

CITY OF LANDER, WYOMING

**FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2022**

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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, 2022, 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, 2022, 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 on pages 4-11, and 49-56 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 detail schedule of departmental expenditures 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 and individual nonmajor fund financial statements 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 June 28, 2023, 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
June 28, 2023

Management's Discussion and Analysis

CITY OF LANDER, WYOMING
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2022

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, 2022. 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, 2022 by \$73,214,070 (net position). Of this amount, unrestricted net position of \$11,814,547 is broken down as follows: Business-Type (Water and Sewer Fund) \$4,856,731; and Governmental Type has various board designated amounts that are unrestricted according to the Government-wide definitions for net position classifications - approximately \$6,957,816. 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 \$3.4 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 \$5,148,008, while water and sewer utility charges total \$3,574,501.
- The increases in water and sewer income numbers are due to the annual increases made to the water & sewer rates.
- The City has actively been pursuing grants/loans to finance the Table Mountain Assisted Living & Memory Care facility. This project is under the Housing Authority which also manages Push Root. They have been tasked with obtaining financing and management of this care facility. The City hopes to break ground with this project in 2023.
- The City of Lander in partnership with the Wyoming Business Council has obtained a \$3,000,000 grant and a \$3,000,000 loan to build a new Maven Headquarters. This building should be completed in 2023. This has a revenue recapture involved in the loan repayment schedule which will include additional monies for the state and for the City for the purposes of economic development. Maven will make all future loan payments on this building and pay for any overages above the \$6,000,000 that has been awarded.
- The City of Lander has been working with FEMA to complete a flood mitigation plan. This plan is ongoing and the hope is to have the study completed in 2023.
- The City of Lander has hired a Community Resource Director. These funds were budgeted in the current year as the council felt that the city needs a communication plan for the public. This director was hired in March 2022.
- The City of Lander has combined the clerk position with the Human Resource position and hired a new Deputy Clerk/Treasurer. The succession plan for the City Treasurer will be to train the Deputy in order to fill the Treasurer position upon retirement. Job duties have been reallocated between all three of these positions

- The City of Lander received their second payment of the American Rescue Plan Act (ARPA) monies. It is the council's intent to leave these monies in a separate fund in order to have match monies available for the FEMA obligations. The total amount in this fund at June 30, 2022 was \$1,289,224.
- The City of Lander has met the goal set in the strategic planning for the council's desire to have ½ year of total general fund monies in the unrestricted fund balance. The average total of general fund monies received is \$5 million therefore, the council goal was to have \$2.5 million for unanticipated expenditures.

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.

City of Lander, Wyoming**Management's Discussion and Analysis**

June 30, 2022

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.

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City of Lander, Wyoming
Management's Discussion and Analysis
June 30, 2022

The City as a whole:

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2022	2021	2022	2021	2022	2021
ASSETS						
Current and other assets	\$12,326,174	\$9,586,072	\$7,477,011	\$7,270,760	\$19,803,185	\$16,856,832
Capital assets	34,973,751	30,732,313	31,232,622	31,870,241	66,206,373	62,602,554
Total Assets	47,299,925	40,318,385	38,709,633	39,141,001	86,009,558	79,459,386
DEFERRED OUTFLOW OF RESOURCES						
Pension	2,112,067	1,185,112	60,019	45,362	2,172,086	1,230,474
LIABILITIES						
Current and other liabilities	948,907	694,273	1,787,503	699,422	2,736,410	1,393,695
Noncurrent liabilities						
Net pension liability	2,645,590	1,989,510	777,706	1,005,827	3,423,296	2,995,337
Compensated absences	135,808	134,046	64,268	56,357	200,076	190,403
Lease obligations	286,719	20,000	0	0	286,719	20,000
Notes payable	132,772	145,285	5,483,428	5,913,362	5,616,200	6,058,647
Total Liabilities	4,149,796	2,983,114	8,112,905	7,674,968	12,262,701	10,658,082
DEFERRED INFLOW OF RESOURCES						
Pension	2,130,844	1,799,520	232,276	74,487	2,363,120	1,874,007
Community Center advances	0	12,000	0	0	0	12,000
Property taxes	414,223	408,171	0	0	414,223	408,171
	2,545,067	2,219,691	232,276	74,487	2,777,343	2,294,178
NET POSITION						
Net investment in capital assets	34,805,382	30,555,830	25,421,228	26,121,929	60,226,610	56,677,759
Restricted for:						
Endowment - spendable	342,048	381,365	0	0	342,048	381,365
Special projects	264,858	308,814	0	0	264,858	308,814
Economic Development	419,495	0	0	0	419,495	0
Loan guarantee	0	0	146,512	146,512	146,512	146,512
Assigned						
Optional sales tax	3,503,868	3,503,868	0	0	3,503,868	3,503,868
Replacement fund	343,906	343,906	0	3,033,980	343,906	3,377,886
Retirement payout	351,106	291,106	0	400,000	351,106	691,106
Unrestricted	2,686,466	915,803	4,856,731	1,734,487	7,543,197	2,650,290
Total Net Position	\$42,717,129	\$36,300,692	\$30,424,471	\$31,436,908	\$73,141,600	\$67,737,600

City of Lander, Wyoming
Management's Discussion and Analysis
June 30, 2022

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 2022 compared to 2021.

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2022	2021	2022	2021	2022	2021
REVENUES						
Program Revenues						
Charges for services	\$ 652,065	\$ 645,146	\$3,574,501	\$3,465,680	\$4,547,828	\$4,110,826
Operating grants & contributions	4,545,464	1,069,834	0	526,725	4,545,464	1,596,559
Capital grants & contributions	339,243	659,564	817,403	256,643	1,156,646	916,207
General Revenues						
Property & vehicle taxes	786,236	777,772	0	0	786,236	777,772
Sales & use tax	3,456,120	3,292,597	0	0	3,456,120	3,292,597
Franchise fees	494,112	516,538	0	0	494,112	516,538
Other taxes	1,131,132	453,411	0	0	1,131,132	453,411
Mineral taxes	474,180	473,272	0	0	474,180	473,272
Severance taxes	271,629	280,743	0	0	271,629	280,743
Special state distributions	946,079	988,598	0	0	946,079	988,598
Investment earnings	(61,266)	12,250	(65,205)	(9,410)	(126,471)	2,840
Gain (loss) on sale of assets	(6,990)	(69,997)	0	0	(6,990)	(69,997)
Other revenue	92,702	231,191	0	0	92,702	231,191
Transfers	0	0	0	0	0	0
Total Revenues	13,441,968	9,330,919	4,326,699	4,239,638	17,768,667	13,570,557
EXPENSES						
Current						
General government	2,694,404	1,212,499	0	0	2,694,404	1,212,499
Public safety	2,513,194	2,459,103	0	0	2,513,194	2,459,103
Public works	1,817,933	1,674,275	0	0	1,817,933	1,674,275
Water & wastewater	0	0	5,339,136	3,505,832	5,339,136	3,505,832
Total Expenses	7,025,531	5,345,877	5,339,136	3,505,832	12,364,667	8,851,709
Increase (decrease) in net position	\$6,416,437	\$3,985,042	(\$1,012,437)	\$733,806	\$5,404,000	\$4,718,848

Governmental activities saw a positive increase in net position and business-type activities saw an increase in net position of approximately \$4.7 million and \$4.7 million, respectively, for fiscal years 2022 and 2021. The increase in governmental net position was due to not spending the optional tax monies in the current year (building the balance in order to fund larger projects in the 2022 year), along with the reduction in force by cutting three full time benefitted employees.

The City's Funds

Information on the City's major Governmental Funds begins on page 12. 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 \$10,825,381 in 2022 and \$7,524,927 in 2021.

	2022	2021
Restricted for special projects	\$342,048	\$308,814
Restricted for senior endowment	264,858	381,365
Economic Development	419,495	0
Loan guarantee - Proprietary fund	146,512	146,512
Plant maintenance - Proprietary fund	0	815,000

The General Fund accounts for all of the general services provided by the City of Lander. At the end of 2021, the fund balance of the General Fund totaled \$7,524,927. At the end of 2022, the General Fund Balance totaled \$10,825,381.

Revenues by Source - General Fund		
	2022	2021
Taxes	76%	76%
License and fees	2%	2%
Fines and forfeitures	2%	2%
Intergovernmental	16%	16%
Charges for service	1%	2%
Other revenue	1%	1%
WBCA grant chamber contributions	1%	1%
Rent	1%	1%
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 & 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		
	2022	2021
General Government	\$ 1,580,363	\$ 936,096
Public Safety	2,513,194	2,261,583
Public Works	1,817,933	1,064,814
Capital Outlay	1,114,041	999,298
Total	\$ 7,025,531	\$ 5,261,791

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, 2022 amounts to \$93.7 million. This amount excludes infrastructure assets constructed prior to July 1, 2003.

Major capital additions during fiscal year 2022 included upgrades to the scada system, new fleet trucks, remodel at city hall and completion of high pressure water line. The table below provides a summary of net capital assets at June 30, 2022 compared to June 30, 2021.

City of Lander, Wyoming
Management's Discussion and Analysis
June 30, 2022

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2022	2021	2022	2021	2022	2021
Land	\$3,650,614	\$2,530,136		\$0	\$3,650,614	\$2,530,136
Construction in progress	3,422,322	138,511	731,911	375,555	4,154,233	514,066
Building & improvements	15,036,993	14,853,430	1,077,926	995,870	16,114,919	15,849,300
Equipment	3,929,848	3,855,188	2,704,365	2,656,432	6,634,213	6,511,620
Vehicles	3,388,036	3,233,579	318,832	318,832	3,706,868	3,552,411
Office furniture	66,243	66,243	65,661	65,661	131,904	131,904
Infrastructure	18,564,497	18,400,351		0	18,564,497	18,400,351
Water distribution system	0	0	33,686,072	33,686,072	33,686,072	33,686,072
Sewer service system	0	0	12,582,301	12,582,301	12,582,301	12,582,301
Total Net Assets	\$48,058,553	\$43,077,438	\$51,167,068	\$50,680,723	\$99,225,621	\$93,758,161

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

Debt

Note 8 to the financial statement on page 37 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 will continue to take on a very conservative approach to the budget. The decrease in pension liabilities is due to the fact that the City saw the largest number of employees retire in the 2022 year. The State of Wyoming has received large amounts of ARPA funds and municipalities are expecting to be able to apply for several types of funding for these monies for the next four years. The ARPA funds that municipalities received will help us to fund projects for the next four years. These monies currently are required to be spent or encumbered by December 2026.

The economic development tax has helped relieve the City's budget in order to still fund the Fremont County revenue guarantee with United Airlines. This savings will also help the City to fund a new position of Community Development Director. This position will help to coordinate all City events and community events.

The City has started a new automation process. The City is currently building databases using the software Airtable & Stacker. The processes will help build efficiencies within the City to make better budget decisions. The City is currently completely "paperless" for the purchase order system. The City hopes to automate all manual processes within two years.

The City of Lander's e-ticketing should be completed by June 30, 2022. This e-ticketing will enable officers to write tickets up and send them to court through the cloud. We are anticipating an increase in our fines when this is completed. Currently the police tickets are one violation per ticket, and everything is completed manually by hand. Therefore, generally the officers only write up one ticket for the largest violation rather than everything that the defendants could be accessed as a fine. With e-ticketing the officer can write up multiple violations on one entry

City of Lander, Wyoming**Management's Discussion and Analysis**

June 30, 2022

The future of Wyoming's dependency of 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. These ARPA funds that the state has received can be used to revitalize the economy of Wyoming and to change how future monies will be earned. The City of Lander will strongly advocate for a permanent means of income in order to not have to rely on the supplemental distribution.

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.

Government-Wide Financial Statements

CITY OF LANDER, WYOMING
STATEMENT OF NET POSITION
JUNE 30, 2022

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current Assets			
Other cash and investments	\$ 7,296,190	\$ 6,149,726	\$ 13,445,916
Restricted cash	1,026,401	146,512	1,172,913
Receivables, net			
Taxes receivable	898,696	0	898,696
Intergovernmental and grants receivable	1,758,694	0	1,758,694
Accounts receivable	39,303	312,173	351,476
Grants receivable	0	795,503	795,503
Internal balances	1,020,171	0	1,020,171
current portion of lease receivable	15,300	0	15,300
Inventory	0	73,097	73,097
Total Current Assets	<u>12,054,755</u>	<u>7,477,011</u>	<u>19,531,766</u>
Noncurrent Assets			
Lease Receivable	261,419	0	261,419
Lease - right of use asset	10,000	0	10,000
Fixed assets, net of accumulated depreciation	34,973,751	31,232,622	66,206,373
Total Noncurrent Assets	<u>35,245,170</u>	<u>31,232,622</u>	<u>66,477,792</u>
TOTAL ASSETS	<u>\$ 47,299,925</u>	<u>\$ 38,709,633</u>	<u>\$ 86,009,558</u>
DEFERRED OUTFLOW OF RESOURCES			
Pension	2,112,067	60,019	2,172,086
TOTAL DEFERRED OUTFLOW OF RESOURCES	<u>2,112,067</u>	<u>60,019</u>	<u>2,172,086</u>
LIABILITIES			
Current Liabilities			
Accounts payable and accrued expenses	\$ 775,238	\$ 349,298	\$ 1,124,536
Internal balances	0	1,020,171	1,020,171
Renter deposits water and sewer services	0	25,800	25,800
Current portion of lease - obligation to provide	15,300	0	15,300
Current portion of long-term liabilities	158,369	392,234	550,603
Total Current Liabilities	<u>948,907</u>	<u>1,787,503</u>	<u>2,736,410</u>
Noncurrent Liabilities			
Net pension liability	2,645,590	777,706	3,423,296
Compensated absences	135,808	64,268	200,076
Lease - deferred lease obligation on right of use asset	10,000	0	10,000
Lease - obligation to provide	276,719	0	276,719
Notes payable	132,772	5,483,428	5,616,200
Total Noncurrent Liabilities	<u>3,200,889</u>	<u>6,325,402</u>	<u>9,526,291</u>
TOTAL LIABILITIES	<u>4,149,796</u>	<u>8,112,905</u>	<u>12,262,701</u>
DEFERRED INFLOW OF RESOURCES			
Pension	2,130,844	232,276	2,363,120
Property taxes	414,223	0	414,223
TOTAL DEFERRED INFLOW OF RESOURCES	<u>2,545,067</u>	<u>232,276</u>	<u>2,777,343</u>
NET POSITION			
Net investment in capital assets	34,805,382	25,421,228	60,226,610
Restricted			
Endowment - spendable	342,048	0	342,048
Special projects	264,858	0	264,858
Economic development	419,495	0	419,495
Loan guarantee	0	146,512	146,512
Board Designated - Unrestricted			
Optional 1% sales tax	3,503,868	0	3,503,868
Assigned replacement fund	343,906	3,713,431	4,057,337
Retirement payout	351,106	450,000	801,106
Unrestricted	<u>2,686,466</u>	<u>693,300</u>	<u>3,379,766</u>
TOTAL NET POSITION	<u>\$ 42,717,129</u>	<u>\$ 30,424,471</u>	<u>\$ 73,141,600</u>

See Notes to Financial Statements

**CITY OF LANDER, WYOMING
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2022**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Primary Government Business-Type Activities	Total
Governmental Activities							
General government	\$ 2,694,404	\$ 652,065	\$ 3,904,180	\$ 339,243	\$ 2,201,084	\$ 0	\$ 2,201,084
Public safety	2,513,194	204,761	226,081	0	(2,082,352)	0	(2,082,352)
Public works	1,817,933	116,501	415,203	0	(1,286,229)	0	(1,286,229)
Total Governmental Activities	7,025,531	973,327	4,545,464	339,243	(1,167,497)	0	(1,167,497)
Business-Type Activities							
Water and sewer	5,339,136	3,574,501	0	817,403	0	(947,232)	(947,232)
Total Primary Government	\$ 12,364,667	\$ 4,547,828	\$ 4,545,464	\$ 1,156,646	\$ (1,167,497)	\$ (947,232)	\$ (2,114,729)

General revenues

Property and vehicle taxes	786,236	\$ 0	\$ 786,236
Sales tax, use tax, and optional 1% tax	3,456,120	0	3,456,120
Franchise fees	494,112	0	494,112
Other taxes	1,131,132	0	1,131,132
Mineral royalties	474,180	0	474,180
Severance taxes	271,629	0	271,629
Special state distributions	946,079	0	946,079
Investment earnings	(61,266)	(65,205)	(126,471)
Gain (loss) on sale of capital assets	(6,990)	0	(6,990)
Other revenue	92,702	0	92,702
Total general and other revenues	7,583,934	(65,205)	7,518,729
Change in net position	6,416,437	(1,012,437)	5,404,000
Net position - beginning	36,300,692	31,436,908	67,737,600
Net position - ending	\$ 42,717,129	\$ 30,424,471	\$ 73,141,600

See Notes to Financial Statements

Fund Financial Statements

**CITY OF LANDER, WYOMING
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2022**

	Non-Major Funds				
	General Fund	Special Revenue Funds	Senior Center Trust Permanent Fund	Debt Service Fund	Total Governmental Funds
ASSETS					
Other cash and investments	\$ 7,973,396	\$ 0	\$ 349,195	\$ 0	\$ 8,322,591
Cash with fiscal agent	0	0	0	0	0
Receivables, net					
Taxes	898,150	240	0	0	898,390
Intergovernmental and grants	68,065	1,627,178	73,451	0	1,768,694
Accounts	39,303	0	0	0	39,303
Accrued interest	0	0	307	0	307
Due from other funds	2,348,550	0	0	0	2,348,550
Total Assets	<u>\$ 11,327,464</u>	<u>\$ 1,627,418</u>	<u>\$ 422,953</u>	<u>\$ 0</u>	<u>\$ 13,377,835</u>
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts payable and accrued expenses	\$ 96,196	676,310	\$ 2,728	\$ 0	\$ 775,234
Due to other funds	0	1,250,202	78,177	0	1,328,379
Total Liabilities	<u>96,196</u>	<u>1,926,512</u>	<u>80,905</u>	<u>0</u>	<u>2,103,613</u>
DEFERRED INFLOW OF RESOURCES					
Property taxes	478,357	0	0	0	478,357
Total Deferred Inflow of Resources	<u>478,357</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>478,357</u>
Fund Balances					
Restricted for					
Endowment - spendable	0	0	342,048	0	342,048
Special projects	264,858	0	0	0	264,858
Economic development	0	419,495	0	0	419,495
Committed					
Optional 1% sales tax	3,503,868	0	0	0	3,503,868
Assigned					
Retirees	351,106	0	0	0	351,106
Equipment	343,906	0	0	0	343,906
Unassigned					
General fund	6,289,173	0	0	0	6,289,173
Special revenue funds	0	(718,589)	0	0	(718,589)
Total Fund Balances	<u>10,752,911</u>	<u>(299,094)</u>	<u>342,048</u>	<u>0</u>	<u>10,795,865</u>
Total Liabilities, Deferred Inflows, and Fund Balances	<u>\$ 11,327,464</u>	<u>\$ 1,627,418</u>	<u>\$ 422,953</u>	<u>\$ 0</u>	<u>\$ 13,377,835</u>
Total Fund Balances from above					\$ 10,795,865
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.					34,973,751
Taxes receivable are not available to pay current period expenditures, and therefore are deferred in the funds.					48,829
Deferred outflows of resources related to pensions are applicable to future periods, and therefore not reported in the governmental fund statements.					2,112,067
Deferred inflows of resources related to pensions are applicable to future periods, and therefore not reported in the governmental fund statements.					(2,130,844)
Long-term liabilities, including compensated absences, are not due in the current period, and therefore are not reported in the funds.					(436,949)
Net pension liability					<u>(2,645,590)</u>
Net Position of Governmental Activities					<u>\$ 42,717,129</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, 2022

	General Fund	Special Revenue Funds	Non-Major Funds		Total Governmental Funds
			Senior Center Trust Permanent Fund	Debt Service Fund	
REVENUES					
Taxes	\$ 6,420,942	\$ 0	\$ 0	\$ 0	\$ 6,420,942
Licenses and fees	248,203	0	0	0	248,203
Fines and forfeitures	156,980	0	0	0	156,980
Intergovernmental and grants	1,427,664	3,762,950	73,451	0	5,264,065
Charges for services	135,626	200,157	0	0	335,783
Investment income	(61,762)	0	496	0	(61,266)
Rent	37,074	23,358	0	0	60,432
WBCA grant and chamber contributions	14,015	0	0	0	14,015
Other revenue	95,599	895,836	18,369	0	1,009,804
Total Revenues	\$ 8,474,341	\$ 4,882,301	\$ 92,316	\$ 0	\$ 13,448,958
EXPENDITURES					
Current					
General government	\$ 1,167,131	696,298	\$ 131,633	\$ 0	\$ 1,995,062
Public safety	2,307,422	0	0	0	2,307,422
Public works	1,292,076	0	0	0	1,292,076
Airport	0	269,155	0	0	269,155
Economic Development	0	476,919	0	0	476,919
Capital outlay	1,114,041	3,816,668	0	0	4,930,709
Total Expenditures	5,880,670	5,259,040	131,633	0	11,271,343
Excess of revenues over (under) expenditures	2,593,671	(376,739)	(39,317)	0	2,177,615
OTHER FINANCING SOURCES (USES)					
Operating transfers in	646,751	0	0	0	646,751
Operating transfers (out)	0	(646,751)	0	0	(646,751)
Other financing uses - Chamber loan payments	(12,438)	0	0	0	(12,438)
Total Other Financing Sources (Uses)	634,313	(646,751)	0	0	(12,438)
Excess of revenues and other sources over expenditures and other uses	3,227,984	(1,023,490)	(39,317)	0	2,165,177
FUND BALANCES - JULY 1	7,524,927	724,396	381,365	0	8,630,688
FUND BALANCES - JUNE 30	\$ 10,752,911	\$ (299,094)	\$ 342,048	\$ 0	\$ 10,795,865

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, 2022

Amounts reported for governmental activities in the statement of activities (page 11)
are different because:

Net change in fund balances - total governmental funds (page 15)	\$ 2,165,177
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. This is the amount by which capital outlays of \$5,207,051 exceeded depreciation expense of \$934,318 in the current period.	4,272,733
Proceeds from financing leases and loans provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets. Repayment on financing leases and loans is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.	22,388
In the statement of activities, the loss on the sale/disposal of capital assets is reported, whereas in the governmental funds, the proceeds from the sale of capital assets increase financial resources. Thus, the change in net assets differs from the change in fund balance by the net book value of the assets sold/disposed of.	6,990
Governmental funds report City pension contributions as expenditures. However in the statement of activities, the cost of pension benefits earned net of employee contributions is reported as pension expense.	
City pension contributions subsequent to measurement date	272,389
Cost of benefits earned net of employee contributions (pension expense from pension schedule)	(368,551)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	48,834
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.	<u>(3,523)</u>
Change in Net Position of Governmental Activities (page 13)	<u><u>\$ 6,416,437</u></u>

CITY OF LANDER, WYOMING
STATEMENT OF NET POSITION
BUSINESS-TYPE ACTIVITIES - PROPRIETARY FUND
JUNE 30, 2022

	<u>Water and Sewer Fund</u>
ASSETS	
Current assets	
Other cash and investments	\$ 6,149,726
Restricted cash	146,512
Accounts receivable, net	312,173
Grants receivable	795,503
Inventory- on hand material for repairs	<u>73,097</u>
Total Current Assets	<u>7,477,011</u>
Noncurrent assets	
Fixed assets, net	<u>31,232,622</u>
Total Noncurrent Assets	<u>31,232,622</u>
Total Assets	<u>\$ 38,709,633</u>
DEFERRED OUTFLOW OF RESOURCES	
Pension	<u>60,019</u>
LIABILITIES	
Current liabilities	
Accounts payable and accrued expenses	349,298
Deferred revenue	25,800
Due to other funds	1,020,171
Current portion of compensated absences	64,268
Current portion of notes payable	<u>327,966</u>
Total Current Liabilities	<u>1,787,503</u>
Noncurrent liabilities	
Compensated absences	64,268
Notes payable	5,483,428
Net pension liability	<u>777,706</u>
Total Noncurrent Liabilities	<u>6,325,402</u>
Total Liabilities	<u>8,112,905</u>
DEFERRED INFLOW OF RESOURCES	
Pension	<u>232,276</u>
NET POSITION	
Net investment in capital assets	25,421,228
Restricted	
State Land & Investment Board (SLIB) loan reserves	146,512
Board Designated - Unrestricted	
Equipment replacement	3,713,431
Retirement payouts	450,000
Remianing - Unrestricted	<u>693,300</u>
Total Net Position	<u>\$ 30,424,471</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, 2022

	<u>Water and Sewer Fund</u>
OPERATING REVENUES	
Charges for goods and services	<u>\$ 3,574,501</u>
Total Operating Revenues	<u>3,574,501</u>
OPERATING EXPENSES	
Salaries and benefits	1,375,777
Contractual services	985,146
Materials and supplies	520,074
Depreciation	<u>1,123,965</u>
Total Operating Expenses	<u>4,004,962</u>
Operating income (loss)	<u>(430,461)</u>
NONOPERATING REVENUES (EXPENSES)	
Investment income	(65,205)
Grant revenues	817,403
Project costs	(1,182,869)
Interest expense	<u>(151,305)</u>
Total Nonoperating Revenues (Expenses)	<u>(581,976)</u>
Change in Net Position	(1,012,437)
TOTAL NET POSITION - JULY 1	<u>31,436,908</u>
TOTAL NET POSITION - JUNE 30	<u><u>\$ 30,424,471</u></u>

See Notes to Financial Statements

CITY OF LANDER, WYOMING
STATEMENT OF CASH FLOWS
BUSINESS-TYPE ACTIVITIES - PROPRIETARY FUND
FOR THE YEAR ENDED JUNE 30, 2022

	Water and Sewer Fund
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from service users	\$ 3,745,952
Cash paid for goods and services	(1,295,420)
Cash paid to employees	(1,375,777)
Net cash provided by (used for) operating activities	<u>1,074,755</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Interest paid on debt	(151,305)
Principal paid on notes payable	(429,934)
Net cash provided by (used in) capital and related financing activities	<u>(581,239)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of fixed assets	(486,345)
Investment income	(65,205)
Net cash provided by (used in) investing activities	<u>(551,550)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(58,034)
CASH AND INVESTMENTS IN TREASURY AND OTHER CASH	
Balances - July 1	<u>6,354,272</u>
Balances - June 30	<u>\$ 6,296,238</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES	
Operating income (loss)	\$ (430,461)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities	
Depreciation	1,123,965
Change in assets/outflows - (increase) decrease	
Accounts and grants receivable	(645,352)
Inventory	(4,234)
Due from other funds (net)	1,060,540
Deferred outflows of resources	(14,657)
Change in liabilities/inflows - increase (decrease)	
Accounts payable and accrued expenses	55,885
Pension liability	(228,120)
Deferred inflows of resources	157,789
Deferred revenue	(600)
NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES	<u>\$ 1,074,755</u>

Non-Cash Investing and Financing Transactions - None

Notes to Financial Statements

CITY OF LANDER, WYOMING
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

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, 2022, 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.

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.

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

Fund Financial Statements (cont.)

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, 2022. 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 \$9,788 as of June 30, 2022. Miscellaneous accounts receivable in the general fund that are more than 90 days past due are \$0 as of June 30, 2022.

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, 2022 is \$0.

Inventory

Materials and supplies used in the Water and Sewer Fund are carried at cost as inventory and are charged to expense when consumed. Office supplies are reported as an expenditure or expense 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.

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.

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

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 computed liability is in compliance with GASB Codification Section C60. The City considers approximately 50 percent of this liability current and due within one year.

Deferred Inflow of Resources

Deferred inflows of resources include tax levies accrued that are restricted for future fiscal years.

Grant Advances

Grant advances are amounts received from grant and contract sponsors that have not been earned.

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

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.
- **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.

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

Fund Balance (cont.)

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, 2022. 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 \$351,106 for payouts from the general fund and \$450,000 from water sewer funds to retirees for vacation and sick leave upon retirement. As of June 30, 2022, the City has approximately 21 employees in the City that are eligible for retirement over the next seven years.

The City Council has designated \$3,713,431 to be used for future emergency equipment replacement that may be needed during normal City operations; \$343,906 from general fund and \$3,369,525 from water sewer funds.

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

Net Position (cont.)

- **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 City. At June 30, 2022, the City was aware of the following new standards issued by GASB:

Implemented in the Current Year

- GASB Statement No. 87, *Leases*, effective for reporting periods beginning after June 15, 2021.
- GASB Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*, effective for reporting periods beginning after December 15, 2020.
- GASB Statement No. 91, *Conduit Debt Obligations*, effective for reporting periods beginning after December 15, 2021.
- GASB Statement No. 92, *Omnibus 2020*, effective for reporting periods beginning after June 15, 2021.

Not Yet Implemented

- GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, effective for fiscal year beginning after June 15, 2022.
- GASB Statement No. 101, *Compensated Absences*, effective for fiscal year beginning after December 15, 2023.

In June 2017, the GASB issued Statement No. 87, *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. Statement No. 87 is effective beginning in the fiscal year ending June 30, 2022.

In June 2018, The GASB issued Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*. This Statement enhances the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and also to simplify accounting for interest cost incurred before the end of a construction period. It requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial

NOTE 1 - Organization and Summary of Significant Accounting Policies (cont.)

New and Upcoming Accounting Pronouncements (cont.)

statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reporting in a business-type activity or enterprise fund. Interest cost incurred before the end of a construction period should be recognized as an expenditure for financial statements prepared using the current financial resources measurement. The requirements of this Statement are effective for reporting periods beginning after December 15, 2020.

In May 2019, the GASB issued Statement No. 91, Conduit Debt Obligations. The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures.

In January 2020, the GASB issued Statement No. 92, Omnibus 2020. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics and includes specific provisions about the following:

- The effective date of Statement No. 87, Leases, and Implementation Guide No. 2019-3, Leases, for interim financial reports.
- Reporting of intra-entity transfers of assets between a primary government employer and a component unit defined benefit pension plan or defined benefit other postemployment benefit (OPEB) plan.
- The applicability of Statement No. 73, Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement No. 68, and Amendments to Certain Provisions of GASB Statements No. 67 and No. 68, as amended, and Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans, as amended, to reporting assets accumulated for postemployment benefits.
- The applicability of certain requirements of Statement No. 84, Fiduciary Activities, to postemployment benefit arrangements.
- Measurement of liabilities (and assets, if any) related to asset retirement obligations (AROs) in a government acquisition.
- Reporting by public entity risk pools for amounts that are recoverable from reinsurers or excess insurers.
- Reference to nonrecurring fair value measurements of assets or liabilities in authoritative literature.
- Terminology used to refer to derivative instruments.

The requirements of this Statement are effective as follows:

- The requirements related to the effective date of Statement No. 87 and Implementation Guide 2019-3, reinsurance recoveries, and terminology used to refer to derivative instruments are effective upon issuance.
- The requirements related to intra-entity transfers of assets and those related to the applicability of Statements No. 73 and No. 74 are effective for fiscal years beginning after June 15, 2021.

NOTE 1 - Organization and Summary of Significant Accounting Policies (cont.)

New and Upcoming Accounting Pronouncements (cont.)

- The requirements related to application of Statement No. 84 to postemployment benefit arrangements and those related to nonrecurring fair value measurements of assets or liabilities are effective for reporting periods beginning after June 15, 2021.
- The requirements related to the measurement of liabilities (and assets, if any) associated with AROs in a government acquisition are effective for government acquisitions occurring in reporting periods beginning after June 15, 2021.

Earlier application is encouraged and is permitted by topic.

In May 2020, the GASB issued Statement No. 96, Subscription-Based Information Technology Arrangements. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, Leases, as amended.

The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. Earlier application is encouraged.

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.

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 statements 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.
- 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.
- All appropriations, except for capital project funds, lapse at the end of each fiscal year.

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

GAAP Basis	\$ 3,227,984
Net Adjustments for Revenue Accruals	(1,289,224)
Net Adjustments for Expenditure Accruals	49,901
Budget Basis	<u>\$ 1,988,661</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 levy becomes an enforceable lien against the property as of December 1 of the preceding levy year. Thus, in accordance with GASB Codification Section N50, a property tax receivable has been recorded equal to 50 percent of the amount levied for the City on the following August. This amount is considered a deferred inflow of resources and will be recognized in the period for which the taxes are levied. A one percent allowance has been recorded against the receivable at year-end.

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 has elected to invest cash in excess of immediate needs in the Wyo-Star investment pool, the Wyoming Government Investment Pool, Morton Asset Management, and various certificates of deposit.

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 to it. At year-end, the carrying amount of the City's bank deposits was \$333,587 and the bank balance was \$1,163,153. As of June 30, 2022, all monies deposited above the FDIC insurance limit of \$250,000 are collateralized by securities held by a third party. The City held deposits of \$663,152 in excess of the FDIC insured limit amounts that were collateralized.

Custodial Credit Risk of Investments

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

The Wyo-Star Investment Pool is an external investment pool administered by the Wyoming State Treasurer. The City had \$12,340,035 invested in Wyo-Star Investment Pool, \$19,366 invested with Morton Asset Management, \$100,913 invested in the Wyoming Government Investment Fund, and \$1,823,928 invested in various certificates of deposit.

The City's certificates of Deposit mature in 1-49 months and have rates that range from 0.2% to 3.382% as of June 30, 2022. The Wyoming Government Investment Fund and the Wyo-Star Investment Pool are not rated.

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*.

NOTE 4 - CASH AND INVESTMENTS (cont.)

Fair Value of Investments (cont.)

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.

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

	Other Cash and Investments
Cash on hand	\$ 1,000
Bank deposits	333,587
Certificates of deposit	1,823,928
Money market investment pools	12,460,314
	<hr/>
Total Cash and Investments	<u>\$ 14,618,829</u>

NOTE 5 - RECEIVABLES

Receivables at June 30, 2022, 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, 2022, 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, 2022 is as follows:

	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
General Fund	\$ 2,348,550	\$ 0
Senior Center Trust Permanent Fund	0	78,177
Special Revenue Funds	0	1,250,202
Proprietary Fund (Water and Sewer)	0	1,020,171
	<u> </u>	<u> </u>
Total Primary Government	<u>\$ 2,348,550</u>	<u>\$ 2,348,550</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	\$ 0	\$ 646,751
Special Revenue Fund	646,751	0
	<u> </u>	<u> </u>
	<u>\$ 646,751</u>	<u>\$ 646,751</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. All debt service requirements had been met by the City and therefore the remaining funds were transferred to the general fund.

CITY OF LANDER, WYOMING
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 7 - CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2022 was as follows:

Governmental Activities	Balance June 30, 2021	Additions	Deletions	Transfers	Balance June 30, 2022
Nondepreciable Capital Assets					
Land	\$ 2,530,136	\$ 1,120,478	\$ 0	\$ 0	\$ 3,650,614
Construction in process	138,511	3,422,384	0	(138,573)	3,422,322
Total Nondepreciable Capital Assets	2,668,647	4,542,862	0	(138,573)	7,072,936
Depreciable Capital Assets					
Buildings and improvements	14,853,430	183,563	0	0	15,036,993
Equipment	3,855,188	74,660	0	0	3,929,848
Vehicles	3,233,579	380,393	(225,936)	0	3,388,036
Office furniture	66,243	0	0	0	66,243
Infrastructure	18,400,351	25,573	0	138,573	18,564,497
Total Depreciable Capital Assets	\$ 40,408,791	\$ 664,189	\$ (225,936)	\$ 138,573	\$ 40,985,617
Less Accumulated Depreciation					
Buildings and improvements	4,508,738	309,932	0	0	4,818,670
Equipment	3,011,200	129,621	0	0	3,140,821
Vehicles	2,301,543	116,706	(211,690)	0	2,206,559
Office furniture	30,809	5,265	0	0	36,074
Infrastructure	2,509,884	372,794	0	0	2,882,678
Total Accumulated Depreciation	\$ 12,362,174	\$ 934,318	\$ (211,690)	\$ 0	\$ 13,084,802
Total Depreciable Capital Assets, Net	28,046,617	(270,129)	(14,246)	138,573	27,900,815
Governmental Activities Capital Assets, Net	\$ 30,715,264	\$ 4,272,733	\$ (14,246)	\$ 0	\$ 34,973,751

The City received \$7,256 in proceeds from the sale of assets for a total loss on disposal of \$6,990.

CITY OF LANDER, WYOMING
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 7 - CAPITAL ASSETS (cont.)

Business-Type Activities	Balance June 30, 2021	Additions	Deletions	Transfers	Balance June 30, 2022
Nondepreciable Capital Assets					
Construction in process	\$ 375,555	\$ 356,356	\$ 0	\$ 0	\$ 731,911
Depreciable Capital Assets					
Buildings and improvements	995,870	82,056	0	0	1,077,926
Equipment	2,656,432	47,933	0	0	2,704,365
Vehicles	318,832	0	0	0	318,832
Office furniture	65,661	0	0	0	65,661
Water distribution system	33,686,072	0	0	0	33,686,072
Sewer service system	12,582,301	0	0	0	12,582,301
Total Depreciable Capital Assets	\$ 50,305,168	\$ 129,989	\$ 0	\$ 0	\$ 50,435,157
Less Accumulated Depreciation					
Buildings and improvements	177,650	24,540	0	0	202,190
Equipment	1,418,923	148,594	0	0	1,567,517
Vehicles	150,776	20,504	0	0	171,280
Office furniture	42,615	4,960	0	0	47,575
Water distribution system	12,545,268	673,721	0	0	13,218,989
Sewer service system	4,475,250	251,645	0	0	4,726,895
Total Accumulated Depreciation	\$ 18,810,482	\$ 1,123,964	\$ 0	\$ 0	\$ 19,934,446
Total Depreciable Capital Assets, Net	31,494,686	(993,975)	0	0	30,500,711
Business-Type Activities Capital Assets, Net	<u>\$ 31,870,241</u>	<u>\$ (637,619)</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 31,232,622</u>

Depreciation

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

Governmental Activities	
General Government	\$ 506,204
Public Safety	190,273
Public Works	<u>237,841</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 934,318</u>
Business-Type Activities	
Water and Sewer Services	<u>\$ 1,123,964</u>

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, 2022:

	Balance June 30, 2021	Additions	Reductions	Balance June 30, 2022	Due Within One Year
Governmental Activities					
Compensated absences	\$ 268,092	\$ 158,000	\$ (154,477)	\$ 271,615	\$ 135,807
Deferred lease obligation - right of use	30,000	0	(10,000)	20,000 ***	10,000
Notes payable	157,722	0	(12,388)	145,334	12,562
Net pension liability	1,989,510	656,080	0	2,645,590	0
	<u>\$ 2,445,324</u>	<u>\$ 814,080</u>	<u>\$ (176,865)</u>	<u>\$ 3,082,539</u>	<u>\$ 158,369</u>
Business-Type Activities					
Compensated absences	\$ 112,714	\$ 74,353	\$ (57,894)	\$ 129,173	\$ 64,268
Notes payable	6,233,425	0 **	(422,030)	5,811,395	327,966
Net pension liability	1,005,827	0	(228,122)	777,705	0
	<u>\$ 7,351,966</u>	<u>\$ 74,353</u>	<u>\$ (708,046)</u>	<u>\$ 6,718,273</u>	<u>\$ 392,234</u>

** When loan advances are termed out they are shown as a reduction to "Loan advances" and an addition to "Notes payable" in the table above.

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

Interest was being accrued on construction debt and capitalized upon the project's completion; however, due to the implementation of GASB Statement 89, interest is now expensed in the period incurred.

NOTE 9 - LEASES

On July 1, 2021, the City implemented GASB Statement No. 87, Leases, which establishes a single model for lease accounting and requires recognition of certain lease assets and liabilities. The adoption of this standard resulted in no change to beginning net position or fund balance.

The City of Lander leases land to third parties under lease agreements with terms that require annual payments of approximately \$15,300 through June 30, 2077. During the current fiscal year, the City of Lander recognized lease revenue of \$5,562 and interest revenue of \$14,157 related to this lease.

As of June 30, 2022, the City of Lander's receivable for lease payments was \$276,719, representing the outstanding balance due from the lessees. The receivable is recorded as an asset on the balance sheet. A corresponding lease liability was also recognized for the same amount as an obligation to provide the asset to the lessee. There was no income statement effect as a result of the implementation outside of normal principle and interest revenue associated with the payments received by the City.

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
2023	\$ (1,143)	\$ (14,157)	\$ (15,300)
2024	(1,201)	(14,099)	(15,300)
2025	(1,262)	(14,038)	(15,300)
2026	(1,327)	(13,973)	(15,300)
2027	(1,395)	(13,905)	(15,300)
5 Years Ending 2032	(8,121)	(68,379)	(76,500)
5 Years Ending 2037	(10,422)	(66,078)	(76,500)
5 Years Ending 2042	(13,375)	(63,125)	(76,500)
5 Years Ending 2047	(17,165)	(59,335)	(76,500)
5 Years Ending 2052	(22,029)	(54,471)	(76,500)
5 Years Ending 2057	(28,272)	(48,229)	(76,500)
5 Years Ending 2062	(36,282)	(40,218)	(76,500)
5 Years Ending 2067	(46,563)	(29,937)	(76,500)
5 Years Ending 2072	(59,758)	(16,742)	(76,500)
5 Years Ending 2077	(28,403)	(2,197)	(30,600)
Total Future Receipts	\$ (276,719)	\$ (518,881)	\$ (795,600)

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, 2022 was \$460,519 and is subject to the payment terms as noted below.

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, 2022 was \$1,351,435 and is subject to the payment terms as noted below.

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, 2022 was \$464,040 and is subject to the payment terms as noted below.

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			Total Principal
June 30,	Principal	Interest	and Interest
2023	\$ 145,588	\$ 64,331	\$ 209,919
2024	149,188	60,730	209,918
2025	152,878	57,040	209,918
2026	156,662	53,257	209,919
2027-2031	845,372	206,221	1,051,593
2032-2036	710,111	98,634	808,745
thereafter	116,195	7,422	123,617
Total	\$ 2,275,994	\$ 547,635	\$ 2,823,629

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, 2022 the outstanding balance of the loan was \$1,202,084 and is subject to the payment terms as noted below.

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, 2022, the outstanding balance of the loan was \$1,394,631 and is subject to the payment terms as noted below.

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, 2022, the outstanding balance of the loan was \$938,685 and is subject to the payment terms as noted below.

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 June 30,	Principal	Interest	Total Principal and Interest
2023	\$ 182,379	\$ 90,709	\$ 273,088
2024	186,876	86,212	273,088
2025	191,484	81,604	273,088
2026	196,205	76,883	273,088
2027-2031	1,056,026	319,222	1,375,248
2032-2036	1,192,801	183,717	1,376,518
thereafter	529,629	48,181	577,810
Total	\$ 3,535,400	\$ 886,528	\$ 4,421,928

The loans from the State Land and Investment Board accrue interest when the initial draw is done on the loan. As of June 30, 2022 the City has recognized \$72,460 in accrued interest.

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 totaling \$14,015. This loan is collateralized by the chamber building. The table below represents the payment requirements on the loan.

Wyoming Business Council Loan - Chamber Building			
Year Ending June 30,	Principal	Interest	Total Principal and Interest
2023	\$ 12,562	\$ 1,453	\$ 14,015
2024	12,687	1,327	14,015
2025	12,814	1,201	14,015
2026	12,942	1,072	14,015
2027-2031	66,680	3,394	70,074
2032-2036	27,652	415	28,067
Total	\$ 145,337	\$ 8,863	\$ 154,200

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 9.50% of the participant's salary as employee contributions and 9.12% 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 \$15.00 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 70% 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, 2022, 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	\$ 289,759	\$ 141,852	\$ 0
Contributions - Employee (paid by employer)	65,430	39,280	8,363
	<u>\$ 355,189</u>	<u>\$ 181,132</u>	<u>\$ 8,363</u>

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

As of June 30, 2022, the City reported a combined net pension liability of \$3,423,296 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, 2021, 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, 2021 rolled forward to December 31, 2021 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, 2021 is as follows:

	General	Police	Volunteer Fire
Percentage of Proportionate Share 12/31/2020	0.101970%	0.60995%	1.58492%
Percentage of Proportionate Share 12/31/2021	0.098594%	0.60758%	1.51935%
Increase/Decrease	<u>-0.0034%</u>	<u>-0.0024%</u>	<u>-0.0656%</u>

For the year ended June 30, 2022, the City recognized combined (government wide and allocations to proprietary fund) pension expense of \$303,214.

At June 30, 2022, the City reported deferred outflows/(inflows) of resources related to pensions from the following sources:

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	\$ 179,365	\$ 0	\$ 89,006	\$ 0	\$ 4,018	\$ 0
Change in employer's proportion and differences between the employer's contributions and the employer's proportionate share of contributions	27,459	73,248	13,582	3,531	37	50,357
Net differences between projected and actual earnings on Plan investments	156,815	1,157,342	79,155	653,680	32,088	199,902
Net differences between expected and actual experience of net outflows/(inflows) of resources	29,107	2,350	102,508	5,365	6,692	477
Assumption changes since prior actuarial valuation	121,646	0	1,322,877	216,868	7,731	0
Total	\$ 514,392	\$ 1,232,940	\$ 1,607,128	\$ 879,444	\$ 50,566	\$ 250,736

The \$272,389 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, 2022. 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
2023	\$ (189,928)	\$ 227,745	\$ (57,718)	\$ (19,901)
2024	(326,350)	161,504	(79,902)	(244,748)
2025	(211,742)	281,238	(37,805)	31,691
2026	(169,893)	(31,809)	(28,763)	(230,465)

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	1/1/21	1/1/21	1/1/21
Actuarial cost method	Individual entry age normal	Individual entry age normal	Individual entry age normal
Ammortization method	Level percent - closed	Level percent - open	Level dollar - open
Remaining amortization	26	24	24
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%	3.00% - 7.00%	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	Pub-2010 General Healthy Annuitant Mortality Table, amount weighted, fully generational, projected with Scale MP-2020

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.

DISCOUNT RATE			
Single Discount Rate	Long-Term Expected Rate of Return	Long-Term Municipal Bond Rate*	Last year ending December 31 in the 2021 to 2120 projection period for which projected benefit payments are fully funded
6.80%	6.80%	1.84%	2120

* 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, 2021. 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.

NOTE 11 - DEFINED BENEFIT PENSION PLAN (cont.)

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

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, 2021	Annual money-weighted rate of return, net of expenses for the fiscal year ended December 31, 2020	Expected Rate of Return net investment expenses
17.19%	11.03%	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.

Major Portfolio Class	Target Allocation	Arithmetic Real Return	Arithmetic Nominal Return	Geometric Return	Geometric Nominal Return
Tactical Cash	2.00%	-0.50%	1.70%	-0.50%	1.71%
Fixed Income	21.00%	1.63%	3.83%	1.32%	3.52%
Core Plus	5.00%	0.27%	2.47%	0.20%	2.40%
US Government	9.00%	0.25%	2.45%	0.00%	2.50%
Opportunistic	4.00%	2.60%	4.80%	2.05%	4.25%
Private Debt	3.00%	6.73%	8.93%	5.25%	7.45%
Equity	48.50%	7.54%	9.74%	5.63%	7.83%
US Equity	19.00%	5.99%	8.19%	4.60%	6.80%
Developed International	12.70%	6.84%	9.04%	5.30%	7.50%
Emerging Markets	7.80%	8.59%	10.79%	6.20%	8.40%
Private Equity	9.00%	10.91%	13.11%	7.76%	9.96%
Marketable Alternative	19.00%	4.63%	6.83%	3.74%	5.94%
Private Real Assets	9.50%	5.99%	8.19%	4.84%	7.04%
Private Natural Resources	2.5-7.5%	8.71%	10.91%	6.32%	8.52%
Private Infrastructure	2.5-7.5%	5.95%	8.15%	5.10%	7.30%
Real Estate	2.5-7.5%	4.54%	6.74%	3.90%	6.10%
Total	100.00%	5.44%	7.64%	4.17%	6.37%

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:

NOTE 11 - DEFINED BENEFIT PENSION PLAN (cont.)

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

	General	Police	Volunteer Fire	Total
1% Decrease				
Net Pension Liability	\$ 2,773,549	\$ 2,836,708	\$ 693,612	\$ 6,303,868
Current Discount Rate 6.8%				
Net Pension Liability	1,503,287	1,622,459	297,550	3,423,296
1% Increase				
Net Pension Liability	450,315	841,421	(30,595)	1,261,141

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

Payable to the Pension Plan

At June 30, 2022, the City reported a payable of \$0 for the outstanding amount of contributions to the pension plan required for the year ended June 30, 2022.

NOTE 12 - COMMITMENTS AND CONTINGENCIES

Construction Commitments

The City has one active construction project as of June 30, 2022. At year-end, the City's commitments with contractors/consultants are as follows:

Projects	Spent-to-date	Remaining Commitment	Funding Source
Table Mtn Asst Living	590,303	15,000,000	USDA Loan \$12,000,000/WBC \$3,000,000
Airport Taxiway Relocation	315,120	3,684,880	Dept of Transportation \$4,000,000
Maven Building	2,334,529	3,665,471	WBC Grant \$3,000,000/WBC Loan \$3,000,000
Safe Routes School	64,081	448,451	TAP Grant \$449,716
FEMA Project	1,574,583	595,275	FEMA Grant
AML Project/Storage Tank	731,911	4,668,445	AML \$3,557,554/WWDC Grant \$1,486,446
	<u>\$ 5,610,527</u>	<u>\$ 28,062,522</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, 2022, the City spent approximately \$95,268 for insurance premiums.

NOTE 12 - COMMITMENTS AND CONTINGENCIES (cont.)

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, 2022. 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 lawsuits going on that all 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, 2022, \$342,048 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, 2022.

<u>Related Party</u>	<u>June 30, 2022</u>
DYTA Consulting LLC	\$ 82,370
7220 Consulting LLC	19,755
	<u>\$ 102,125</u>

Required Supplementary Information

**CITY OF LANDER, WYOMING
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND (NON GAAP BASIS)
FOR THE YEAR ENDED JUNE 30, 2022**

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	Budgetary Basis	Final Budget - Favorable (Unfavorable)
RESOURCES (INFLOWS)				
Taxes	\$ 6,846,900	\$ 6,863,616	\$ 4,777,560	\$ 2,086,056
Licenses and permits	92,000	92,000	248,203	(156,203)
Grants	687,023	687,023	785,191	(98,168)
Charges for services	264,200	264,200	167,072	97,128
Fines and forfeitures	133,000	133,000	156,980	(23,980)
Interest income	18,000	18,000	(61,762)	79,762
Miscellaneous revenue	116,015	116,015	125,229	(9,214)
Transfer in	357,200	357,200	69,633	287,567
Other financing sources	10,000	10,000	1,613,663	(1,603,663)
Amount Available for Appropriation	8,524,338	8,541,054	7,881,769	659,285
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
General government	2,742,212	2,745,118	1,273,211	1,471,907
Community center	134,500	145,076	145,076	0
Municipal court	224,216	224,216	204,318	19,898
Attorney	55,000	55,000	54,585	415
Police	2,172,436	2,172,436	2,089,235	83,201
Fire	143,226	143,379	199,251	(55,872)
Building inspector	47,395	47,395	45,868	1,527
Emergency management and compliance coordinator	9,000	9,000	8,068	932
Streets	1,782,244	1,782,244	803,636	978,608
Rodeo grounds	4,400	4,400	1,966	2,434
Building repair and maintenance	171,700	171,700	165,870	5,830
Shop	238,155	238,155	207,344	30,811
Weed and pest	106,769	106,769	34,485	72,284
Parks and recreation	426,867	426,867	390,892	35,975
Golf course	37,000	37,000	37,000	0
Cemetery	229,219	232,305	232,303	2
Total Charges to Appropriations	8,524,339	8,541,060	5,893,108	2,647,952
Excess of appropriations over (under) charges to appropriations	(1)	(6)	1,988,661	
BUDGETARY FUND BALANCE - JULY 1	<u>7,524,927</u>	<u>7,524,927</u>	<u>7,524,927</u>	
BUDGETARY FUND BALANCE - JUNE 30	<u>\$ 7,524,926</u>	<u>\$ 7,524,926</u>	<u>\$ 9,513,588</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*

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
City's proportion of the net pension liability	0.104360%	0.101861%	0.104737%	0.103928%	0.102366%	0.099569%	0.101970%	0.098594%
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
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
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%
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%

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

Note: Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

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*

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
City's proportion of the net pension liability	0.740134%	0.619236%	0.592481%	0.580904%	0.599883%	0.615016%	0.609951%	0.607582%
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
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
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%
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%

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

Note: Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

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*

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
City's proportion of the net pension liability	2.144982%	1.971486%	2.074019%	1.899089%	1.906248%	1.772232%	1.584919%	1.519355%
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
City's covered-employee payroll	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
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%

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

Note: Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

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

Fiscal Year

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Contractually required contributions	\$ 334,778	\$ 304,589	\$ 298,947	298,672	299,793	327,438	321,151	355,189
Contributions in relation to the contractually required contribution	<u>334,778</u>	<u>304,589</u>	<u>298,947</u>	<u>298,672</u>	<u>299,793</u>	<u>327,438</u>	<u>321,151</u>	<u>355,189</u>
Contribution deficiency (excess)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
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
Contributions as a percentage of covered employee payroll	15.87%	16.62%	16.62%	16.62%	17.12%	17.62%	18.12%	18.62%

Note: Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

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

Fiscal Year

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Contractually required contributions	\$ 183,622	\$ 175,588	\$ 183,882	\$ 181,788	\$ 187,144	\$ 191,629	\$ 170,396	\$ 181,132
Contributions in relation to the contractually required contribution	<u>183,622</u>	<u>175,588</u>	<u>183,882</u>	<u>181,788</u>	<u>187,144</u>	<u>191,629</u>	<u>170,396</u>	<u>181,132</u>
Contribution deficiency (excess)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
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
Contributions as a percentage of covered employee payroll	17.20%	17.20%	17.20%	17.20%	17.20%	17.20%	17.20%	17.20%

Note: Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

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

Fiscal Year

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Contractually required contributions	\$ 8,687	\$ 8,687	\$ 8,385	\$ 7,485	\$ 7,905	\$ 7,410	\$ 8,681	\$ 8,138
Contributions in relation to the contractually required contribution	<u>8,687</u>	<u>8,687</u>	<u>8,385</u>	<u>7,485</u>	<u>7,905</u>	<u>7,410</u>	<u>8,681</u>	<u>8,138</u>
Contribution deficiency (excess)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
City's covered payroll of respective pension	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

Note: Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

**CITY OF LANDER, WYOMING
NOTES TO REQUIRED SUPPLEMENTARY
PENSION INFORMATION
FOR THE YEAR ENDED JUNE 30, 2022**

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 -

Healthcare trend rates were updated, along with the assumptions relating to mortality rates, retirement rates, withdrawal rates, disability rates, and salary increase rates, based on the WRS's December 31, 2020 actuarial experience study. Further, there have been various assumption changes from the initial measurement date through the December 31, 2021 measurement date.

Supplementary Information

CITY OF LANDER, WYOMING
 DETAIL SCHEDULE OF DEPARTMENTAL EXPENDITURES
 BY OBJECT CLASSIFICATION
 GENERAL FUND
 FOR THE YEAR ENDED JUNE 30, 2022

	Materials and Supplies	Contractual Services	Salaries and Benefits	Function Class Totals	Debt Service, Capital Outlay, Transfers Out	Budget Class Totals
GENERAL GOVERNMENT						
General government	\$ 176,104	\$ 205,795	\$ 345,180	\$ 727,079	\$ 432,779	\$ 1,159,858
Economic development	0	5,948	0	5,948	0	5,948
Community center	52,505	68,429	0	120,934	24,142	145,076
Other general accounts	5,486	61,219	0	66,705	40,700	107,405
City attorney	0	54,585	0	54,585	0	54,585
Municipal court	4,020	41,424	158,874	204,318	0	204,318
Total General Government Expenditures	238,115	437,400	504,054	1,179,569	497,621	1,677,190
PUBLIC SAFETY						
Police department	41,552	218,266	1,761,050	2,020,868	68,367	2,089,235
Fire department	110,960	26,119	62,172	199,251	0	199,251
Building inspector	304	1,319	44,245	45,868	0	45,868
Emergency management and compliance	8,068	0	0	8,068	0	8,068
Weed and pest	4,875	0	28,492	33,367	1,118	34,485
Total Public Safety Expenditures	165,759	245,704	1,895,959	2,307,422	69,485	2,376,907
PUBLIC WORKS						
Streets and alleys	47,427	0	246,408	293,835	509,801	803,636
Building repair and maintenance	165,870	0	0	165,870	0	165,870
Cemetery	15,757	3,197	181,146	200,100	32,203	232,303
Maintenance shop	133,277	1,170	72,897	207,344	0	207,344
Parks and recreation	63,816	11,695	310,450	385,961	4,931	390,892
Rodeo grounds	0	1,966	0	1,966	0	1,966
Golf course	25,000	0	12,000	37,000	0	37,000
Total Public Works Expenditures	451,147	18,028	822,901	1,292,076	546,935	1,839,011
Total Expenditures	<u>\$ 855,021</u>	<u>\$ 701,132</u>	<u>\$ 3,222,914</u>	<u>\$ 4,779,067</u>	<u>\$ 1,114,041</u>	<u>\$ 5,893,108</u>

**CITY OF LANDER, WYOMING
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2022**

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Grantor's Number	2022 Expenditures	Total Federal Loan Balance
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	\$ 460,519
Loan - Clean Water Drinking #128	66.458	NA	0	1,202,084
Loan - Clean Water Drinking #142	66.458	NA	0	938,685
Loan - Clean Water Drinking #141	66.458	NA	0	1,394,631
Loan - Safe Water Drinking #194	66.458	NA	0	1,351,436
Loan - Safe Water Drinking #180	66.458	NA	0	464,040
Total U.S. Environmental Protection Agency			0	5,811,395
U.S Department of Treasury				
<i>Passed through to Office of State Lands & Investment Board</i>				
Coronavirus State and Local Fiscal Recovery Funds	21.017	WY4550	648,340	0
Coronavirus State and Local Fiscal Recovery Funds	21.017	WY4550	648,340	0
			1,296,680	0
<i>Passed through Wyoming Department of Health</i>				
Coronavirus State and Local Fiscal Recovery Funds	21.017	WY4550	6,947	0
Total U.S. Department of Treasury			1,303,627	0
U.S Department of Homeland Security				
<i>Passed through the Wyoming Department of Homeland Security</i>				
Disaster Grants-Public Assistance	97.036	4327-DR-WY-PISWY500	795,503	0
Total U.S Department of Homeland Security			795,503	0
U.S Department of Justice				
<i>Passed through the Office of Victims of Crime</i>				
Crime Victim Assistance/Discretionary Grants	16.582	2021-V3-GX-58	51,172	0
Total U.S Department of the Interior			51,172	0
U.S Department of the Interior				
<i>Passed through the Land and Water Conservation Fund</i>				
Outdoor Recreation Acquisition, Development and Planning	15.916	56-00938	250,000	0
Total U.S Department of the Interior			250,000	0
Wyoming Department of Transportation				
<i>Passed through the WYDOT Aeronautics Division</i>				
Airport Improvement Program	20.106	3-56-16-17-2021	339,243	0
Highway Planning and Construction	20.205		13,133	0
Total Wyoming Department of Transportation			352,376	0
Total Expenditures of Federal Awards			\$ 2,752,678	\$ 5,811,395

**NOTE TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2022**

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.

Compliance Section

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SARAH L. SWEENEY, CPA
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ERIC ANDREWS, CPA
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OF COUNSEL

**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, 2022, 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 June 28, 2023.

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. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items 2022-003 to be a material weakness.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompany schedule of findings and questioned costs as items 2022-001, 2022-002 and 2022-004 to be a significant deficiency.

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 Response to Findings

The City of Lander, Wyoming's response to the findings identified in our audit is described in the accompanying schedule of findings and responses. The City of Lander, Wyoming's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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
June 28, 2023

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OF COUNSEL

**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, 2022. 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, 2022.

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. We did identify certain deficiencies in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as item 2022-003 that we consider to be a material weakness.

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
June 28, 2023

**CITY OF LANDER, WYOMING
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2022**

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

Material weakness identified?	<u> X </u> Yes	<u> </u> No
Significant deficiency identified not considered to be material weaknesses?	<u> X </u> Yes	<u> </u> None Reported

Noncompliance material to financial statements noted? Yes X No

Federal Awards

Internal control over major programs:

Material weakness identified?	<u> X </u> Yes	<u> </u> No
Significant deficiency identified not considered to be material weakness?	<u> </u> Yes	<u> X </u> 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 X No

Identification of major programs:

CFDA Numbers

21.017
97.036

Name of Federal Program or Cluster

Coronavirus State and Local Fiscal Recovery Funds
Disaster Grants-Public Assistance

*Cluster programs are noted with the * above*

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

\$750,000

Auditee qualified as low-risk auditee?

 Yes X No

**CITY OF LANDER, WYOMING
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2022**

SECTION II - FINANCIAL STATEMENT FINDINGS

SIGNIFICANT DEFICIENCY

Finding 2022-001: Internal Controls Over Employee Files / Payroll

Condition: The organization's system of internal controls over employee files needs improvement to ensure that all employee records on hand are accurate and complete.

Criteria: During our internal control testing, we identified multiple instances where the information in the employee files did not agree with the records maintained by the organization. These discrepancies included missing or incomplete documentation, inaccurate employee details, and failure to update employee files in a timely manner.

Cause: The organization lacks a systematic process for updating and reviewing employee files, leading to inaccuracies and inconsistencies between the physical files and the official records.

Effect: Several differences were noted from the employee files to the actual deductions as well as differences in pay rates. These likely would not have been corrected had the audit not been performed.

Recommendation: It is recommended that the organization enhance its internal controls over financial reporting related to employee files. This should involve implementing a comprehensive review procedure to ensure the accuracy and completeness of employee information. Regular reviews of employee files should be conducted throughout the year, rather than solely at the end of the fiscal year, as part of the organization's financial reporting process. By doing so, the organization can maintain reliable and up-to-date employee records, reducing the risk of errors and inconsistencies.

Finding 2022-002: Internal Controls Over Fixed Assets

Condition: The City's system of internal controls over fixed assets needs improvement to ensure that all capital assets included on the listings are properly accounted for and that the fixed asset listing is accurate. This is a repeat finding

Criteria: In our audit procedures over fixed assets, we identified multiple instances of errors in the fixed asset accounts, both in the prior year and current year. These errors encompassed the following:

Prior Year Errors:

- Incorrectly capitalized interest amounts.
- Inaccurate depreciation expense.
- Failure to capitalize all current year additions at the proper amounts.

Current Year Errors:

- Miscalculation of depreciation expense and accumulated depreciation on disposed assets.
- Miscalculation of gain on sale of assets.
- Assets capitalized at an erroneous amount.
- Miscoding of insurance proceeds on junked asset.
- Unrecorded gain on trade-in of asset.

**CITY OF LANDER, WYOMING
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2022**

SECTION II - FINANCIAL STATEMENT FINDINGS

SIGNIFICANT DEFICIENCY

Finding 2022-002: Internal Controls Over Fixed Assets (cont.)

Criteria: These errors indicate a lack of accuracy and precision in the City's fixed asset accounting processes, leading to immaterial misstatements in the financial statements. It is crucial for the City to address these issues promptly and implement robust controls to ensure the proper capitalization, depreciation, and disposal of fixed assets.

Cause: The City does not have a system for updating the records regarding fixed assets or a proper review procedure to ensure accuracy.

Effect: Numerous corrections and adjustments were made during the audit in relation to the City's fixed assets. This required numerous iterations and reports to be obtained and recalculation to be done as a result throughout the audit in order to present the City's financials in accordance with Generally Accepted Accounting Principles.

Recommendation: The City needs to enhance internal controls over financial reporting specific to fixed assets. This would include a more detailed review of all asset additions, disposals, depreciation expense, and account balances as part of the City's financial reporting process and before the accounts are posted and closed. This should be done periodically throughout the year and not once a year around the fiscal year end.

Finding 2022-003: Implementation of New Accounting Standards.

Condition: A proper system of internal control over financial reporting should include staying up to date and developing a plan to implement new accounting pronouncements in a timely manner.

Criteria: During the audit we noted the City made no efforts to implement prior the audit new accounting pronouncements such as GASB No. 87, Leases and was unaware of GASB no. 91, Conduit Debt Agreements, and GASB No. 96 Subscription Accounting.

Cause: The organization lacks a systematic process for staying apprised of new accounting pronouncements as well as a way to implement them.

Effect: Numerous adjustments as well as additional non audit services were required from the auditing firm in order to properly implement, calculate, and present the applicable new pronouncements in order to bring the City's financial statements into compliance with applicable standards.

Recommendation: The City needs to allow the treasurer time to study and or attend conferences as well as invest in membership groups that will enable the City to determine what pronouncements are coming (as most are announced years in advance), as well as to aid in determining the best practices for implementation.

**CITY OF LANDER, WYOMING
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2022**

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

MATERIAL WEAKNESS

Finding 2022-004: Identification of Federal Awards

Program Information: All federal programs.

Repeat Finding from Prior Year: Yes

Condition: The City lacks an adequate internal control system for identifying federal awards and their corresponding compliance requirements. This finding has been recurring for several years.

Criteria: The City should implement an internal control system that ensures accurate identification of federal awards and establishes mechanisms to monitor compliance requirements as per 2 CFR 200, Appendix XI, Uniform Grant Guidance and Cost Principles.

Context: Despite receiving various federal funds throughout the year, the City was unable to distinguish certain federal expenditures from state expenditures as of June 30, 2022. Additionally the tracking mechanism for the City showed revenue from grants included outside of the general fund in the past. Additionally determining where the federal expenditures are being spent in relation to the applicable projects has been difficult for the City.

Cause: The City's financial reporting internal controls do not include a process for identifying and differentiating federally funded grants and loans from state-funded ones. Although the City's grant files generally contain proper documentation, there seems to be a disconnect in financial reporting regarding federal awards.

Effect: The initial Schedule of Federal Awards provided did not include a substantial portion of the federal awards expended in the current year. As a result, the City became subject to single audit requirements. The audit and reconciliation of federal expenditures conducted by the audit firm prevented a significant misstatement in the City's Schedule of Federal Expenditure Awards.

Potential loss of future funding, or repayment of awards, is possible for not identifying these federal awards and complying with compliance requirements as outlined in 2 CFR 200, Appendix XI, Uniform Grant Guidance.

This fundamental issue in the City's internal control over financial reporting requires the City to be considered "high risk" under the criteria presented in 2 CFR 200, Appendix XI, Uniform Grant Guidance, which requires a larger % of coverage to be audited with increases the overall cost year after year to the City.

Questioned Costs: Not applicable

Sampling method: Not applicable

Recommendation: The City must establish a robust internal control system for federal awards, ensuring the identification of all federal awards and their associated expenditures. This includes obtaining beforehand knowledge of pass-through funds that involve federal dollars. Additionally, it is crucial to implement formal monitoring and documentation procedures for each compliance requirement outlined in 2 CFR 200, Appendix XI, Uniform Grant Guidance and Cost Principles.



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

Corrective Action Item 2022-001: Internal Controls Over Employee Files / Payroll

Individual Responsible: Charri Lara, City Treasurer

Anticipated Completion Date: 05/30/2023

Corrective Action: The City will conduct a complete employee review of files and employee records twice a year to ensure accuracy in all payroll files. Due to an employee retiring the City is working on their internal controls so that there is more than one employee assigned to maintaining employee file accuracy.

Corrective Action Item 2022-002: Internal Controls over Fixed Assets

Individual Responsible: Charri Lara, City Treasurer

Anticipated Completion Date: 01/01/2023

Corrective Action: The City has made a change to job duties so that there will be a review process over assets. Prior years all asset entries were done at the end of the year prior to the auditors coming to the office by someone other than the accounts payable clerk. The City is working on their internal control procedure so that there is an actual review process of assets by more than one person conducted prior to the annual audit.

Corrective Action Item 2022-003: Identification of Federal Awards

Individual Responsible: Charri Lara, City Treasurer

Anticipated Completion Date: 07/01/2023

Corrective Action: The City will begin setting up a new grant tracking system. This system will help to keep the grant processes in one place. We will also be working on the internal controls of grants and more than one set of eyes will be reviewing grant files.

Corrective Action Item 2022-004: Implementation of New Accounting Standards

Individual Responsible: Charri Lara, City Treasurer

Anticipated Completion Date: 07/01/2023

Corrective Action: The City treasurer belongs to WAM and regularly attends meetings and stays apprised of what is affecting the state and day to day business. Some of the difficulty in applying these areas is that the state and the audited financial statements require much different things. Some of the GASB rules and pronouncements are used only for the audit. Having said that we are subject to those requirements and will make improvements to our process so that we have timelier implementation of these standards.

**CITY OF LANDER, WYOMING
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
JUNE 30, 2021**

SIGNIFICANT DEFICIENCY

Finding 2021-001: Internal Controls Over Fixed Assets

Condition: The City's system of internal controls over fixed assets needs improvement to ensure that all capital assets included on the listings provided are still in the possession of the City, being utilized by the City, and that the fixed asset listing is accurate

Current Year Status: This deficiency still exists.

Finding 2021-002: Identification of Federal Awards

Condition: The City does not have a system of internal control that allows for the proper identification of federal awards, and the related compliance requirements contained in each of those awards.

Current Year Status: This deficiency still exists.