benefits are calculated as 2.125% of employee's highest average salary for each year of credited service for the first 15 years of service plus 2.25% of the highest average salary for any years of service credit exceeding 15 years. This amount is reduced by 5% per year that the employee is under age 60.

Tier 2 are members who joined WRS after August 31, 2012. 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. Benefits are calculated as 2% of employee's highest average salary for each year of credited service. This amount is reduced by 5% per year that the employee is under age 65.

All employees may also retire upon normal retirement on the bases that the sum of the employee's age and service is at least 85.

NOTE 11 - DEFINED BENEFIT PENSION PLAN (cont.)

Contributions - The Plan statutorily requires 18.62% of the participant's salary to be contributed to the Plan. Contributions consist of 9.25% of the participant's salary as employee contributions and 9.37% as employer contributions. The amount of contributions designated as employee contributions represent the portion of total contributions that a participant retains ownership of and can elect to receive as a refund upon termination of employment. Employers can elect to cover all or a portion of the employee's contribution at their discretion. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

Volunteer Firefighter and EMT Pension Plan

The Volunteer Firefighter and EMT Pension Plan is a cost sharing multiple employer defined benefit, contributory retirement plan covering volunteer firefighters and volunteer emergency medical technicians who elect to participate in the Plan. Participants are statutorily required to contribute \$18.75 monthly to the Plan, although such contributions may be fully or partially paid by political subdivisions on behalf of participants, if approved by the governing board. In addition, the State pays into the Plan 60% of the gross annual tax collected on fire insurance premiums. The City does not pay these monthly required contributions on behalf of the volunteers.

The Plan provides retirement and death benefits according to predetermined amounts primarily determined by the entry age and years of service of the participant. Participants may withdraw from the Plan at any time and receive refunds of participant contributions plus accumulated interest.

The Volunteer Firefighter and EMT Pension Plan was created on July 1, 2015, combining the assets and liabilities of two predecessor plans (Volunteer Fireman's Plan and Volunteer EMT Plan). The new Plan features revised contribution and benefit provisions and governance by one board instead of two. It provides a modest benefit increase to retired volunteers whose benefit structure had remained static for some time. It also provided a long-term funding source to stabilize the finances of the Volunteer EMT Plan, while establishing consistent provisions for both firefighter and EMT volunteers.

Law Enforcement Pension Plan

The Wyoming Law Enforcement Pension Plan is 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 agencies and certain investigators of the Wyoming Livestock Board.

The Plan statutorily requires participants to contribute 8.6% of their salary to the Plan and the employer is required to contribute 8.6% of each participant's salary.

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

NOTE 11 - DEFINED BENEFIT PENSION PLAN (cont.)

Law Enforcement Pension Plan (cont.)

For the year ended June 30, 2024, the contributions from the City that are recognized as part of pension expense for the Plan were as follows:

	General	Police	Volunteer Fire
Contributions - Employer	\$ 357,519	\$ 175,067	\$ 0
Contributions - Employee (paid by employer)	80,730	48,478	7,425
	<u>\$ 438,249</u>	<u>\$ 223,545</u>	<u>\$ 7,425</u>

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

As of June 30, 2024, the City reported a combined net pension liability of \$3,608,463 for its proportionate share of the net pension liability of the Plan.

The City's net pension liability for the Plan is measured as the proportionate share of the net pension liability. The net pension liability of the Plan is measured as of December 31, 2023, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2023 rolled forward to December 31, 2023 using generally accepted actuarial procedures.

The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. The City's proportionate share of the net pension liability for each of the respective plans as of December 31, 2023 is as follows:

	General	Police	Volunteer Fire
Percentage of Proportionate Share 12/31/2022	0.111070%	0.64967%	1.40531%
Percentage of Proportionate Share 12/31/2023	0.115248%	0.66164%	1.30482%
Increase/Decrease	<u>0.0042%</u>	<u>0.0120%</u>	<u>-0.1005%</u>

For the year ended June 30, 2024, the City recognized combined (government wide and allocations to proprietary fund) pension expense of \$213,157.

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

CITY OF LANDER, WYOMING
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 11 - DEFINED BENEFIT PENSION PLAN (cont.)

Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions (cont.)

	Deferred Outflow/(Inflows) of Resources					
	General		Police		Volunteer Fire	
	<u>Outflows</u>	<u>Inflows</u>	<u>Outflows</u>	<u>Inflows</u>	<u>Outflows</u>	<u>Inflows</u>
Pension contributions subsequent to measurement date	\$ 216,570	\$ 0	\$ 114,335	\$ 0	\$ 3,637	\$ 0
Change in employer's proportion and differences between the employer's contributions and the employer's proportionate share of contributions	158,838	9,858	88,531	695	0	32,294
Net differences between projected and actual earnings on Plan investments	847,387	907,412	468,222	510,766	122,203	133,665
Net differences between expected and actual experience of net outflows/(inflows) of resources	50,499	11,015	76,354	45,818	831	8,313
Assumption changes since prior actuarial valuation	22,977	0	460,459	1,058,276	3,554	0
Total	\$ 1,296,271	\$ 928,285	\$ 1,207,902	\$ 1,615,555	\$ 130,225	\$ 174,272

The \$334,542 reported as deferred outflows of resources are related to contributions subsequent to the measurement date and will be recognized as a reduction of the net pension liability in the year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ended June 30,	General	Police	Volunteer Fire	Total
2025	\$ 42,205	\$ (4,576)	\$ (26,180)	\$ 11,449
2026	51,837	(309,719)	(17,134)	(275,017)
2027	185,466	(136,511)	14,391	63,346
2028	(128,092)	(71,181)	(18,762)	(218,035)

NOTE 11 - DEFINED BENEFIT PENSION PLAN (cont.)

Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions (cont.)

Actuarial Assumptions - The following are the actuarial assumptions applied to all periods included in the measurement:

	General	Police	Volunteer Fire
Valuation date	1/1/23	1/1/23	1/1/23
Actuarial cost method	Individual entry age normal	Individual entry age normal	Individual entry age normal
Amortization method	Level percent - closed	Level percent - closed	Level dollar - Closed
Remaining amortization	24	22	27
Asset valuation method	5-year smoothed market	5-year smoothed market	5-year smoothed market
Actuarial Assumptions:			
Discount Rate	6.80%	6.80%	6.80%
Assumed inflation rate	2.25%	2.25%	2.25%
Projected salary increase	2.5% - 6.5%	5.25% - 9.25%	N/A
Payroll growth rate	2.50%	2.50%	N/A
Investment rate of return	6.80%, net of pension plan investment expense	6.80%, net of pension plan investment expense	6.80%, net of pension plan investment expense
Mortality	Pub-2010 General Healthy Annuitant Mortality Table, amount weighted, fully generational, projected with Scale MP-2020 Ultimate Scale	Pub-2010 General Healthy Annuitant Mortality Table, amount weighted, fully generational, projected with Scale MP-2020 Ultimate Scale	Pub-2010 General Healthy Annuitant Mortality Table, amount weighted, fully generational, projected with Scale MP-2020 Ultimate Scale

Discount Rate - The discount rate used to measure the total pension liability was 6.80% for the Plan. The projection of cash flows used to determine the discount rate assumed contributions from participating employers will be made on the actuarially determined rates based on the Board's funding policy, which establishes the contractually required rates under Wyoming State Statutes. Based on those assumptions, the WRS fiduciary net position was projected to be available to make all the projected future benefit payments of current Plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payment to determine the total pension liability.

NOTE 11 - DEFINED BENEFIT PENSION PLAN (cont.)

Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions (cont.)

DISCOUNT RATE			
Single Discount Rate	Long-Term Expected Rate of Return	Long-Term Municipal Bond Rate*	Last year ending December 31 in the 2023 to 2122 projection period for which projected benefit payments are fully funded
6.80%	6.80%	3.77%	2122

* Source: Fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-Year GO AA Index" as of December 31, 2023. In describing this index, Fidelity notes that the municipal curves are constructed using option-adjusted analytics of a diverse population of over 10,000 tax-exempt securities.

In determining the long-term expected rate of return, the Plan assumes a long-term investment rate of return of 6.80%. The long-term rate of return is determined through a 4.55% net real rate of return and an inflation rate of 2.25%. The following table represents a comparison of an annual money-weighted rate of return, net of investment expenses compared to the expected real rate of return.

Annual money-weighted rate of return, net of expenses for the fiscal year ended December 31, 2023	Annual money-weighted rate of return, net of expenses for the fiscal year ended December 31, 2022	Expected Rate of Return net investment expenses
13.84%	-6.99%	6.80%

The table below reflects the assumed asset allocation of the Plan's portfolio, the long-term expected rate of return for each asset class and the expected rate of return is presented arithmetic and geometric. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These rates of return are net of administrative expenses.

NOTE 11 - DEFINED BENEFIT PENSION PLAN (cont.)

Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions (cont.)

Major Portfolio Class	Target Allocation	Arithmetic Real Return	Arithmetic Nominal Return	Geometric Return	Geometric Nominal Return
Tactical Cash	0.50%	0.32%	2.90%	0.30%	2.89%
Gold	1.50%	0.72%	3.30%	2.34%	4.93%
Fixed Income	20.00%	4.05%	6.63%	3.59%	6.17%
Core Plus	5.00%	2.17%	4.76%	2.12%	4.70%
US Government	5.00%	1.14%	3.73%	1.12%	3.70%
TIPS	2.00%	2.10%	4.69%	1.92%	4.50%
Opportunistic	3.00%	5.06%	7.64%	4.57%	7.15%
Private Debt	5.00%	9.00%	11.59%	7.62%	10.20%
Equity	51.50%	9.00%	11.59%	7.09%	9.68%
US Equity	21.00%	7.52%	10.10%	6.12%	8.70%
Developed International	11.50%	8.76%	11.34%	7.22%	9.80%
Emerging Markets	6.00%	9.62%	12.21%	7.42%	10.00%
Private Equity	13.00%	11.33%	13.92%	8.42%	11.00%
Marketable Alternative	16.00%	6.02%	8.61%	5.14%	7.73%
Private Real Assets	10.50%	7.67%	10.26%	6.05%	8.63%
Private Natural Resources	2.5-7.5%	9.57%	12.16%	7.22%	9.80%
Private Infrastructure	2.5-7.5%	6.02%	8.61%	5.22%	7.80%
Real Estate	2.5-7.5%	7.42%	10.01%	5.72%	8.30%
Total	100.00%	7.23%	9.81%	5.86%	8.45%

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate – The following presents the City's proportionate share of the net pension liability for the Plan, calculated using the discount rate for each Plan, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	General	Police	Volunteer Fire	Total
1% Decrease				
Net Pension Liability	\$ 4,154,813	\$ 1,803,592	\$ 292,671	\$ 6,251,076
Current Discount Rate 6.8%				
Net Pension Liability	2,616,327	893,776	98,360	3,608,463
1% Increase				
Net Pension Liability	1,341,387	149,783	(62,932)	1,428,238

Pension Plan Fiduciary Net Position - Detailed information about each pension plan's fiduciary net position is available in the separately issued WRS financial reports.

NOTE 11 - DEFINED BENEFIT PENSION PLAN (cont.)

Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions (cont.)

Payable to the Pension Plan

At June 30, 2024, the City reported a payable of \$0 for the outstanding amount of contributions to the pension plan required for the year ended June 30, 2024.

NOTE 12 - COMMITMENTS AND CONTINGENCIES

Construction Commitments

The City has multiple active construction projects as of June 30, 2024. At year-end, the City's commitments with contractors/consultants are as follows:

Projects	Spent-to-date	Remaining Commitment	Funding Source
Safe Routes School	301,438	198,278	TAP Grant #21510 - \$499,716
Transportation Design	124,297	1,006,828	TAP Grant #23513 - \$1,131,125
AML Project/Storage Tank	6,270,108	4,341,564	AML Grant - \$3,557,554; WWDC Grant - \$7,028,000
	<u>\$ 6,695,844</u>	<u>\$ 5,546,670</u>	

Insurance Coverage

The City purchases commercial insurance to help insure against risks of loss. Coverage carried includes property, general liability, automobile liability, inland marine, crime, umbrella and professional liability. For the year ended June 30, 2024, the City spent approximately \$90,000 for insurance premiums.

Litigation

The City is contingently liable in respect to lawsuits and claims in the ordinary course of its operations. In the opinion of City personnel, the settlement of such contingencies would not affect the financial position of the City at June 30, 2024. Should any claims prove to be a detriment to the City, they will be recorded as expenditure in the period in which a liability is realized.

The City has several ongoing lawsuits that are expected to be settled out of court subject to the Wyoming Local Government Liability Pool and associated deductible.

NOTE 13 - SENIOR CENTER TRUST PERMANENT FUND

The Senior Center Trust Permanent Fund was created when the voters of Fremont County approved a 1% capital facility tax in the general election held on November 8, 1994. The proposition approved by the voters stipulated that \$661,000 of collections, plus interest earned thereon, and any unused construction funds, constitute the corpus (principal) of the endowment fund. The subsequent earnings and corpus from the endowment fund are to be used for the operation and maintenance of the facility. As of June 30, 2024, \$313,342 is available for authorization for expenditure by the City Council. This amount is included in restricted Net Position.

NOTE 14 - RELATED PARTY

The table below summarizes the related party transactions for the year ended June 30, 2024.

<u>Related Party</u>	<u>June 30, 2024</u>
Database Administration Services	99,803
Janitorial Services	47,000
	<u>\$ 146,803</u>

NOTE 15 - PRIOR PERIOD ADJUSTMENT

During the preparation of the financial statements, management identified and corrected errors related to prior year reporting in the proprietary fund. The adjustments include the removal of loan payments incorrectly recorded in accounts payable and expenses, an adjustment to reflect the actual amounts received from a government agency grant, and corrections to the accounting for accrued wages. The net effect of these adjustments resulted in a positive adjustment of \$103,154 to the beginning net position of the proprietary fund, which has been restated to \$29,806,864.

Additionally, the General Fund was restated to properly account for accrued wages payable, resulting in a negative adjustment of \$101,415 to the beginning fund balance, which has been restated to \$12,124,841.

These adjustments ensure the financial statements accurately reflect the City's financial position in accordance with applicable accounting standards.

NOTE 16 - SUBSEQUENT EVENTS

As a result of the general election held in November 2024, the constituents of Fremont County voted down the 1/2 cent economic development sales tax. This event is disclosed for informational purposes as it occurred after the close of the fiscal year under audit. The financial impact and implications of this decision will be reflected in the subsequent financial statements.

Management has evaluated subsequent events through January 13, 2025, the date the financial statements were available to be issued, and has determined that no additional events require disclosure.

CITY OF LANDER, WYOMING
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND (NON GAAP BASIS)
FOR THE YEAR ENDED JUNE 30, 2024

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	Budgetary Basis	Final Budget - Favorable (Unfavorable)
RESOURCES (INFLOWS)				
Taxes	\$ 8,028,283	\$ 8,028,283	\$ 7,331,906	\$ 696,377
Licenses and permits	92,000	92,000	291,393	(199,393)
Grants	4,033,502	4,033,502	744,571	3,288,931
Charges for services	155,000	155,000	206,616	(51,616)
Fines and forfeitures	135,000	135,000	132,994	2,006
Interest income	200,000	410,000	416,471	(6,471)
Miscellaneous revenue	117,015	117,015	212,007	(94,992)
	<u>12,760,800</u>	<u>12,970,800</u>	<u>9,335,958</u>	<u>3,634,842</u>
Amount Available for Appropriation				
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
General government	2,593,837	2,593,837	1,501,738	1,092,099
Community center	179,000	196,000	198,983	(2,983)
Municipal court	273,118	273,118	263,818	9,300
Attorney	70,000	70,000	56,137	13,863
Police	2,612,627	2,612,627	2,495,631	116,996
Fire	314,541	364,541	363,533	1,008
Building inspector	54,177	57,177	56,380	797
Emergency management and compliance coordinator	20,000	24,000	23,237	763
Streets	5,252,580	5,252,580	1,209,167	4,043,413
Rodeo grounds	5,000	5,000	2,810	2,190
Building repair and maintenance	184,900	184,900	128,780	56,120
Shop	301,575	379,575	378,840	735
Weed and pest	72,458	72,458	40,235	32,223
Parks and recreation	541,959	541,959	435,531	106,428
Golf course	43,500	95,500	94,923	577
Cemetery	241,528	247,528	247,311	217
	<u>12,760,800</u>	<u>12,970,800</u>	<u>7,497,054</u>	<u>5,473,746</u>
Total Charges to Appropriations				
Excess of appropriations over (under) charges to appropriations	0	0	1,838,904	
BUDGETARY FUND BALANCE - JULY 1	<u>12,124,841</u>	<u>12,124,841</u>	<u>12,124,841</u>	
BUDGETARY FUND BALANCE - JUNE 30	<u>\$ 12,124,841</u>	<u>\$ 12,124,841</u>	<u>\$ 13,963,745</u>	

CITY OF LANDER, WYOMING
SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
WYOMING RETIREMENT SYSTEM
PUBLIC EMPLOYEES PENSION PLAN

Fiscal Year*

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
City's proportion of the net pension liability	0.104360%	0.101861%	0.104737%	0.103928%	0.102366%	0.099569%	0.101970%	0.098594%	0.110699%	0.115247%
City's proportionate share of the net pension liability	\$ 1,841,633	\$ 2,372,699	\$ 2,532,019	\$ 2,368,866	\$ 3,117,349	\$ 2,339,791	\$ 2,216,168	\$ 1,503,288	\$ 3,035,334	\$2,616,327
City's covered-employee payroll	\$ 1,743,113	\$ 1,832,665	\$ 1,798,718	\$ 1,797,064	\$ 1,751,127	\$ 1,858,326	\$ 1,772,355	\$ 1,907,567	\$ 2,250,521	\$2,353,649
City's proportionate share of the net pension liability as a percentage of its covered payroll	105.65%	129.47%	140.77%	131.82%	178.02%	125.91%	125.04%	78.81%	134.87%	111.16%
Plan fiduciary net position as a percentage of the total pension liability	79.08%	73.40%	73.42%	76.35%	69.17%	76.83%	79.24%	86.03%	75.47%	80.19%

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

CITY OF LANDER, WYOMING
SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
WYOMING RETIREMENT SYSTEM
LAW ENFORCEMENT PENSION PLAN

	Fiscal Year*									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
City's proportion of the net pension liability	0.740134%	0.619236%	0.592481%	0.580904%	0.599883%	0.615016%	0.609951%	0.607582%	0.649670%	0.661644%
City's proportionate share of the net pension liability	\$ 218,071	\$ 465,170	\$ 447,275	\$ 499,836	\$ 1,452,151	\$ 530,135	\$ 415,512	\$ 1,728,805	\$ 2,213,138	\$ 893,776
City's covered-employee payroll	\$ 1,115,592	\$ 1,020,860	\$ 1,069,081	\$ 1,056,907	\$ 1,088,047	\$ 1,114,121	\$ 990,676	\$ 1,053,093	\$ 1,147,355	\$ 1,299,679
City's proportionate share of the net pension liability as a percentage of its covered payroll	19.55%	45.57%	41.84%	47.29%	133.46%	47.58%	41.94%	164.16%	192.89%	68.77%
Plan fiduciary net position as a percentage of the total pension liability	94.76%	87.49%	88.11%	87.99%	71.22%	89.05%	91.82%	75.62%	70.30%	86.90%

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

CITY OF LANDER, WYOMING
SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
WYOMING RETIREMENT SYSTEM
VOLUNTEER FIREFIGHTER AND EMT PENSION PLAN

Fiscal Year*

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
City's proportion of the net pension liability	2.144982%	1.971486%	2.074019%	1.899089%	1.906248%	1.772232%	1.584919%	1.519355%	1.405315%	1.304817%
City's proportionate share of the net pension liability	\$ 76,029	\$ 624,796	\$ 658,413	\$ 543,240	\$ 678,445	\$ 495,967	\$ 363,658	\$ 191,203	\$ 345,089	\$ 98,360
City's covered-employee payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
City's proportionate share of the net pension liability as a percentage of its covered payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Plan fiduciary net position as a percentage of the total pension liability	94.76%	69.16%	69.99%	74.11%	68.18%	75.64%	80.53%	89.62%	80.04%	93.97%

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

CITY OF LANDER, WYOMING
SCHEDULE OF CITY CONTRIBUTIONS
WYOMING RETIREMENT SYSTEM
PUBLIC EMPLOYEES PENSION PLAN

Fiscal Year

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Contractually required contributions	\$ 334,778	\$ 304,589	\$ 298,947	298,672	299,793	327,438	321,151	355,189	419,047	438,249
Contributions in relation to the contractually required contribution	334,778	304,589	298,947	298,672	299,793	327,438	321,151	355,189	419,047	438,249
Contribution deficiency (excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
City's covered payroll of respective pension	\$2,109,504	\$1,832,665	\$1,798,718	\$1,797,064	\$1,751,127	\$1,858,330	\$1,772,355	\$1,907,567	\$2,250,521	\$2,353,649
Contributions as a percentage of covered employee payroll	15.87%	16.62%	16.62%	16.62%	17.12%	17.62%	18.12%	18.62%	18.62%	18.62%

CITY OF LANDER, WYOMING
SCHEDULE OF CITY CONTRIBUTIONS
WYOMING RETIREMENT SYSTEM
LAW ENFORCEMENT PENSION PLAN

Fiscal Year

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Contractually required contributions	\$ 183,622	\$ 175,588	\$ 183,882	\$ 181,788	\$ 187,144	\$ 191,629	\$ 170,396	\$ 181,132	\$ 197,345	\$ 223,545
Contributions in relation to the contractually required contribution	183,622	175,588	183,882	181,788	187,144	191,629	170,396	181,132	197,345	223,545
Contribution deficiency (excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
City's covered payroll of respective pension	\$ 1,067,570	\$ 1,020,860	\$ 1,069,081	\$ 1,056,907	\$ 1,088,047	\$ 1,114,121	\$ 990,676	\$ 1,053,093	\$ 1,147,355	\$ 1,299,679
Contributions as a percentage of covered employee payroll	17.20%	17.20%	17.20%	17.20%	17.20%	17.20%	17.20%	17.20%	17.20%	17.20%

CITY OF LANDER, WYOMING
SCHEDULE OF CITY CONTRIBUTIONS
WYOMING RETIREMENT SYSTEM
VOLUNTEER FIREFIGHTER AND EMT PENSION PLAN

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Contractually required contributions	\$ 8,687	\$ 8,687	\$ 8,385	\$ 7,485	\$ 7,905	\$ 7,410	\$ 8,681	\$ 8,138	\$ 7,331	\$ 7,425
Contributions in relation to the contractually required contribution	8,687	8,687	8,385	7,485	7,905	7,410	8,681	8,138	7,331	7,425
Contribution deficiency (excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
City's covered payroll of respective pension	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Contributions as a percentage of covered employee payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

**CITY OF LANDER, WYOMING
NOTES TO REQUIRED SUPPLEMENTARY
PENSION INFORMATION
FOR THE YEAR ENDED JUNE 30, 2024**

Changes of benefit terms -

There are no changes in benefit terms from the prior year.

Changes in the composition of the population -

There are no changes in the composition of the population from the prior year.

Changes in assumptions -

There are no changes in assumptions from the prior year.

CITY OF LANDER, WYOMING
COMBINING BALANCE SHEET
SPECIAL REVENUE FUNDS
JUNE 30, 2024

	Health Rivers	Economic Development	Airport	Section 205	Maven	Assisted Living	Total Nonmajor Special Revenue Funds
ASSETS							
Cash and cash equivalents	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Receivables, net							
Grants	0	65,915	177,142	0	0	1,109,774	1,352,831
Due from other funds	11,705	826,366	0	0	40,178	0	878,249
Total Assets	<u>\$ 11,705</u>	<u>\$ 892,281</u>	<u>\$ 177,142</u>	<u>\$ 0</u>	<u>\$ 40,178</u>	<u>\$ 1,109,774</u>	<u>\$ 2,231,080</u>
LIABILITIES AND FUND BALANCE							
Liabilities							
Accounts payable and accrued expenses	\$ 458	\$ 193,266	\$ 58,976	\$ 0	\$ 6,051	\$ 161,432	\$ 420,183
Due to other funds	0	0	375,841	0	0	628,513	1,004,354
Deposits	0	0	0	0	46,668	0	46,668
Total Liabilities	<u>458</u>	<u>193,266</u>	<u>434,817</u>	<u>-</u>	<u>52,719</u>	<u>789,945</u>	<u>1,471,205</u>
Fund Balance							
Unreserved and undesignated	11,247	699,015	(257,675)	0	(12,541)	319,829	759,875
Total Liabilities and Fund Balance	<u>\$ 11,705</u>	<u>\$ 892,281</u>	<u>\$ 177,142</u>	<u>\$ 0</u>	<u>\$ 40,178</u>	<u>\$ 1,109,774</u>	<u>\$ 2,231,080</u>

CITY OF LANDER, WYOMING
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2024

	Health Rivers	Economic Development	Airport	Section 205	Maven	Assisted Living	Total Nonmajor Special Revenue Funds
REVENUES							
Intergovernmental	\$ 0	\$ 846,508	\$ 600,041	0	\$ 0	\$ 1,434,774	\$ 2,881,323
Sales and services	0	0	285,055	0	210,102	0	495,157
Miscellaneous	10,000	0	5,500	0	57,896	0	73,396
Total Revenues	10,000	846,508	890,596	0	267,998	1,434,774	3,449,876
EXPENDITURES							
Current							
Public safety and transportation	0	253,952	139,575	0	0	0	393,527
Miscellaneous project costs	22,501	376,293	332,422	0	58,365	1,443	791,024
Intergovernmental	0	0	0	0	0	287,390	287,390
Capital outlay	0	0	0	0	0	0	0
Total Expenditures	22,501	630,245	471,997	0	58,365	288,833	1,471,941
Excess of revenues over (under) expenditures	(12,501)	216,263	418,599	0	209,633	1,145,941	1,977,935
OTHER FINANCING SOURCES (USES)							
Operating transfers in	0	0	0	113,200	0	0	113,200
Other financing uses - loan payments	0	0	0	0	(133,950)	0	(133,950)
Total Other Financing Sources (Uses)	0	0	0	113,200	(133,950)	0	(20,750)
Excess of revenues and other sources over (under) expenditures and other uses	(12,501)	216,263	418,599	113,200	75,683	1,145,941	1,957,185
RESTATE FUND BALANCE - JULY 1	23,748	482,752	(676,274)	(113,200)	(88,224)	(826,112)	(1,197,310)
FUND BALANCE - JUNE 30	\$ 11,247	\$ 699,015	\$ (257,675)	\$ 0	\$ (12,541)	\$ 319,829	\$ 759,875

CITY OF LANDER, WYOMING
DETAIL SCHEDULE OF DEPARTMENTAL EXPENDITURES
BY OBJECT CLASSIFICATION
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2024

	Materials and Supplies	Contractual Services	Salaries and Benefits	Function Class Totals	Debt Service, Capital Outlay, Transfers Out	Budget Class Totals
GENERAL GOVERNMENT						
General government	\$ 170,441	\$ 324,677	\$ 573,696	\$ 1,068,814	\$ 462,100	\$ 1,530,914
Economic development	0	2,794	0	2,794	0	2,794
Community center	100,362	98,621	0	198,983	0	198,983
Other general accounts	4,978	86,652	0	91,630	45,600	137,230
City attorney	0	56,137	0	56,137	0	56,137
Municipal court	4,531	66,791	192,496	263,818	0	263,818
Total General Government Expenditures	280,312	635,672	766,192	1,682,176	507,700	2,189,876
PUBLIC SAFETY						
Police department	31,651	268,416	2,175,160	2,475,227	20,404	2,495,631
Fire department	245,483	31,682	86,368	363,533	0	363,533
Building inspector	2,525	1,544	52,311	56,380	0	56,380
Emergency management and compliance	23,237	0	0	23,237	0	23,237
Weed and pest	10,425	0	23,192	33,617	6,618	40,235
Total Public Safety Expenditures	313,321	301,642	2,337,031	2,951,994	27,022	2,979,016
PUBLIC WORKS						
Streets and alleys	92,865	0	276,944	369,809	839,358	1,209,167
Building repair and maintenance	128,780	0	0	128,780	0	128,780
Cemetery	8,120	3,811	234,094	246,025	1,286	247,311
Maintenance shop	258,730	1,677	118,433	378,840	0	378,840
Parks and recreation	75,685	17,734	305,260	398,679	36,852	435,531
Rodeo grounds	400	2,410	0	2,810	0	2,810
Golf course	51,423	0	43,500	94,923	0	94,923
Total Public Works Expenditures	616,003	25,632	978,231	1,619,866	877,496	2,497,362
Total Expenditures	\$ 1,209,636	\$ 962,946	\$ 4,081,454	\$ 6,254,036	\$ 1,412,218	\$ 7,666,254

CITY OF LANDER, WYOMING
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2024

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Assistance Listing Number</u>	<u>Grantor's Number</u>	<u>2024 Expenditures</u>	<u>Total Federal Loan Balance</u>
U.S. Environmental Protection Agency				
<i>Passed through to Office of State Land and Investments</i>				
Loan - Clean Water Drinking #125	66.458	NA	\$ 0	\$ 381,692
Loan - Clean Water Drinking #128	66.458	NA	0	1,056,270
Loan - Clean Water Drinking #142	66.458	NA	0	850,262
Loan - Clean Water Drinking #141	66.458	NA	0	1,195,836
Loan - Safe Water Drinking #194	66.458	NA	0	1,040,166
Loan - Safe Water Drinking #180	66.458	NA	0	418,517
Total U.S. Environmental Protection Agency			<u>0</u>	<u>4,942,743</u>
U.S Department of Interior				
<i>Passed through the Wyoming Department of Environmental Quality, Abandoned Mine Land Division</i>				
AML Project 76 - Water Storage Tanks and Pump Station Project	15.252		2,191,900	0
Total U.S Department of Interior			<u>2,191,900</u>	<u>0</u>
U.S. Department of Justice				
<i>Passed through the Office of Victims of Crime</i>				
Crime Victim Assistance/Discretionary Grants	16.582	2022-V3-GX-58	12,836	0
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2023-17373	30,639	0
Total U.S. Department of Justice			<u>43,475</u>	<u>0</u>
Federal Emergency Management (FEMA)				
<i>Passed through to Wyoming Office of Homeland Security</i>				
Homeland Security Grant Program	97.067	22-SHSP-LAN-PD-INT	28,327	0
Total U.S. Department of the Interior			<u>28,327</u>	<u>0</u>
Wyoming Department of Transportation				
<i>Passed through the WYDOT Aeronautics Division</i>				
Airport Improvement Program	20.106	3-56-0016-020-2021/22	11,514	0
Airport Improvement Program	20.106	3-56-0016-016-2020	332,422	0
<i>Passed through the WYDOT</i>				
TAP	20.205	CD23513	124,297	
State and Community Highway Safety Program	20.600	MSHVE-2023-BI-OP-01	18,901	
Total Wyoming Department of Transportation			<u>487,134</u>	<u>0</u>
Total Expenditures of Federal Awards			<u>\$ 2,750,836</u>	<u>\$ 4,942,743</u>

NOTE TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2024

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the City of Lander, Wyoming and is presented on the modified accrual basis of accounting, except for amounts presented under the U.S. Department of Agriculture and the U.S. Environmental Protection Agency, which are presented on the accrual basis. The information in this schedule is presented in accordance with the requirements of Uniform Guidance, Audits of States, Local Governments, and Non-Profit Organizations.

The City is eligible to apply a 10% de minimus indirect cost rate on certain grants that have been awarded. The City has evaluated the application of indirect costs on a grant-by-grant basis.



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

Honorable Members of the City Council
City of Lander
Lander, Wyoming

We have conducted an audit, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Lander, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise City of Lander's basic financial statements, and have issued our report thereon dated January 13, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City of Lander, Wyoming's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Lander, Wyoming's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Lander, Wyoming'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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2024-001 that we consider to be significant deficiencies.

Report on Compliance And Other Matters

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



City of Lander, Wyoming's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the City of Lander, Wyoming's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The City of Lander, Wyoming 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.

SUMMIT WEST CPA GROUP, P.C.

Summit West CPA Group, P.C.
Lander, Wyoming
January 13, 2025



**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY UNIFORM GUIDANCE**

Honorable Members of the City Council
City of Lander
Lander, Wyoming

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited City of Lander's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of City of Lander's major federal programs for the year ended June 30, 2024. City of Lander's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, City of Lander complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City of Lander's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting



material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City of Lander's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

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

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

Report on Internal Control over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified.

The City of Lander's response to the internal control over compliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The City of Lander's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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

SUMMIT WEST CPA GROUP, P.C.

Summit West CPA Group, P.C.
Lander, Wyoming
January 13, 2025

**CITY OF LANDER, WYOMING
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2024**

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

Material weakness identified?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Significant deficiency identified not considered to be material weaknesses?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> None Reported

Noncompliance material to financial statements noted? ☐ Yes ☒ No

Federal Awards

Internal control over major programs:

Material weakness identified?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Significant deficiency identified not considered to be material weakness?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> None Reported

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance. ☐ Yes ☒ No

Identification of major programs:

ULN Numbers

Name of Federal Program or Cluster

15.252

Abandoned Mine Land Reclamation (AMLR) Grants

Dollar threshold used to distinguish between Type A and Type B programs:

\$750,000

Auditee qualified as low-risk auditee?

☐ Yes ☒ No

**CITY OF LANDER, WYOMING
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2024**

SECTION II - FINANCIAL STATEMENT FINDINGS

Finding 2024-001 - Restatement of Financial Statements Due to Incorrect Accounting for Accrued Wages

Condition

Management is responsible for the preparation and fair presentation of financial statements in accordance with accounting principles generally accepted in the United States of America. This includes the design, implementation, and maintenance of internal controls to ensure the accuracy and completeness of financial records. During the audit, it was identified that wages earned by employees for the last pay period in June had not been properly accrued in the City's financial records, resulting in the restatement of the financial statements.

Criteria

In accordance with generally accepted accounting principles (GAAP), expenses should be recognized in the period incurred. Properly accruing wages ensures that the financial statements accurately reflect the City's financial position and liabilities as of year-end.

Cause

The deficiency occurred because the City's accounting processes did not include adequate procedures for identifying and accruing wages earned but unpaid at year-end.

Effect

The financial statements for the prior year were misstated, as they did not include the wages earned but unpaid as of year-end. This resulted in a negative adjustment of \$101,415 to the beginning fund balance of the General Fund and a negative adjustment of \$40,838 to the beginning net position of the Proprietary Fund. The financial statements were restated to reflect the liability for accrued wages in both funds.

Questioned Costs

Not applicable

Sampling Method

Not applicable

Recommendation

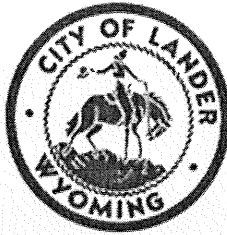
It is recommended that the City enhance its procedures for year-end financial close to ensure all wages earned but unpaid as of June 30 are properly accrued. This should include implementing a detailed review of payroll records to identify unpaid wages at the end of the reporting period. Additionally, the City should provide training to accounting staff on the proper recognition of accrued expenses to prevent similar issues in the future.

Response and Views of Responsible Officials

See Corrective Action Plan and Response to Findings

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None noted



**City of Lander Wyoming
250 Lincoln Street
Lander, WY 82520**

CORRECTIVE ACTION PLAN

Corrective Action Item Finding 2024-001: Restatement of Financial Statements Due to Incorrect Accounting for Accrued Wages

Individual Responsible: Charri Lara, City Treasurer

Anticipated Completion Date: 03/01/2025

Corrective Action: The City treasurer, a member of the Wyoming Association of Municipalities (WAM), actively participates in meetings to stay informed about state and municipal financial matters. However, challenges have arisen in properly accounting for accrued wages due to the complexity of payroll procedures and the need for precise year-end adjustments.

To address this, the City is committed to enhancing its year-end financial close processes. Specifically, the City will implement a review procedure to ensure all wages earned but unpaid as of year-end are properly accrued. The City will also seek guidance and training opportunities through professional organizations, such as WAM and other municipal finance networks, to strengthen compliance with generally accepted accounting principles (GAAP). These efforts will support accuracy in financial reporting and process improvements moving forward.

**CITY OF LANDER, WYOMING
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
JUNE 30, 2023**

SIGNIFICANT DEFICIENCY

Corrective Action Item 2023-001: Internal controls over Financial Reporting

Condition: The City experienced inconsistencies in recording accounting transactions and delays in completing the year-end closing process, particularly regarding debt and lease information, due to insufficient training of accounting personnel in dealing with complex accounting matters.

Current Year Status: This deficiency has been corrected.

Corrective Action Item 2023-002: Implementation of New Accounting Standards

Condition: The City does not have a proper system of internal control over financial reporting in place that includes staying up to date on accounting changes and developing a plan to implement new accounting pronouncements in a timely manner.

Current Year Status: This deficiency was corrected