



CITY OF LANDER CITY COUNCIL WORK SESSION MEETING

**Tuesday, February 24, 2026 at 6:15 PM
City Council Chambers, 240 Lincoln Street**

AGENDA

Join Zoom Meeting

<https://us06web.zoom.us/j/87197676086>

1. MAYOR AND COUNCIL UPDATES

2. STAFF REPORTS

3. NEW BUSINESS (NON-ACTION ITEMS)

[A.](#) Overtime Policy Potential Change Discussion

[B.](#) City of Lander 2025 Progress Update

[C.](#) Bryan Brown, Summit West P.C., City of Lander Audit Presentation for the Fiscal Year Ending June 30, 2025.

4. ADJOURNMENT

Upcoming Council Meetings:

6:00 PM, Tuesday, March 10, 2026, City Council Chambers

6:00 PM, Tuesday, April 14, 2026, City Council Chambers

Work Sessions:

6:00 PM, Tuesday, March 24, 2026, City Council Chambers

6:00 PM, Tuesday, April 28, 2026, City Council Chambers

ject to cancellation or change.

Current Policy and Procedure Manual

Overtime (page 8)

At the discretion of the supervisor, reasonable **limited** overtime may be required of employees. Non-exempt classified employees who work more than their regularly scheduled 40 hours per week shall be paid at the rate of 1 ½ times their regular pay.

Current Managerial Guidelines

OVERTIME (page 13)

OVERTIME RESTRICTED - Overtime shall be limited in so far as possible and may be worked only with advance approval of the department head and administrator.

OVERTIME, OTHER EMPLOYEES - Except for exempt employees, all other employees shall be given overtime compensation for any hours, including sick leave, vacation leave and comp time leave, in excess of 40 hours per week.

POLICE DEPARTMENT OFFICERS - When police department officers work a 28-day work week schedule, overtime compensation shall be given for any hours worked in excess of 160 hours including, sick leave, vacation leave and comp time leave, per pay period. *(Amended 03/16/15)*

Proposed new policy replacing language in both the City of Lander Policy and Procedure Manual and the Managerial Guidelines

Please note that the key changes from the previous policy to the proposed new policy are:

- ***Paid time off (sick, vacation, and holiday hours) will no longer count toward the hours used to determine when overtime applies (over 40 hours in a workweek and over 171 hours in a 28-day law enforcement period).***
- ***For sworn law enforcement officers, the overtime threshold in a 28-day period will change from 160 hours to 171 hours worked before overtime is earned.***

These changes align with the Fair Standards Labor Act (FSLA).

2-5 OVERTIME (Rewritten)

At the discretion and direction of the supervisor, reasonable overtime may be required of **nonexempt** employees. Overtime will be calculated and paid in accordance with the **Federal Fair Labor Standards Act of 1938, as amended (FLSA), 29 U.S.C. §201 et seq.**

A. General Rules and Authorization

1. **Overtime Authorization.** Employees may work overtime only with prior authorization from their supervisor (or other designated approver), except in emergencies or when otherwise directed by management.
2. **Overtime Must Be Paid. All hours worked must be accurately recorded and will be paid in accordance with the FLSA, whether or not the overtime was preauthorized.** Employees should log time rounded up to the nearest quarter hour. Employees who work overtime without authorization may be subject to discipline, up to and including termination. Supervisors who require or permit nonexempt employees to work overtime without appropriate authorization may be subject to discipline, up to and including termination.
3. **High Activity Periods.** When the City experiences periods of extremely high activity, additional work may be required. Department heads are responsible for monitoring business activity and requesting overtime work if necessary. The City will make reasonable efforts to provide employees with advance notice when possible.

B. Electronic Communications Outside Scheduled Hours

All time spent by nonexempt employees using electronic communications for work purposes (including but not limited to e-mail, voicemail, text messages, messaging applications, and other work-related communications) is considered **hours worked**, is **compensable**, and will count toward overtime eligibility as required by law.

To avoid incurring unnecessary expenses:

- Nonexempt employees **should not** check for, read, send, or respond to work-related communications outside their normal work schedules unless specifically authorized or directed by management.
- Nonexempt employees who perform work-related electronic communications outside their scheduled hours without authorization may be subject to discipline.

- Supervisors who direct or permit nonexempt employees to perform work-related electronic communications outside scheduled hours without authorization may be subject to discipline, up to and including termination.

C. Compensatory Time and Flex Scheduling

- No Compensatory Time for Nonexempt Employees.** Nonexempt employees will not be granted compensatory time in lieu of overtime pay.
- Flex Scheduling Within the Work Period.** For the purpose of managing overtime, a supervisor may authorize an employee to adjust start and end times within the employee's established workweek (or 28-day work period for sworn law enforcement) to work the prescribed schedule without incurring overtime. **All hours must be completed within the same workweek or work period;** otherwise, overtime must be recorded and paid in accordance with this policy.

D. Timekeeping and Payroll

- Accurate Reporting Required.** All overtime and all hours worked must be recorded on the approved time record currently in use by the City. Employees must submit time records in accordance with City procedures and deadlines.
- Timing of Payment.** Overtime will be paid on the regular payday for the pay period in which it is earned, consistent with applicable law and City payroll practices.
- Regular Rate.** Overtime will be calculated using the employee's **FLSA regular rate of pay**, including all forms of remuneration required to be included by law, and excluding only those payments the FLSA permits to be excluded.

NONEXEMPT, NON-SWORN (NON-LAW ENFORCEMENT) EMPLOYEES

E. Overtime Standard and Workweek

- Overtime Threshold.** Any nonexempt, non-sworn employee who works overtime will be compensated at the rate of **one and one-half (1.5) times** the employee's regular rate for **all hours worked in excess of forty (40) hours in a workweek.**
- Hours Worked Basis.** Overtime eligibility is based on **actual hours worked.** Paid time off (such as sick leave, vacation leave, paid administrative leave), holidays, and unpaid leave are **not** considered hours worked for overtime calculation purposes unless required by law or an applicable agreement.
- Defined Workweek.** For purposes of overtime calculation for nonexempt, non-sworn employees, the City's workweek begins at **12:00 a.m. (midnight) Saturday** and ends **11:59 p.m. Friday** (a 168-hour workweek).

NONEXEMPT, SWORN LAW ENFORCEMENT EMPLOYEES

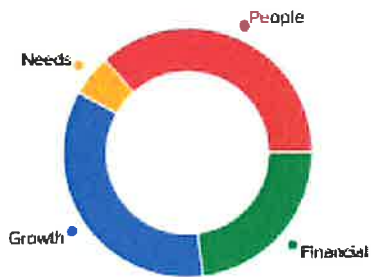
F. 28-Day Work Period (“Tour”) Under FLSA §207(k)

1. **Work Period.** Sworn law enforcement employees are subject to the **FLSA §207(k)** exemption and may have overtime calculated on a work period longer than one week and up to 28 days, as authorized by law and regulation.
2. **City Work Period.** For sworn law enforcement personnel, the City uses a **28-day work period (“tour”)**.
3. **Overtime Threshold.** Overtime will be paid at **one and one-half (1.5) times** the employee’s regular rate for **all hours worked in excess of one hundred seventy-one (171) hours** in the 28 consecutive day work period (“tour”).
4. **Hours Worked Basis.** Overtime eligibility is based on **actual hours worked**. Paid time off (such as sick leave, vacation leave, paid administrative leave), holidays, and unpaid leave are **not** considered hours worked for overtime calculation purposes unless required by law or an applicable agreement.
5. **Tour Calendar.** The payroll office will maintain and provide the established 28-day tour calendar upon request.

City Goals & Projects

Section 3, ItemB.

Goal Type



31

Active Tasks

Progress Towards Goals



43

Complete Tasks

92

Task Count

2025-26 Ongoing Project task		Status	Target Completion	2025 Pillar * Key below	Ongoing activities
Fiber inter connectivity between sights		In progress	6/30/2024	2	Working on final solutions with Corps, MRG grant and PL-566 funded programs
Determine level of Flood Mitigation and update FEMA maps		In Progress	6/30/2026	2	Unmet housing needs grant app, Go West committee on workforce housing
Look into Attainable Housing opportunities		In Progress	6/30/2026	3	Report due Spring 2026
Look into the use of the Depot Building Annexation Plan		In Progress	1/30/2026	2	Initiate Popo Agie River Park annexation
Develop more interactive partnership with LEDA (Lander Economic Development Association)		In Progress	6/30/2026	3	LEDA striving to define their mission
Zoning Regulations designed with growth projection in mind		In Progress	6/30/2026	3	Continue to propose Title 4 changes
Develop a communications plan		In Progress	6/30/2026	1	Currently using process and not a defined plan
Land acquisition for ED revenue and other opportunities like Enterprise Park, parking and pathways.		In Progress	6/30/2025	3	Need to define uses for Maven Revenue Recapture and LIFT ED fund remainder.
Promote 1% capital Improvement and 3/4cent ED (Economic Development) tax renewal on ballot 2026		In Progress	3/31/2026	3	May be support resolution or petition in April 2026
Implement Water Master Plan for Water service, Ditches, Storm drainage. Concerns Water Treatment Plant study		In Progress	6/30/2024	2	Water Master plan adopted in 2023, ditches and storm drainage studies forthcoming
Redesign subdivision design standards		In Progress	7/1/2026	3	Continue to propose Subdivision (title 4) changes
Ordinance for local Liquor License requirements		In Progress	12/30/2025	1	Second Reading Feb 10, 2026
Develop a Facilities plan by performing an audit on all our facilities for maintenance, safety inspections, ADA, fire safety, Kitchen hoods, and equipment operating safely		In Progress	6/30/2024	2	Energy audit performed in 2024, Facilities plan forthcoming in Spring 2026
Hire Police Chief- WASC to look at applications		In Progress	1/30/2026	1	Complete
Make Operational changes in LVFD handbook and bylaws to increase efficiency and reduce Volunteer liabilities		In Progress	6/30/2026	1	LVFD working on draft
Update Employee Handbook		In Progress	3/31/2026	1	Ongoing activities in OT, Leave pay.
Prioritize Building Maintenance, ADA & Energy Efficient		In progress	6/30/2024	2	Hunter now tasked w facilities manager
Create and adopt Standard Design and Specs for streets		In progress	3/2/2026	2	Title 5 revisions in 2026
Develop right-of-way & roads plans		Ongoing	7/1/2026	1	Ongoing updates with Strike, HDR

2025-26 Ongoing Project task	Status	Target Completion	2025 Pillar * Key below	Ongoing activities
Fund MRG for Air Service	Ongoing		3	Council to address as formal requests are made, support 3/4cent ED tax
Extra Work Sessions with tours for council to see what employees do	Ongoing	6/30/2027	1	On demand
Safe Routes/Transportation Alternatives Program (TAP)	Ongoing	12/31/2028	2	Gannet Peak walks complete 2026, Popo Agie River Pathway design complete. Apply annually for funds
Explore New Revenue Streams	Ongoing	6/30/2026	1	Annually in budget and lease renewals
Forecasted succession plan for retirement, attrition, recruitment/retention	Ongoing	6/30/2025	1	As needed in Annual staff retreats
Evaluate ideal number of Full Time Employees- add Chief of Staff	Ongoing	6/30/2026	1	As needed in Annual staff retreats
Recruitment of Fire Fighters	Ongoing	6/30/2023	1	By LVFD
Accurate/Detailed reporting monthly to council/tightening up line items	Ongoing	6/30/2022	1	Council Drive in financial tab
Revise fee schedules (annually)	Ongoing	6/30/2026	1	Annually proposal in June
Fund new parks development after 2025 Master plan is adopted	Ongoing	6/30/2027	3	CDBG Jefferson St Expansion. Time to start funding resources search based on Council priorities
Look into a City Manager form of government, Charter Ordinance	Ongoing	6/30/2026	1	As needed in Annual staff retreats
Public Action Plan (public automated notifications)	Proposed	6/30/2026	2	Metron opportunity, EMS opportunity through County. Continue to research communication tools and programs
Pursue Charter Ordinance, adding professional administration form of Government	Proposed	12/31/2026	1	As needed in Annual staff retreats
Adopt Code of Ethics for Elected officials	Proposed	3/10/2026	1	Mayor and Staff drafting documents
* 2025 Pillar KEY				
Pillar 1: Strengthenin operational excellence	Pillar 2: Maintaining physical plant & core services	Pillar 3- Invest in quality of life		



The suggested strategic pillars and priorities within this document were identified in February – April 2025 through the following activities and channels:

- *Discovery meetings and review of relevant existing resources*
- *Council survey and working session*
- *Staff survey and working session*

The City generated additional revisions during the presentation of findings on Tuesday, May 20, 2025, which are reflected within the following document. The goal of the process was to produce a simple strategic plan framework that can be used to define City activities and workplans over the next 5+ years.

Strategic planning implementation recommendations:

1. Recommend that the City adopt 3-4 primary pillars underneath which activities are arranged. These should be goals/ways of operating that are critical to the city and communicate high-level areas of work to internal and external audiences. Three suggested pillars are identified within this draft.
2. Recommend that the City organize all tasks in Airtable and workplans around final pillars and goals; this ensures connectivity between City activities and overall strategy.
3. **Recommend that all goals are made actionable.** The initial draft language creates a suggested framework that can be revised and refined.
4. Recommend that the City invest regular time into strategic plan touch points to measure progress, as well as additional time into finalizing the plan. This may include quarterly or annual updates on strategic plan progress, a regular agenda item, and the inclusion of strategic pillars in staff reports.
5. Recommend that the City identify revenue generation priorities associated with each pillar. Suggested revenue concepts are included in this draft.



● **Pillar 1: Strengthening operational excellence**

Highest Priority:

- Ensure long-term stability within City operations by **securing the organizational structure, staffing stability and financial resources of the City.**
 1. Conduct research supporting the development of a charter ordinance that outlines the governance structure of City staff and ensures the continuity of City institutional knowledge.
 2. Continue to implement succession planning, ensuring a professionalized approach to preparing leadership roles within the City for generational transitions through identified knowledge, skills, and abilities associated with each role.
 3. Maintain exceptional stewardship of City financial resources.

Additional priorities:

- Invest in robust **strategic communications and community engagement** planning that reaches both internal City and external public audiences.
 - Internal communications: Continue to develop communications channels and tactics that ensure clear, timely, and accurate delivery of information and feedback between City staff, elected officials, agency partners, and other critical internal stakeholders. This may include development of a regular roundtable meeting.
 - External communications: Develop a public engagement plan for each strategic plan objective, including both in-person and online channels.
- Maintain **code enforcement** activities, looking for opportunities to maximize efficiency and effectiveness.
- Pursue efficiency and solutions that maximize cost effective use of City resources in the **City's physical plant.**
 - Maintain a focus on completing maintenance activities within City buildings and yards.
 - Ensure ADA compliance in all city facilities.
 - Continue to implement energy efficiency measures within City properties.
 - Ensure resilience to cybersecurity threats, including through fiber interconnectivity, including conducting a cybersecurity audit.
- Explore opportunities to **revise or create licensing ordinances.**
 - Pursue a revision of liquor licensing statute to add additional enforcement capacities.
 - Research the potential for establishing a ordinance creating business licenses with comparable enforcement capacity.

Revenue generation activities: Licensing



● Pillar 2: Maintaining the City's physical infrastructure and core services

Highest priority – infrastructure:

- **Maintain and improve Lander's infrastructure**, ensuring that citizens can travel and receive utility services safely and efficiently.
 - Prioritize water, sewer, storm drainage, and street maintenance, including continuing to execute on major projects to address deferred maintenance and modernize city infrastructure.
 - Focus on the development of safe routes to schools, ensuring that children and families have access to identified school corridors with appropriate infrastructure to protect public safety.

Additional priorities – services:

- Continue to maintain **law enforcement services** within the City.
 - Prepare to integrate law enforcement strategic goals within the next City strategic planning process.
- Continue **disaster preparedness** efforts to protect the resiliency of City infrastructure, including continuing work on flood and fire mitigation design projects in preparation for a strategic decision by City Council on the future of this work.
- Explore the possibility of **providing services through districts** to increase revenue and decrease expenses. Specifically focus on:
 - Fire district
 - Cemetery district
 - Transportation services
 - Water and sewer regionalization
- Research the development and/or expansion of **public-private partnerships** to create additional or expanded community services.

Revenue generation activities: districts, fees, and grants



● Pillar 3: Investing in quality of life

Highest priority:

- Conduct a robust **economic development strategic planning process** to create a shared understanding and definition of Lander's economic development vision, and identify priority actions to support economic development. This strategic plan should address:
 - Attainable housing policies and programs
 - Strategic partnerships
 - Transportation infrastructure
 - Considerations for pursuing growth of Lander's tax base

Additional priorities:

- Pursue public safety, ensuring a strong community sense of security from natural environmental, and other disasters (e.g. cybersecurity).
- Maintain relevant parks and recreational opportunities for the Lander community.
 - Develop infrastructure and long term plans to create new parks and park amenities.
 - Maintain relevant recreational programming and opportunities through partnerships with sports associations and interest groups.
 - Explore opportunities to maximize the benefits of Lander's recreation district.
- Research and identify any actions needed by the City to advance attainable housing priorities.
- Research policies and programs that may additionally support growth of the City's tax base.

Revenue generation activities: Partnerships

CITY OF LANDER, WYOMING
FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2025

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

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

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City of Lander and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt of the City of Lander's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.



Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and required Governmental Accounting Standards Board pension schedules be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Lander's basic financial statements. The accompanying combining balance sheet and combining statement of revenues, expenditures, and changes in fund balance - special revenue funds, detail schedule of departmental expenditures by object classification - general fund, and schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining balance sheet, combining statement of revenues, expenditures, and changes in fund balance - special revenue funds, detail schedule of departmental expenditures by object classification - general fund, and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 6, 2026, 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
February 6, 2026

CITY OF LANDER, WYOMING

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2025

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, 2025. 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, 2025 by \$95,798,982, which represents the City's total net position. Of this amount, \$54,838,256 relates to governmental activities and \$40,960,726 relates to business-type activities (water and sewer operations).

A significant portion of the City's net position, \$77,858,517, is invested in capital assets such as land, infrastructure, buildings, equipment, and water and sewer systems. These assets provide essential services to citizens but are not available for future spending.

The City also reports restricted and board-designated amounts for specific purposes, including optional 1% sales tax projects, equipment replacement, retirement payouts, and economic development. Unrestricted net position totaled \$3,032,019 in governmental activities and \$(1,005,835) in business-type activities. The negative unrestricted position in the enterprise fund is largely attributable to the net pension liability.

In accordance with Governmental Accounting Standards Board (GASB) Statements No. 68 and 71, the City records its proportionate share of the Wyoming Retirement System net pension liability. At June 30, 2025, the City's reported net pension liability was approximately \$3.3 million. This is an accounting requirement and does not represent a current obligation beyond the City's statutory contributions to the retirement system.

- Sales tax revenues, mineral royalties, severance taxes, and special state distributions totaled \$5,948,960 while water and sewer utility charges total \$4,483,466.
- The increases in water and sewer income numbers are due to the annual increases made to the water and sewer rates. The City will continue to raise the water and sewer rates by 9% annually due to their proposed five year plan for improvements for water and sewer. The City received a \$45 million loan with grant forgiveness of approximately \$11.2 million with an interest rate of .25% from the State Land and Investments Board (SLIB). The City would complete a couple major water/sewer/curb gutter & street projects a year for a period of five years. The curb and gutter expenses on these projects will be paid out of the optional monies. The City had to show SLIB that they had this money in the bank to cover the cost of the curb and gutter; therefore, there weren't any big optional projects completed in the last couple of years to save these funds for these improvement projects. Therefore, the reason there is a larger amount of monies sitting in the unrestricted funds in general government.
- The City of Lander continues to work with FEMA to complete a flood mitigation plan. This plan is ongoing and the hope is to have the study completed in 2026.
- The City has again received funding for Safe Routes to School to enhance many traffic patterns, parking and sidewalks within city limits. These projects will take place in the Summer of 2026.

USING THIS ANNUAL REPORT

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

Government-Wide Statements

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

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

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

Both of the government-wide financial statements distinguish functions of the City of Lander that are principally supported by taxes and intergovernmental revenues (*Governmental Activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*Business-Type Activities*). The Governmental Activities of the City of Lander include general government, public safety (police, fire, building inspection), public works (streets, parks, and cemetery), community development and services. The business-type activities include the water and sewer systems.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Some funds are required to be established by State law and bond covenants; however, the City Council establishes other funds to help control and manage money for specific purposes. All the City's funds can be divided into three categories: Governmental Funds, Proprietary Funds and Fiduciary Funds.

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

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

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

Notes to Financial Statements

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

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The City as a whole:

	Governmental Activities 2024	Governmental Activities 2025	Business-Type Activities 2024	Business-Type Activities 2025	Total Primary Government 2024	Total Primary Government 2025
ASSETS						
Current and other assets	\$16,420,488	\$18,437,713	\$12,125,040	\$8,907,747	\$28,545,528	\$27,345,460
Capital assets	47,842,125	47,766,416	35,956,829	43,883,012	83,798,954	91,649,428
Total Assets	64,262,613	66,204,129	48,081,869	52,790,759	112,344,482	118,994,888
DEFERRED OUTFLOW OF RESOURCES						
Pension	827,612	464,982	1,806,786	1,421,461	2,634,398	1,886,443
LIABILITIES						
Current and other liabilities	1,224,114	874,287	7,262,287	5,145,170	8,486,401	6,019,457
Noncurrent liabilities						
Net pension liability	2,312,975	2,144,241	1,295,488	1,171,693	3,608,463	3,315,934
Compensated absences	158,119	175,648	72,463	72,256	230,582	247,904
Notes payable	2,850,621	2,773,684	4,533,431	5,660,677	7,384,052	8,434,361
Total Liabilities	6,545,829	5,967,860	13,163,669	12,049,796	19,709,498	18,017,656
DEFERRED INFLOW OF RESOURCES						
Leases	4,598,651	4,440,941	0	0	4,598,651	4,440,941
Pension	1,244,352	1,014,640	1,473,761	1,201,698	2,718,113	2,216,338
Property taxes	498,445	407,414	0	0	498,445	407,414
	6,341,448	5,862,995	1,473,761	1,201,698	7,815,209	7,064,693
NET POSITION						
Net investment in capital assets	40,024,122	40,051,551	31,014,086	37,806,966	71,038,208	77,858,517
Restricted for:						
Endowment - spendable	307,331	249,558	0	0	307,331	249,558
Special projects	270,763	270,763	0	0	270,763	270,763
Economic Development	699,015	1,082,437	0	0	699,015	1,082,437
Loan guarantee	0	0	146,512	146,512	146,512	146,512
Assigned						
Optional sales tax	7,026,251	8,317,107	0	0	7,026,251	8,317,107
Replacement fund	1,423,715	1,423,715	3,563,083	3,563,083	4,986,798	4,986,798
Retirement payout	411,106	411,106	450,000	450,000	861,106	861,106
Unrestricted	2,040,645	3,032,019	77,544	(1,005,835)	2,118,189	2,026,184
Total Net Position	\$52,202,948	\$54,838,256	\$35,251,225	\$40,960,726	\$87,454,173	\$95,798,982

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 2025 compared to 2024.

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2024	2025	2024	2025	2024	2025
REVENUES						
Program Revenues						
Charges for services	\$ 1,044,947	\$ 1,017,706	\$ 3,731,979	\$ 4,483,466	\$ 4,776,926	\$ 5,501,172
Operating grants & contributions	496,495	463,063	0	0	496,495	463,063
Capital grants & contributions	2,032,067	392,807	5,877,313	6,055,272	7,909,380	6,448,079
General Revenues						
Property & vehicle taxes	935,424	1,050,676	0	0	935,424	1,050,676
Sales & use tax	3,760,269	3,868,600	0	0	3,760,269	3,868,600
Franchise fees	522,050	579,783	0	0	522,050	579,783
Other taxes	1,157,898	1,009,661	0	0	1,157,898	1,009,661
Mineral taxes	464,892	466,285	0	0	464,892	466,285
Severance taxes	272,061	272,211	0	0	272,061	272,211
Special state distributions	1,491,786	1,341,864	0	0	1,491,786	1,341,864
Investment earnings	527,933	739,563	329,036	296,565	856,969	1,036,128
Gain (loss) on sale of assets	0	0	5,055	(589,151)	5,055	(589,151)
Other revenue	225,127	56,969	0	0	225,127	56,969
Total Revenues	12,930,949	11,259,188	9,943,383	10,246,152	22,874,332	21,505,340
EXPENSES						
Current						
General government	2,322,319	3,097,698	0	0	2,322,319	3,097,698
Public safety	3,061,518	3,321,811	0	0	3,061,518	3,321,811
Public works	3,018,868	2,204,371	0	0	3,018,868	2,204,371
Water & wastewater	0	0	4,498,922	4,536,651	4,498,922	4,536,651
Total Expenses	8,402,705	8,623,880	4,498,922	4,536,651	12,901,627	13,160,531
Increase (decrease) in net position	\$4,528,244	\$2,635,308	\$5,444,461	\$5,709,501	\$9,972,705	\$8,344,809

Governmental activities saw a decrease in net position and business-type activities saw an increase in net position of approximately \$2.6 million and \$5.4 million, respectively, for fiscal years 2025 and 2024.

The City's Funds

Information on the City's major Governmental Funds begins on page 14. These funds are accounted for using the modified accrual basis of accounting. As the City completed the year, its General Funds reported a combined fund balance of \$14,876,256 in 2025 and \$14,876,256 in 2024 with the following are fund balance restrictions

	2024	2025
Restricted for special projects	\$ 270,763	\$ 270,763
Restricted for senior endowment	307,763	249,558
Economic Development	699,015	1,082,437

General government revenues by source is summarized as follows:

	Revenues by Source -	
	2024	2025
Taxes	78.27%	65.96%
License and fees	3.12%	2.62%
Fines and forfeitures	1.42%	1.14%
Intergovernmental	7.96%	17.87%
Charges for service	2.21%	5.05%
Investment income	4.45%	5.58%
Other revenue	0.31%	1.15%
WBCA grant chamber contributions	0.15%	0.12%
Rent	2.10%	0.51%
Total	100%	100%

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

	Expenses by Function -	
	2024	2025
General Government	\$ 1,827,805	\$ 2,377,816
Public Safety	2,951,994	2,968,922
Public Works	1,619,866	1,576,947
Airport	471,997	349,530
Economic Development	630,245	345,504
Capital Outlay	1,412,218	1,085,501
Total	\$ 8,914,125	\$ 8,704,220

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, 2025 amounts to \$79 million. This amount excludes infrastructure assets constructed prior to July 1, 2003.

Major capital additions during fiscal year 2025 included the almost completion of the new water tank project, MacFarlane Drive, and replacement of all water meters. We also have started several CIP projects utilizing the SLIB \$45 loan monies. The table below provides a summary of net capital assets on June 30, 2025 compared to June 30, 2024

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2024	2025	2024	2025	2024	2025
Land	\$ 4,125,614	\$ 4,125,614	\$ 0	\$ 0	\$ 4,125,614	\$ 4,125,614
Construction in progress	1,746,061	2,444,804	6,900,270	15,547,016	8,646,331	17,991,820
Building & improvements	21,849,448	22,043,780	1,077,926	1,077,926	22,927,374	23,121,706
Equipment	4,803,218	4,836,047	2,743,792	2,854,850	7,547,010	7,690,897
Vehicles	3,213,374	3,437,538	357,786	357,786	3,571,160	3,795,324
Office furniture	109,360	171,526	65,339	70,481	174,699	242,007
Infrastructure	22,207,108	22,207,108	0	0	22,207,108	22,207,108
Water distribution system	0	0	34,240,007	33,802,268	34,240,007	33,802,268
Sewer service system	0	0	12,722,171	12,732,586	12,722,171	12,732,586
Less: Accumulated Depreciation	(14,945,893)	(16,188,597)	(22,150,462)	(22,559,901)	(37,096,355)	(38,748,498)
Total Capital Assets	\$ 43,108,290	\$ 43,077,820	\$ 35,956,829	\$ 43,883,012	\$ 79,065,119	\$ 86,960,832

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

Debt

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

Business-Type Activities

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

Economic Factors and Next Year's Budgets and Rates

The City has given substantial cost of living raises over the past two-year period. The amount of increase was 5.0% for 2025 and 5.0% for 2024. These increases in the wage schedule have enabled the City the leverage to fill their open positions with highly qualified individuals. These wages should also help retain the current talent that we have on staff. Along with increases in wages, the cost of insurance has increased by 3% for 2025 and 4% for 2024.

The City continues to work on their automation processes. The City is currently building databases using the software Airtable and Stacker. The processes have helped build efficiencies and transparencies within the City to make better budget decisions and to help in the aid of records requests. The City is currently completely "paperless" for the purchase order system. The City also switched to a new accounts payable program where the City sends their bill file to an outside provider that then cuts checks, auto debits and issues credit cards for the City's bills. This saves employee time, wear and tear on printers, checks and postage for the cost of \$200 a month. The City's goal to automate all manual processes within two years and have all forms online.

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

Contacting the City's Financial Management

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

CITY OF LANDER, WYOMING
STATEMENT OF NET POSITION
JUNE 30, 2025

Section 3, Item C.

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current Assets			
Other cash and investments	\$ 12,628,685	\$ 6,403,313	\$ 19,031,998
Restricted cash	1,602,758	146,512	1,749,270
Receivables, net			
Taxes receivable	919,491	0	919,491
Intergovernmental and grants receivable	486,890	0	486,890
Accounts receivable	39,608	416,647	456,255
Grants receivable	0	1,856,348	1,856,348
Internal balances	2,760,281	0	2,760,281
Inventory	0	84,927	84,927
Total Current Assets	18,437,713	8,907,747	27,345,460
Noncurrent Assets			
Interest receivable	93,915	0	93,915
Lease receivable	4,594,681	0	4,594,681
Fixed assets, net of accumulated depreciation	43,077,820	43,883,012	86,960,832
Total Noncurrent Assets	47,766,416	43,883,012	91,649,428
TOTAL ASSETS	\$ 66,204,129	\$ 52,790,759	\$ 118,994,888
DEFERRED OUTFLOW OF RESOURCES			
Pension	464,982	1,421,461	1,886,443
TOTAL DEFERRED OUTFLOW OF RESOURCES	464,982	1,421,461	1,886,443
LIABILITIES			
Current Liabilities			
Accounts payable and accrued expenses	\$ 575,034	\$ 1,871,580	\$ 2,446,614
Internal balances	0	2,769,357	2,769,357
Renter deposits	46,668	16,400	63,068
Current portion of long-term liabilities	252,585	487,833	740,418
Total Current Liabilities	874,287	5,145,170	6,019,457
Noncurrent Liabilities			
Net pension liability	2,144,241	1,171,693	3,315,934
Compensated absences	175,648	72,256	247,904
Notes payable	2,773,684	5,660,677	8,434,361
Total Noncurrent Liabilities	5,093,573	6,904,626	11,998,199
TOTAL LIABILITIES	5,967,860	12,049,796	18,017,656
DEFERRED INFLOW OF RESOURCES			
Leases	4,440,941	0	4,440,941
Pension	1,014,640	1,201,698	2,216,338
Property taxes	407,414	0	407,414
TOTAL DEFERRED INFLOW OF RESOURCES	5,862,995	1,201,698	7,064,693
NET POSITION			
Net investment in capital assets	40,051,551	37,806,966	77,858,517
Restricted			
Endowment - spendable	249,558	0	249,558
Special projects	270,763	0	270,763
Economic development	1,082,437	0	1,082,437
Loan guarantee	0	146,512	146,512
Board Designated - Unrestricted			
Optional 1% sales tax	8,317,107	0	8,317,107
Assigned replacement fund	1,423,715	3,563,083	4,986,798
Retirement payout	411,106	450,000	861,106
Unrestricted	3,032,019	(1,005,835)	2,026,184
TOTAL NET POSITION	\$ 54,838,256	\$ 40,960,726	\$ 95,798,982

See Notes to Financial Statements

CITY OF LANDER, WYOMING
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2025

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	\$ 3,097,698	\$ 691,532	\$ 219,529	\$ 392,807	\$ (1,793,830)	\$ 0	\$ (1,793,830)
Public safety	3,321,811	162,096	243,534	0	(2,916,181)	0	(2,916,181)
Public works	2,204,371	164,078	0	0	(2,040,293)	0	(2,040,293)
Total Governmental Activities	8,623,880	1,017,706	463,063	392,807	(6,750,304)	0	(6,750,304)
Business-Type Activities							
Water and sewer	4,536,651	4,483,466	0	6,055,272	0	6,002,087	6,002,087
Total Primary Government	<u>\$ 13,160,531</u>	<u>\$ 5,501,172</u>	<u>\$ 463,063</u>	<u>\$ 6,448,079</u>	<u>\$ (6,750,304)</u>	<u>\$ 6,002,087</u>	<u>\$ (748,217)</u>
General revenues							
Property and vehicle taxes					\$ 1,050,676	\$ 0	\$ 1,050,676
Sales tax, use tax, and optional 1% tax					3,868,600	0	3,868,600
Franchise fees					579,783	0	579,783
Other taxes					1,009,661	0	1,009,661
Mineral royalties					466,285	0	466,285
Severance taxes					272,211	0	272,211
Special state distributions					1,341,864	0	1,341,864
Investment earnings					739,563	296,565	1,036,128
Gain (loss) on sale of capital assets					0	(589,151)	(589,151)
Other revenue					56,969	0	56,969
Total general and other revenues					9,385,612	(292,586)	9,093,026
Change in net position					2,635,308	5,709,501	8,344,809
Net position - beginning					52,202,948	35,251,225	87,454,173
Net position - ending					<u>\$ 54,838,256</u>	<u>\$ 40,960,726</u>	<u>\$ 95,798,982</u>

See Notes to Financial Statements

CITY OF LANDER, WYOMING
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2025

	General Fund	Special Revenue Funds	Non-Major Fund Senior Center Trust Permanent Fund	Total Governmental Funds
ASSETS				
Other cash and investments	\$ 13,981,545	\$ 0	\$ 249,898	\$ 14,231,443
Cash with fiscal agent	0	0	0	0
Receivables, net				
Taxes	912,877	0	0	912,877
Intergovernmental and grants	13,775	473,355	0	487,130
Accounts receivable	39,608	0	0	39,608
Interest	0	0	6,375	6,375
Due from other funds	1,892,571	1,307,976	0	3,200,547
Total Assets	<u>\$ 16,840,376</u>	<u>\$ 1,781,331</u>	<u>\$ 256,273</u>	<u>\$ 18,877,980</u>
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable and accrued expenses	\$ 223,764	259,653	\$ 4,977	\$ 488,394
Accrued payroll	95,711	0	0	95,711
Due to other funds	0	429,453	1,738	431,191
Deposits	0	46,668	0	46,668
Total Liabilities	<u>319,475</u>	<u>735,774</u>	<u>6,715</u>	<u>1,061,964</u>
DEFERRED INFLOW OF RESOURCES				
Property taxes	<u>478,691</u>	<u>0</u>	<u>0</u>	<u>478,691</u>
Total Deferred Inflow of Resources	<u>478,691</u>	<u>0</u>	<u>0</u>	<u>478,691</u>
Fund Balances				
Restricted for				
Endowment - spendable	0	0	249,558	249,558
Special projects	270,763	0	0	270,763
Economic development	0	1,082,437	0	1,082,437
Optional 1% sales tax	8,317,107	0	0	8,317,107
Assigned				
Retirees	411,106	0	0	411,106
Equipment	1,423,715	0	0	1,423,715
Unassigned				
General fund	5,619,519	0	0	5,619,519
Special revenue funds	0	(36,880)	0	(36,880)
Total Fund Balances	<u>16,042,210</u>	<u>1,045,557</u>	<u>249,558</u>	<u>17,337,325</u>
Total Liabilities, Deferred Inflows, and Fund Balances	<u>\$ 16,840,376</u>	<u>\$ 1,781,331</u>	<u>\$ 256,273</u>	<u>\$ 18,877,980</u>
Total Fund Balances from above				\$ 17,337,325
Amounts reported for governmental activities in the statement of net position are different because:				
Capital assets used in governmental activities are not financial resources, and therefore are not reported in the funds.				43,077,820
Taxes receivable are not available to pay current period expenditures, and therefore are deferred in the funds.				71,272
Leases and related interest receivable are not available to pay current period expenditures, and therefore are deferred in the funds.				4,688,596
Deferred inflows of resources related to leases are applicable to future periods, and therefore not reported in the governmental fund statements.				(4,440,941)
Deferred outflows of resources related to pensions are applicable to future periods, and therefore not reported in the governmental fund statements.				464,982
Deferred inflows of resources related to pensions are applicable to future periods, and therefore not reported in the governmental fund statements.				(1,014,640)
Long-term liabilities, including compensated absences, are not due in the current period, and therefore are not reported in the funds.				(3,201,917)
Net pension liability				(2,144,241)
Net Position of Governmental Activities				<u>\$ 54,838,256</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, 2025

	General Fund	Special Revenue Funds	Non-Major Funds Senior Center Trust Permanent Fund	Total Governmental Funds
REVENUES				
Taxes	\$ 7,413,871	\$ 0	\$ 0	\$ 7,413,871
Licenses and fees	294,767	0	0	294,767
Fines and forfeitures	128,281	0	0	128,281
Intergovernmental and grants	885,300	1,123,379	0	2,008,679
Charges for services	187,587	380,373	0	567,960
Investment income	612,385	0	14,706	627,091
Rent	57,249	0	0	57,249
WBCA grant and chamber contributions	14,015	0	0	14,015
Other revenue	126,305	2,500	0	128,805
Total Revenues	\$ 9,719,760	\$ 1,506,252	\$ 14,706	\$ 11,240,718
EXPENDITURES				
Current				
General government	\$ 1,805,599	499,738	\$ 72,479	\$ 2,377,816
Public safety	2,968,922	0	0	2,968,922
Public works	1,576,947	0	0	1,576,947
Airport	0	349,530	0	349,530
Economic Development	0	345,504	0	345,504
Capital outlay	1,085,501	0	0	1,085,501
Total Expenditures	7,436,969	1,194,772	72,479	8,704,220
Excess of revenues over (under) expenditures	2,282,791	311,480	(57,773)	2,536,498
OTHER FINANCING SOURCES (USES)				
Operating transfers in/(out)	(49,631)	49,631	0	0
Other financing uses - loan payments	0	(75,429)	0	(75,429)
Total Other Financing Sources (Uses)	(49,631)	(25,798)	0	(75,429)
Excess of revenues and other sources over (under) expenditures and other uses	2,233,160	285,682	(57,773)	2,461,069
FUND BALANCES - JULY 1	13,809,050	759,875	307,331	14,876,256
FUND BALANCES - JUNE 30	\$ 16,042,210	\$ 1,045,557	\$ 249,558	\$ 17,337,325

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, 2025

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

Net change in fund balances - total governmental funds (page 15) \$ 2,461,069

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

Capital asset additions	1,212,234
Depreciation expense	(1,242,704)

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

Principal payments	73,950
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The change in lease receivables and deferred inflows of resources for leases is a result of the economic
resources measurement focus and accrual basis of accounting used in the government-wide statements.
These adjustments recognize revenue when earned rather than when received,
as reported in the governmental funds

157,710

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

Change in net pension liability	(168,734)
Change in pension related deferred inflows of resources	(229,712)
Change in pension related deferred outflows of resources	362,630

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

Change in deferred revenues	43,923
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Some expenses reported in the statement of activities do not require the use of current
financial resources, and therefore are not reported as expenditures in governmental funds.

Change in compensated absences	(35,058)
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Change in Net Position of Governmental Activities (page 13)	<u>\$ 2,635,308</u>
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CITY OF LANDER, WYOMING
STATEMENT OF NET POSITION
BUSINESS-TYPE ACTIVITIES - PROPRIETARY FUND
JUNE 30, 2025

	Water and Sewer Fund
ASSETS	
Current assets	
Other cash and investments	\$ 6,403,313
Restricted cash	146,512
Accounts receivable, net	416,647
Grants receivable	1,856,348
Inventory on hand and material for repairs	84,927
Total Current Assets	<u>8,907,747</u>
Noncurrent assets	
Fixed assets, net	<u>43,883,012</u>
Total Noncurrent Assets	<u>43,883,012</u>
Total Assets	<u>\$ 52,790,759</u>
DEFERRED OUTFLOW OF RESOURCES	
Pension	<u>1,421,461</u>
LIABILITIES	
Current liabilities	
Accounts payable and accrued expenses	1,843,741
Accrued payroll	27,839
Deferred revenue	16,400
Due to other funds	2,769,357
Current portion of compensated absences	72,464
Current portion of notes payable	415,369
Total Current Liabilities	<u>5,145,170</u>
Noncurrent liabilities	
Compensated absences	72,256
Notes payable	5,660,677
Net pension liability	1,171,693
Total Noncurrent Liabilities	<u>6,904,626</u>
Total Liabilities	<u>12,049,796</u>
DEFERRED INFLOW OF RESOURCES	
Pension	<u>1,201,698</u>
NET POSITION	
Net investment in capital assets	37,806,966
Restricted	
State Land & Investment Board (SLIB) loan reserves	146,512
Board Designated - Unrestricted	
Equipment replacement	3,563,083
Retirement payouts	450,000
Unrestricted	<u>(1,005,835)</u>
Total Net Position	<u>\$ 40,960,726</u>

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, 2025

	<u>Water and Sewer Fund</u>
OPERATING REVENUES	
Charges for goods and services	\$ 4,483,466
Total Operating Revenues	<u>4,483,466</u>
OPERATING EXPENSES	
Salaries and benefits	1,691,866
Contractual services	577,277
Materials and supplies	963,879
Depreciation	<u>1,182,134</u>
Total Operating Expenses	<u>4,415,156</u>
Operating income (loss)	<u>68,310</u>
NONOPERATING REVENUES (EXPENSES)	
Investment income	296,565
Grant revenues	6,055,272
Gain (loss) on sale of capital assets	(589,151)
Project costs	(27,014)
Interest expense	<u>(94,481)</u>
Total Nonoperating Revenues (Expenses)	<u>5,641,191</u>
Change in Net Position	5,709,501
TOTAL NET POSITION - JULY 1	<u>35,251,225</u>
TOTAL NET POSITION - JUNE 30	<u><u>\$ 40,960,726</u></u>

CITY OF LANDER, WYOMING
STATEMENT OF CASH FLOWS
BUSINESS-TYPE ACTIVITIES - PROPRIETARY FUND
FOR THE YEAR ENDED JUNE 30, 2025

Section 3, Item C.

	Water and Sewer Fund
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from service users	\$ 4,475,481
Cash paid for goods and services	(1,611,091)
Cash paid to employees	(1,692,073)
Net cash provided by (used in) operating activities	<u>1,172,317</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Cash received from (used in) federal grant projects	6,055,272
Cash increase (decrease) in net amount due (to) from other funds	(2,066,273)
Net cash provided by (used in) noncapital financing activities	<u>3,988,999</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Interest paid on debt	(94,481)
Payments for capital acquisitions	(6,703,574)
Principal paid on capital debt	(475,518)
Principal received on long term debt	1,608,819
Net cash provided by (used in) capital and related financing activities	<u>(5,664,754)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Investment income	296,565
Net cash provided by (used in) investing activities	<u>296,565</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(206,873)
CASH AND INVESTMENTS IN TREASURY AND OTHER CASH	
Balances - July 1	<u>6,756,698</u>
Balances - June 30	<u><u>\$ 6,549,825</u></u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES	
Operating income (loss)	\$ 68,310
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities	
Depreciation	1,182,134
Change in assets/outflows - (increase) decrease	
Accounts and grants receivable	(82,105)
Inventory	(16,495)
Deferred outflows of resources	357,649
Change in liabilities/inflows - increase (decrease)	
Accounts payable and accrued expenses	(53,440)
Pension liability	(123,795)
Deferred inflows of resources	(71,428)
Deferred revenue	(800)
NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES	<u><u>\$ 1,260,030</u></u>
NON-CASH INVESTING AND FINANCING TRANSACTIONS	
Net increase (decrease) in fair value of investments	<u><u>\$ 28,184</u></u>

CITY OF LANDER, WYOMING
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

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, 2025, the City paid \$8,000 to the FCAG.

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

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

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

Government-Wide and Fund Financial Statements

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

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

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

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Government-Wide Financial Statements

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and private-purpose trust fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

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

Fund Financial Statements

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

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

The City reports the following major governmental funds:

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

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

Fund Financial Statements (cont.)

The City reports the following major proprietary fund:

- **Water and Sewer Fund** – The Water and Sewer Fund is an enterprise fund that accounts for the water and sewer services provided to residential and commercial users in the City of Lander, Wyoming. Additionally, the City reports the following fund types:
- **Capital Projects Fund** – Capital Projects Fund accounts for all financial resources that are restricted, committed, or assigned to expenditure for capital outlays.
- **Enterprise Fund** – The City's only enterprise fund is the Water and Sewer Fund (see above). An Enterprise Fund accounts for operations (1) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (2) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.
- **Agency Fund** – This fund type accounts for assets which are held by the City in a trustee capacity or as an agent for individuals, private organizations, other governments and/or other funds. The City has no agency funds as of June 30, 2025. 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 \$17,500 as of June 30, 2025. Miscellaneous accounts receivable in the general fund that are more than 90 days past due are \$0 as of June 30, 2025.

Leases Receivable

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

Allowance for Uncollectible Accounts

Receivables have been reported net of the allowance for uncollectible accounts. The allowance is estimated based on prior experience. The allowance for uncollectible accounts as of June 30, 2025 is \$0.

Inventory

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

Encumbrances

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

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

Restricted Assets

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

Capital Assets

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

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

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

Compensated Absences

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

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

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

Deferred Inflows and Outflows of Resources

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

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

Interfund Receivables and Payables

All outstanding balances between funds are reported as “due to/from other funds.” Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances.”

Interfund Transfers

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

Estimates

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

Fund Balance

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

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

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

Fund Balance (cont.)

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

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

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

The City Council has not elected to adopt a minimum fund balance policy as of June 30, 2025. It is the responsibility of the general fund to cover shortages in fund balance for the other funds besides the enterprise fund. In some cases the City may elect to formally loan money from the enterprise fund to the respective fund with a shortfall.

Net Position

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

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

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

Net Position (cont.)

As of June 30, 2025, the City has approximately 22 employees in the City that are eligible for retirement over the next six years.

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

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

New and Upcoming Accounting Pronouncements

The following are Statements of the Governmental Accounting Standards Board (GASB) that are, or will be, applicable to the City. At June 30, 2025, the City was aware of the following new standards issued by GASB:

Implemented in the Current Year

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

Not Yet Implemented

In April 2024, the Governmental Accounting Standards Board (GASB) issued Statement No. 103, *Financial Reporting Model Improvements*, which is effective for the Entity's fiscal year beginning July 1, 2025.

The standard refines and enhances several components of the existing financial reporting model, including:

- **Management's Discussion and Analysis (MD&A):** The standard requires an enhanced analysis of the prior year's financial results and focuses the discussion on five specific sections.
- **Unusual or Infrequent Items:** The previous categories of "extraordinary" and "special" items are eliminated, and a single category of "unusual or infrequent items" is established. Related inflows and outflows must be displayed separately on the face of the financial statements.
- **Proprietary Fund Financial Statements:** Clarified guidance is provided for classifying operating versus nonoperating revenues and expenses.
- **Budgetary Comparison Information:** For governments with a legally adopted budget, budgetary comparison information must be presented as Required Supplementary Information (RSI) rather than as a basic financial statement.
- **Major Component Unit Information:** The presentation and consistency of major component unit information are improved.

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

New and Upcoming Accounting Pronouncements (cont.)

In September 2024, the Governmental Accounting Standards Board (GASB) issued Statement No. 104, Disclosure of Certain Capital Assets, which is effective for the Entity's fiscal year beginning July 1, 2025. The standard establishes new disclosure requirements designed to improve the transparency and consistency of information about capital assets. The key provisions include:

- **Capital Asset Disclosures:** Governments must disclose capital assets by major class, including lease assets, intangible right-to-use assets, subscription-based information technology arrangement assets, and other intangible assets.
- **Assets Held for Sale:** Additional disclosures are required for capital assets held for sale, including the major classes of such assets and any related obligations.
- **Enhanced Note Presentation:** The standard provides clarified guidance on how capital asset information should be organized and presented in the notes to the financial statements to promote consistency across governments.

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

NOTE 2 - BUDGETS AND BUDGETARY ACCOUNTING

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

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

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

GAAP Basis	\$ 2,233,160
Net Adjustments for Revenue Accruals	90,759
Net Adjustments for Expenditure Accruals	(31,698)
Budget Basis	<u>\$ 2,292,221</u>

NOTE 3 - PROPERTY TAXES

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

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

NOTE 4 - CASH AND INVESTMENTS

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

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

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

Custodial Credit Risk of Bank Deposits

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

As of June 30, 2025, the City's bank balance was \$583,805. Of this amount, \$250,000 was insured by the Federal Deposit Insurance Corporation (FDIC). The remaining balance of \$333,805 was collateralized with securities held by the pledging financial institution's trust department or agent in the City's name. The City does not have a formal policy for custodial credit risk beyond the requirements of state law.

Custodial Credit Risk of Investments

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

NOTE 4 - CASH AND INVESTMENTS (cont.)

Custodial Credit Risk of Investments (cont)

As of June 30, 2025, the City had \$16,099,268 invested in an external investment pool administered by the State Treasurer, \$1,046,111 invested with an asset management firm, \$18,879 invested in a government investment fund, and \$2,958,041 invested in certificates of deposit. These investments comply with the City's investment policy and applicable state statutes.

The City's certificates of Deposit mature in 1-51 months and have rates that range from 3.463% to 4.505% as of June 30, 2025

Fair Value of Investments

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

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

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

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

Level 1 Fair Value Measurements

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

Level 2 Fair Value Measurements

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

Level 3 Fair Value Measurements

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

NOTE 4 - CASH AND INVESTMENTS (cont.)

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

	<u>Other Cash and Investments</u>
Cash on hand	\$ 1,000
Bank deposits	427,969
Certificates of deposit	3,188,041
Money market investment pools	<u>17,164,258</u>
Total Cash and Investments	<u>\$ 20,781,268</u>

NOTE 5 - RECEIVABLES

Receivables at June 30, 2025, 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, 2025, 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, 2025 is as follows:

	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
General Fund	\$ 1,892,571	\$ 0
Senior Center Trust Permanent Fund	0	1,738
Special Revenue Funds	1,307,976	429,453
Proprietary Fund (Water and Sewer)	<u>0</u>	<u>2,769,356</u>
Total Primary Government	<u>\$ 3,200,547</u>	<u>\$ 3,200,547</u>

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

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

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

NOTE 7 - CAPITAL ASSETS

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

Governmental Activities	Balance June 30, 2024	Additions	Deletions	Transfers	Balance June 30, 2025
Nondepreciable Capital Assets					
Land	\$ 4,125,614	\$ 0	\$ 0	\$ 0	\$ 4,125,614
Construction in process	1,746,061	698,743	0	0	2,444,804
Total Nondepreciable Capital Assets	5,871,675	698,743	0	0	6,570,418
Depreciable Capital Assets					
Buildings and improvements	21,849,448	194,332	0	0	22,043,780
Equipment	4,803,218	32,829	0	0	4,836,047
Vehicles	3,213,374	224,164	0	0	3,437,538
Office furniture	109,360	62,166	0	0	171,526
Infrastructure	22,207,108	0	0	0	22,207,108
Total Depreciable Capital Assets	52,182,508	513,491	0	0	52,695,999
Less Accumulated Depreciation					
Buildings and improvements	5,620,973	459,875	0	0	6,080,848
Equipment	3,307,246	176,304	0	0	3,483,550
Vehicles	2,247,608	143,358	0	0	2,390,966
Office furniture	53,149	9,200	0	0	62,349
Infrastructure	3,716,917	453,967	0	0	4,170,884
Total Accumulated Depreciation	14,945,893	1,242,704	0	0	16,188,597
Total Depreciable Capital Assets, Net	37,236,615	(729,213)	0	0	36,507,402
Governmental Activities Capital Assets, Net	<u>\$ 43,108,290</u>	<u>\$ (30,470)</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 43,077,820</u>

NOTE 7 - CAPITAL ASSETS (cont.)

Business-Type Activities	Balance June 30, 2024	Additions	Deletions	Transfers	Balance June 30, 2025
Nondepreciable Capital Assets					
Construction in process	\$ 6,900,270	\$ 9,013,500	\$ 0	\$ (366,754)	\$ 15,547,016
Depreciable Capital Assets					
Buildings and improvements	1,077,926	0	0	0	1,077,926
Equipment	2,743,792	503,846	(392,788)	0	2,854,850
Vehicles	357,786	0	0	0	357,786
Office furniture	65,339	32,103	(26,961)	0	70,481
Water distribution system	34,240,007	237,429	(1,041,922)	366,754	33,802,268
Sewer service system	12,722,171	10,415	0	0	12,732,586
Total Depreciable Capital Assets	51,207,021	783,793	(1,461,671)	366,754	50,895,897
Less Accumulated Depreciation					
Buildings and improvements	252,327	24,722	0	0	277,049
Equipment	1,824,493	177,427	(371,068)	0	1,630,852
Vehicles	219,433	24,397	0	0	243,830
Office furniture	45,745	845	(11,866)	0	34,724
Water distribution system	14,573,446	673,927	(363,550)	0	14,883,823
Sewer service system	5,235,018	254,605	0	0	5,489,623
Total Accumulated Depreciation	22,150,462	1,155,923	(746,484)	0	22,559,901
Total Depreciable Capital Assets, Net	29,056,559	(372,130)	(715,187)	366,754	28,335,996
Business-Type Activities Capital Assets, Net	<u>\$ 35,956,829</u>	<u>\$ 8,641,370</u>	<u>\$ (715,187)</u>	<u>\$ 0</u>	<u>\$ 43,883,012</u>

Depreciation

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

Governmental Activities	
General Government	\$ 683,487
Public Safety	248,541
Public Works	<u>310,676</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 1,242,704</u>
Business-Type Activities	
Water and Sewer Services	<u>\$ 1,155,923</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, 2025:

	Balance June 30, 2024	Additions	Reductions	Balance June 30, 2025	Due Within One Year
Governmental Activities					
Compensated absences	\$ 316,238	\$ 208,547	\$ (173,489)	\$ 351,296	\$ 175,648
Notes payable	2,926,050	0	(75,429)	2,850,621	76,937
Net pension liability	2,312,975	0	(168,734)	2,144,241	0
	<u>\$ 5,555,263</u>	<u>\$ 208,547</u>	<u>\$ (417,652)</u>	<u>\$ 5,346,158</u>	<u>\$ 252,585</u>
Business-Type Activities					
Compensated absences	\$ 144,927	\$ 70,448	\$ (70,862)	\$ 144,513	\$ 72,464
Notes payable	4,942,743	2,522,608	(475,518)	6,989,833	415,369
Net pension liability	1,295,486	0	(123,794)	1,171,692	0
	<u>\$ 6,383,156</u>	<u>\$ 2,593,056</u>	<u>\$ (670,174)</u>	<u>\$ 8,306,038</u>	<u>\$ 487,833</u>

NOTE 9 - LEASES

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

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

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

As of June 30, 2025, the City's total receivable for lease payments was \$4,594,681, representing the outstanding balance due from lessees. This receivable is recorded as an asset on the City's balance sheet.

In accordance with applicable accounting standards, the City has also recognized a deferred inflow of resources related to these leases. This deferred inflow represents the portion of lease revenue that has not yet been earned and will be recognized over the lease term. As of June 30, 2025, the balance of deferred inflows of resources was \$4,440,941, corresponding to the remaining unearned lease revenue. This amount is recorded as deferred inflows of resources on the balance sheet.

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
2026	\$ (52,797)	\$ (95,503)	\$ (148,300)
2027	(46,418)	(101,882)	(148,300)
2028	(47,398)	(100,902)	(148,300)
2029	(75,400)	(99,900)	(175,300)
2030	(76,970)	(98,330)	(175,300)
5 Years Ending 2035	(474,264)	(466,236)	(940,500)
5 Years Ending 2040	(704,492)	(408,008)	(1,112,500)
5 Years Ending 2045	(994,665)	(323,835)	(1,318,500)
5 Years Ending 2050	(1,359,609)	(206,891)	(1,566,500)
5 Years Ending 2055	(668,069)	(70,431)	(738,500)
5 Years Ending 2060	(32,837)	(43,663)	(76,500)
5 Years Ending 2065	(42,141)	(34,359)	(76,500)
5 Years Ending 2070	(54,082)	(22,418)	(76,500)
5 Years Ending 2075	(54,107)	(7,093)	(61,200)
Total Future Receipts	\$ (4,683,251)	\$ (2,079,449)	\$ (6,762,700)

NOTE 10 - LONG-TERM DEBT

State Land and Investment Board Awards (DWSRF)

- The City has entered into loan agreements with the State Land and Investment Board under the Drinking Water State Revolving Fund (DWSRF) program to finance water infrastructure improvements. The loans provided for total borrowings of up to \$1,500,000, with amounts drawn as project costs were incurred and interest accruing at 2.5% during the construction period, followed by amortization over a 20-year term upon project completion. The City is reimbursed by the State Land and Investment Board for eligible project costs upon approval. Upon project completion during the year ended June 30, 2016, \$750,000, or 50% of the outstanding principal, was forgiven, and an additional 50% of the outstanding balance was forgiven during the year ended June 30, 2023, in the amount of \$693,270.

As of June 30, 2025, the remaining outstanding loan balance was \$337,618. Effective June 30, 2024, the City refinanced the remaining DWSRF loan balances, resulting in a reduced interest rate of 1.0%, with repayment terms otherwise unchanged.

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.

- The City entered into a loan agreement with the State Land and Investment Board in the amount of \$2,070,000, which began amortizing over a 20-year term starting July 15, 2018, through July 2037. The purpose of the loan was to refinance a revenue bond outstanding at June 30, 2017, in the amount of \$2,070,000, resulting in a decrease in the interest rate from 4.5% to 2.5%.

NOTE 10 - LONG-TERM DEBT (cont.)

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

As of June 30, 2025, the outstanding loan balance was \$1,091,586. Effective June 30, 2024, the City refinanced the loan with the State Land and Investment Board, resulting in a reduced interest rate of 1.0%, with repayment terms otherwise unchanged.

- The City entered into a loan agreement with the State Land and Investment Board in the amount of \$509,054 to finance sewer infrastructure improvements, with the loan beginning amortization over a 20-year term upon completion of the project. The City is reimbursed by the State Land and Investment Board for eligible project costs upon approval, and interest accrued on amounts drawn at a rate of 2.5% during the construction period. The loan is collateralized by future user fees from sewer services.

As of June 30, 2025, the outstanding loan balance was \$392,062. Effective June 30, 2024, the City refinanced the loan with the State Land and Investment Board, resulting in a reduced interest rate of 1.0%, with repayment terms otherwise unchanged.

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

Drinking Water State Revolving Loans Program			
Year Ending	Principal	Interest	Total Principal and Interest
June 30,			
2026	\$ 184,720	\$ 25,199	\$ 209,919
2027	187,453	22,466	209,919
2028	190,226	19,693	209,919
2029	193,040	16,878	209,919
2030-2034	711,910	41,153	753,063
2035-2039	135,242	5,225	140,467
thereafter	-	-	-
Total	<u>\$ 1,602,590</u>	<u>\$ 130,615</u>	<u>\$ 1,733,205</u>

State Land and Investment Board Awards (CWSRF)

- The City entered into a loan agreement with the State Land and Investment Board in the amount of \$3,068,000 to finance infrastructure improvements, with the loan beginning amortization over a 20-year term upon completion of the project. The City is reimbursed by the State Land and Investment Board for eligible project costs upon approval, and interest accrued on amounts drawn at a rate of 2.5% during the construction period. Upon project completion, approximately \$1,534,000, or 50% of the loan amount, was forgiven. The remaining balance began amortization over a 20-year term at 2.5%, resulting in an original amortized balance of \$1,513,400.

As of June 30, 2025, the outstanding loan balance was \$972,691. Effective June 30, 2024, the City refinanced the loan with the State Land and Investment Board, resulting in a reduced interest rate of 1.0%, with repayment terms otherwise unchanged.

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.

NOTE 10 - LONG-TERM DEBT (cont.)

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

- The City entered into a loan agreement with the State Land and Investment Board in the amount of \$2,054,640 to finance sewer infrastructure improvements, with the loan beginning amortization over a 20-year term upon completion of the project. The City is reimbursed by the State Land and Investment Board for eligible project costs upon approval, and interest accrued on amounts drawn at a rate of 2.5% during the construction period. Upon project completion, approximately \$357,040, or 17% of the loan amount, was forgiven. The loan is collateralized by future user fees from sewer services.

As of June 30, 2025, the outstanding loan balance was \$1,091,586. Effective June 30, 2024, the City refinanced the loan with the State Land and Investment Board, resulting in a reduced interest rate of 1.0%, with repayment terms otherwise unchanged.

- The City entered into a loan agreement with the State Land and Investment Board in the amount of \$2,861,937 to finance sewer infrastructure improvements, with the loan beginning amortization over a 20-year term upon completion of the project. The City is reimbursed by the State Land and Investment Board for eligible project costs upon approval, and interest accrued on amounts drawn at a rate of 2.5% during the construction period. Upon project completion, approximately \$357,040, or 12% of the loan amount, was forgiven. The loan is collateralized by future user fees from sewer services.

As of June 30, 2025, the outstanding loan balance was \$800,359. Effective June 30, 2024, the City refinanced the loan with the State Land and Investment Board, resulting in a reduced interest rate of 1.0%, with repayment terms otherwise unchanged.

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

Clean Water State Revolving Loans Program			
Year Ending			Total Principal
June 30,	Principal	Interest	and Interest
2026	\$ 230,649	\$ 42,439	\$ 273,088
2027	234,062	39,026	273,088
2028	237,525	35,564	273,088
2029	241,039	32,049	273,088
2030-2034	1,259,751	105,690	1,365,441
2035-2039	661,610	20,056	681,666
thereafter	-	-	0
Total	<u>\$ 2,864,635</u>	<u>\$ 274,823</u>	<u>\$ 3,139,459</u>

The loans from the State Land and Investment Board accrue interest when the initial draw is done on the loan. As of June 30, 2025 the City has recognized \$42,176 in accrued interest.

NOTE 10 - LONG-TERM DEBT (cont.)

Wyoming Business Council

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

As of June 30, 2025, the outstanding loan balance was \$2,850,622.

The table below represents a summary of the payment requirements on the loan. Maven itself is required to make payments to the City in the same amounts listed in the table below.

Wyoming Business Council Loan - Maven Project			
Year Ending			Total Principal
June 30,	Principal	Interest	and Interest
2026	76,937	57,012	\$ 133,950
2027	78,476	55,474	133,950
2028	80,046	53,904	133,950
2029	81,647	52,303	133,950
2030-2034	433,390	236,359	669,749
2035-2039	478,497	191,252	669,749
thereafter	1,621,630	253,667	1,875,297
Total	\$ 2,850,622	\$ 899,972	\$ 3,750,594

Legal Debt Margin

The Wyoming Constitution provides that the City shall not create any general obligation indebtedness exceeding 4% of the assessed value of the taxable property therein, except that an additional indebtedness of 4% of the assessed value of the taxable property therein may be created for sewerage disposal systems. Indebtedness created for supplying water to the City is exempt from this limitation. As of June 30, 2025, the City's assessed valuation was \$88,324,120.

NOTE 11 - DEFINED BENEFIT PENSION PLAN

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

Information about the General Public Employees Pension Plan

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

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

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

Benefits are determined based on two tiers:

Tier 1 are members who joined WRS by August 31, 2012. The Plan allows for normal retirement after four years of service and attainment of age 60. Early retirement is allowed provided the employee has completed four years of service and attained age 50 or 25 years of service. Benefits are calculated as 2.125% of employee's highest average salary for each year of credited service for the first 15 years of service plus 2.25% of the highest average salary for any years of service credit exceeding 15 years. This amount is reduced by 5% per year that the employee is under age 60.

Tier 2 are members who joined WRS after August 31, 2012. The Plan allows for normal retirement after four years of service and attainment of age 65. Early retirement is allowed provided the employee has completed four years of service and attained age 55 or 25 years of service. Benefits are calculated as 2% of employee's highest average salary for each year of credited service. This amount is reduced by 5% per year that the employee is under age 65.

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

NOTE 11 - DEFINED BENEFIT PENSION PLAN (cont.)

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

Volunteer Firefighter and EMT Pension Plan

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

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

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

Law Enforcement Pension Plan

The Wyoming Law Enforcement Pension Plan is a cost sharing multiple employer defined benefit, contributory plan covering any county sheriff, deputy county sheriff, municipal police officer, Wyoming correctional officer, Wyoming law enforcement agencies and certain investigators of the Wyoming Livestock Board.

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

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

NOTE 11 - DEFINED BENEFIT PENSION PLAN (cont.)

Law Enforcement Pension Plan (cont.)

For the year ended June 30, 2025, 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	\$ 377,930	\$ 211,981	\$ 0
Contributions - Employee (paid by employer)	85,339	51,781	7,388
	<u>\$ 463,269</u>	<u>\$ 263,762</u>	<u>\$ 7,388</u>

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

As of June 30, 2025, the City reported a combined net pension liability of \$3,315,934 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, 2024, 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, 2024 rolled forward to December 31, 2024 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, 2024 is as follows:

	General	Police	Volunteer Fire
Percentage of Proportionate Share 12/31/2023	0.115248%	0.66164%	1.30482%
Percentage of Proportionate Share 12/31/2024	0.112413%	0.70698%	1.28616%
Increase/Decrease	<u>-0.0028%</u>	<u>0.0453%</u>	<u>-0.0187%</u>

For the year ended June 30, 2025, the City recognized combined (government wide and allocations to proprietary fund) pension expense of \$361,210.

At June 30, 2025, 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	
	Outflows	Inflows	Outflows	Inflows	Outflows	Inflows
Pension contributions subsequent to measurement date	\$ 234,644	\$ 0	\$ 128,754	\$ 0	\$ 3,787	\$ 0
Change in employer's proportion and differences between the employer's contributions and the employer's proportionate share of contributions	70,258	46,351	91,320	62	0	21,178
Net differences between projected and actual earnings on Plan investments	564,924	854,225	312,148	495,261	81,469	121,025
Net differences between expected and actual experience of net outflows/(inflows) of resources	152,779	2,789	176,624	21,843	4,520	5,230
Assumption changes since prior actuarial valuation	0	0	63,751	648,374	1,465	0
Total	\$ 1,022,605	\$ 903,365	\$ 772,597	\$ 1,165,540	\$ 91,241	\$ 147,433

The \$367,185 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, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ended June 30,	General	Police	Volunteer Fire	Total
2025	\$ 6,120	\$ (286,276)	\$ (26,554)	\$ (306,710)
2026	139,748	(113,068)	4,971	31,651
2027	(186,258)	(76,253)	(28,181)	(290,692)
2028	(75,014)	(46,100)	(10,215)	(131,329)

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	1/1/24	1/1/24	1/1/24
Actuarial cost method	Individual entry age normal	Individual entry age normal	Individual entry age normal
Ammortization method	Level percent - closed	Level percent - closed	Level dollar - Closed
Remaining amortization	23	20	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%	5.25% - 9.25%	N/A
Payroll growth rate	2.50%	2.50%	N/A
Investment rate of return	6.80%, net of pension plan investment expense	6.80%, net of pension plan investment expense	6.80%, net of pension plan investment expense
Mortality	Pub-2010 General Healthy Annuitant Mortality Table, amount weighted, fully generational, projected with Scale MP-2020 Ultimate Scale	Pub-2010 General Healthy Annuitant Mortality Table, amount weighted, fully generational, projected with Scale MP-2020 Ultimate Scale	Pub-2010 General Healthy Annuitant Mortality Table, amount weighted, fully generational, projected with Scale MP-2020 Ultimate Scale

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

NOTE 11 - DEFINED BENEFIT PENSION PLAN (cont.)

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

DISCOUNT RATE			
Single Discount Rate	Long-Term Expected Rate of Return	Long-Term Municipal Bond Rate*	Last year ending December 31 in the 2024 to 2123 projection period for which projected benefit payments are fully funded
6.80%	6.80%	3.77%	2123

* 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, 2024. In describing this index, Fidelity notes that the municipal curves are constructed using option-adjusted analytics of a diverse population of over 10,000 tax-exempt securities.

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

Annual money-weighted rate of return, net of expenses for the fiscal year ended December 31, 2024	Annual money-weighted rate of return, net of expenses for the fiscal year ended December 31, 2023	Expected Rate of Return net investment expenses
10.54%	13.84%	6.80%

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

NOTE 11 - DEFINED BENEFIT PENSION PLAN (cont.)

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

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

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

	General	Police	Volunteer Fire	Total
1% Decrease				
Net Pension Liability	\$ 3,905,365	\$ 1,991,942	\$ 215,971	\$ 6,113,278
Current Discount Rate 6.8%				
Net Pension Liability	2,344,453	949,582	21,899	3,315,934
1% Increase				
Net Pension Liability	1,051,824	97,354	(139,250)	1,009,928

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

NOTE 11 - DEFINED BENEFIT PENSION PLAN (cont.)

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

Payable to the Pension Plan

At June 30, 2025, the City reported a payable of \$0 for the outstanding amount of contributions to the pension plan required for the year ended June 30, 2025.

NOTE 12 - COMMITMENTS AND CONTINGENCIES

Construction Commitments

The City has multiple active construction projects as of June 30, 2025. At year-end, the City's commitments with contractors/consultants are as follows:

Projects	Spent-to-date	Remaining Commitment	Funding Source
Safe Routes School	341,849	157,867	TAP Grant 21510 \$499,716
Transportation Design	173,471	41,160	TAP Grant 23514 \$180,980
ARPA Lincoln Street	1,611,189	5,685,068	ARPA Grant \$4,074,313
ARPA Assisted Living	1,513,695	309,281	ARPA Grant \$1,480,683
MacFarlane Drive	847,887	1,097,972	SLIB Grant/Loan
Lander Pump Station	9,841,586	15,000	Varies
Meter Project	1,662,998	487,169	SLIB Grant/Loan
Apron Reconstruction	94,950	109,404	WYODOT/FAA
Farthing Slip	165,137	134,863	MRG 25006
	<u>\$ 16,252,762</u>	<u>\$ 8,037,784</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, 2025, the City spent approximately \$90,000 for insurance premiums.

Litigation

The City is contingently liable in respect to lawsuits and claims in the ordinary course of its operations. In the opinion of City personnel, the settlement of such contingencies would not affect the financial position of the City at June 30, 2025. Should any claims prove to be a detriment to the City, they will be recorded as expenditure in the period in which a liability is realized.

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

NOTE 13 - SENIOR CENTER TRUST PERMANENT FUND

The Senior Center Trust Permanent Fund was created when the voters of Fremont County approved a 1% capital facility tax in the general election held on November 8, 1994. The proposition approved by the voters stipulated that \$661,000 of collections, plus interest earned thereon, and any unused construction funds, constitute the corpus (principal) of the endowment fund. The subsequent earnings and corpus from the endowment fund are to be used for the operation and maintenance of the facility. As of June 30, 2025, \$249,558 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, 2025.

<u>Related Party</u>	<u>June 30, 2025</u>
Database Administration Services	46,893
Janitorial Services	47,000
	<u>\$ 93,893</u>

NOTE 15 - SUBSEQUENT EVENTS

Management has evaluated subsequent events through February 6, 2026, the date the financial statements were available to be issued, and has determined that no additional events require disclosure.

CITY OF LANDER, WYOMING
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND (NON GAAP BASIS)
FOR THE YEAR ENDED JUNE 30, 2025

Section 3, Item C.

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	Budgetary Basis	Final Budget - Favorable (Unfavorable)
RESOURCES (INFLOWS)				
Taxes	\$ 12,520,248	\$ 12,520,248	\$ 7,393,169	\$ 5,127,079
Licenses and permits	132,000	157,000	294,767	(137,767)
Grants	1,802,872	1,901,562	756,931	1,144,631
Charges for services	156,000	156,000	187,587	(31,587)
Fines and forfeitures	135,000	135,000	128,281	6,719
Interest income	300,000	439,310	572,007	(132,697)
Miscellaneous revenue	675,315	675,315	227,248	448,067
Amount Available for Appropriation	15,721,435	15,984,435	9,559,990	6,424,445
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
General government	2,632,894	2,682,894	1,663,117	1,019,777
Community center	167,500	167,500	156,181	11,319
Municipal court	286,995	286,995	277,692	9,303
Attorney	65,000	65,000	66,430	(1,430)
Police	2,743,072	2,763,072	2,755,742	7,330
Fire	1,285,031	1,285,031	147,398	1,137,633
Building inspector	104,454	112,454	110,020	2,434
Emergency management and compliance coordinator	25,000	25,000	19,082	5,918
Streets	6,541,386	6,561,386	876,110	5,685,276
Rodeo grounds	6,500	36,500	31,465	5,035
Building repair and maintenance	124,000	204,000	196,827	7,173
Airport	554,300	554,300	49,631	504,669
Shop	296,804	296,804	197,478	99,326
Weed and pest	64,125	84,125	83,825	300
Parks and recreation	537,683	537,683	538,665	(982)
Golf course	43,500	68,500	64,928	3,572
Cemetery	243,191	253,191	252,011	1,180
Total Charges to Appropriations	15,721,435	15,984,435	7,486,602	8,497,833
Excess of appropriations over (under) charges to appropriations	0	0	2,073,388	
BUDGETARY FUND BALANCE - JULY 1	13,809,050	13,809,050	13,809,050	
BUDGETARY FUND BALANCE - JUNE 30	\$ 13,809,050	\$ 13,809,050	\$ 15,882,438	

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

Section 3, Item C.

	Fiscal Year*									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
City's proportion of the net pension liability	0.101861%	0.104737%	0.103928%	0.102366%	0.099569%	0.101970%	0.098594%	0.110699%	0.115247%	0.112413%
City's proportionate share of the net pension liability	\$ 2,372,699	\$ 2,532,019	\$ 2,368,866	\$ 3,117,349	\$ 2,339,791	\$ 2,216,168	\$ 1,503,288	\$ 3,035,334	\$ 2,616,327	\$2,344,453
City's covered-employee payroll	\$ 1,832,665	\$ 1,798,718	\$ 1,797,064	\$ 1,751,127	\$ 1,858,326	\$ 1,772,355	\$ 1,907,567	\$ 2,250,521	\$ 2,353,649	\$2,488,012
City's proportionate share of the net pension liability as a percentage of its covered payroll	129.47%	140.77%	131.82%	178.02%	125.91%	125.04%	78.81%	134.87%	111.16%	94.23%
Plan fiduciary net position as a percentage of the total pension liability	73.40%	73.42%	76.35%	69.17%	76.83%	79.24%	86.03%	75.47%	80.19%	82.46%

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

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

Fiscal Year*

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
City's proportion of the net pension liability	0.619236%	0.592481%	0.580904%	0.599883%	0.615016%	0.609951%	0.607582%	0.649670%	0.661644%	0.706981%
City's proportionate share of the net pension liability	\$ 465,170	\$ 447,275	\$ 499,836	\$ 1,452,151	\$ 530,135	\$ 415,512	\$ 1,728,805	\$ 2,213,138	\$ 893,776	\$ 949,582
City's covered-employee payroll	\$ 1,020,860	\$ 1,069,081	\$ 1,056,907	\$ 1,088,047	\$ 1,114,121	\$ 990,676	\$ 1,053,093	\$ 1,147,355	\$ 1,299,679	\$ 1,551,541
City's proportionate share of the net pension liability as a percentage of its covered payroll	45.57%	41.84%	47.29%	133.46%	47.58%	41.94%	164.16%	192.89%	68.77%	61.20%
Plan fiduciary net position as a percentage of the total pension liability	87.49%	88.11%	87.99%	71.22%	89.05%	91.82%	75.62%	70.30%	86.90%	87.88%

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

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

Fiscal Year*

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
City's proportion of the net pension liability	1.971486%	2.074019%	1.899089%	1.906248%	1.772232%	1.584919%	1.519355%	1.405315%	1.304817%	1.286160%
City's proportionate share of the net pension liability	\$ 624,796	\$ 658,413	\$ 543,240	\$ 678,445	\$ 495,967	\$ 363,658	\$ 191,203	\$ 345,089	\$ 98,360	\$ 21,899
City's covered-employee payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
City's proportionate share of the net pension liability as a percentage of its covered payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Plan fiduciary net position as a percentage of the total pension liability	69.16%	69.99%	74.11%	68.18%	75.64%	80.53%	89.62%	80.04%	93.97%	98.67%

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

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

Section 3, Item C.

Fiscal Year

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Contractually required contributions	\$ 304,589	\$ 298,947	298,672	299,793	327,438	321,151	355,189	419,047	438,249	463,268
Contributions in relation to the contractually required contribution	304,589	298,947	298,672	299,793	327,438	321,151	355,189	419,047	438,249	463,268
Contribution deficiency (excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
City's covered payroll of respective pension	\$1,832,665	\$1,798,718	\$1,797,064	\$1,751,127	\$ 1,858,330	\$ 1,772,355	\$ 1,907,567	\$ 2,250,521	\$ 2,353,649	\$ 2,488,012
Contributions as a percentage of covered employee payroll	16.62%	16.62%	16.62%	17.12%	17.62%	18.12%	18.62%	18.62%	18.62%	18.62%

See Notes to Required Supplementary Pension Information

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

Section 3, Item C.

Fiscal Year

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Contractually required contributions	\$ 175,588	\$ 183,882	\$ 181,788	\$ 187,144	\$ 191,629	\$ 170,396	\$ 181,132	\$ 197,345	\$ 223,545	\$ 263,762
Contributions in relation to the contractually required contribution	175,588	183,882	181,788	187,144	191,629	170,396	181,132	197,345	223,545	263,762
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>	<u>\$ 0</u>	<u>\$ 0</u>
City's covered payroll of respective pension	\$ 1,020,860	\$ 1,069,081	\$ 1,056,907	\$ 1,088,047	\$ 1,114,121	\$ 990,676	\$ 1,053,093	\$ 1,147,355	\$ 1,299,679	\$ 1,551,541
Contributions as a percentage of covered employee payroll	17.20%	17.20%	17.20%	17.20%	17.20%	17.20%	17.20%	17.20%	17.20%	17.00%

See Notes to Required Supplementary Pension Information

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

Section 3, Item C.

Fiscal Year

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Contractually required contributions	\$ 8,687	\$ 8,385	\$ 7,485	\$ 7,905	\$ 7,410	\$ 8,681	\$ 8,138	\$ 7,331	\$ 7,425	\$ 7,538
Contributions in relation to the contractually required contribution	8,687	8,385	7,485	7,905	7,410	8,681	8,138	7,331	7,425	7,538
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>	<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	N/A	N/A
Contributions as a percentage of covered employee payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

See Notes to Required Supplementary Pension Information

CITY OF LANDER, WYOMING
NOTES TO REQUIRED SUPPLEMENTARY
PENSION INFORMATION
FOR THE YEAR ENDED JUNE 30, 2025

Changes of benefit terms -

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

Changes in the composition of the population -

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

Changes in assumptions -

There are no changes in assumptions from the prior year.

CITY OF LANDER, WYOMING
COMBINING BALANCE SHEET
SPECIAL REVENUE FUNDS
JUNE 30, 2025

Section 3, Item C.

	Health Rivers	Economic Development	Airport	Section 205	Maven	Assisted Living	Total Nonmajor Special Revenue Funds
ASSETS							
Cash and cash equivalents	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Receivables, net							
Grants	0	655	188,728	0	0	283,972	473,355
Due from other funds	11,247	1,120,010	0	0	57,691	119,028	1,307,976
Total Assets	<u>\$ 11,247</u>	<u>\$ 1,120,665</u>	<u>\$ 188,728</u>	<u>\$ 0</u>	<u>\$ 57,691</u>	<u>\$ 403,000</u>	<u>\$ 1,781,331</u>
LIABILITIES AND FUND BALANCE							
Liabilities							
Accounts payable and accrued expenses	\$ 0	\$ 38,228	\$ 16,261	\$ 0	23,561	\$ 181,603	\$ 259,653
Due to other funds	0	0	408,623	20,830	0	0	429,453
Deposits	0	0	0	0	46,668	0	46,668
Total Liabilities	<u>-</u>	<u>38,228</u>	<u>424,884</u>	<u>20,830</u>	<u>70,229</u>	<u>181,603</u>	<u>735,774</u>
Fund Balance							
Unreserved and undesignated	11,247	1,082,437	(236,156)	(20,830)	(12,538)	221,397	1,045,557
Total Liabilities and Fund Balance	<u>\$ 11,247</u>	<u>\$ 1,120,665</u>	<u>\$ 188,728</u>	<u>\$ 0</u>	<u>\$ 57,691</u>	<u>\$ 403,000</u>	<u>\$ 1,781,331</u>

CITY OF LANDER, WYOMING
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2025

Section 3, Item C.

	Health Rivers	Economic Development	Airport	Section 205	Maven	Assisted Living	Total Nonmajor Special Revenue Funds
REVENUES							
Intergovernmental	\$ 0	\$ 728,926	\$ 86,862	\$ 0	\$ 0	\$ 307,591	\$ 1,123,379
Sales and services	0	0	232,056	0	148,317	0	380,373
Miscellaneous	0	0	2,500	0	0	0	2,500
Total Revenues	0	728,926	321,418	0	148,317	307,591	1,506,252
EXPENDITURES							
Current							
Public safety and transportation	0	218,678	349,530	0	0	0	568,208
Miscellaneous project costs	0	126,826	0	20,830	72,885	405,655	626,196
Intergovernmental	0	0	0	0	0	368	368
Capital outlay	0	0	0	0	0	0	0
Total Expenditures	0	345,504	349,530	20,830	72,885	406,023	1,194,772
Excess of revenues over (under) expenditures	0	383,422	(28,112)	(20,830)	75,432	(98,432)	311,480
OTHER FINANCING SOURCES (USES)							
Operating transfers in	0	0	49,631	0	0	0	49,631
Other financing uses - loan payments	0	0	0	0	(75,429)	0	(75,429)
Total Other Financing Sources (Uses)	0	0	49,631	0	(75,429)	0	(25,798)
Excess of revenues and other sources over (under) expenditures and other uses	0	383,422	21,519	(20,830)	3	(98,432)	285,682
FUND BALANCE - JULY 1	11,247	699,015	(257,675)	0	(12,541)	319,829	759,875
FUND BALANCE - JUNE 30	\$ 11,247	\$ 1,082,437	(\$ (236,156)	(\$ (20,830)	(\$ (12,538)	\$ 221,397	\$ 1,045,557

CITY OF LANDER, WYOMING
 DETAIL SCHEDULE OF DEPARTMENTAL EXPENDITURES
 BY OBJECT CLASSIFICATION
 GENERAL FUND
 FOR THE YEAR ENDED JUNE 30, 2025

	Materials and Supplies	Contractual Services	Salaries and Benefits	Function Class Totals	Debt Service, Capital Outlay, Transfers Out	Budget Class Totals
GENERAL GOVERNMENT						
General government	\$ 125,927	\$ 453,761	\$ 641,726	\$ 1,221,414	\$ 228,369	\$ 1,449,783
Economic development	0	810	0	810	0	810
Community center	79,797	71,784	0	151,581	4,600	156,181
Other general accounts	3,867	133,436	0	137,303	75,219	212,522
City attorney	0	66,430	0	66,430	0	66,430
Municipal court	4,281	84,263	189,148	277,692	0	277,692
Total General Government Expenditures	213,872	810,484	830,874	1,855,230	308,188	2,163,418
PUBLIC SAFETY						
Police department	43,756	253,155	2,325,836	2,622,747	132,995	2,755,742
Fire department	47,583	25,971	73,844	147,398	0	147,398
Building inspector	16,470	375	93,175	110,020	0	110,020
Emergency management and compliance	19,082	0	0	19,082	0	19,082
Weed and pest	7,056	0	62,619	69,675	14,150	83,825
Total Public Safety Expenditures	133,947	279,501	2,555,474	2,968,922	147,145	3,116,067
PUBLIC WORKS						
Streets and alleys	91,916	0	283,591	375,507	500,603	876,110
Building repair and maintenance	196,827	0	0	196,827	0	196,827
Cemetery	8,253	3,558	223,180	234,991	17,020	252,011
Maintenance shop	128,649	1,560	67,269	197,478	0	197,478
Parks and recreation	108,971	8,182	358,598	475,751	62,914	538,665
Rodeo grounds	28,401	3,064	0	31,465	0	31,465
Golf course	21,428	0	43,500	64,928	0	64,928
Total Public Works Expenditures	584,445	16,364	976,138	1,576,947	630,168	2,207,115
Total Expenditures	\$ 932,264	\$ 1,106,349	\$ 4,362,486	\$ 6,401,099	\$ 1,085,501	\$ 7,486,600

CITY OF LANDER, WYOMING
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2025

Section 3, Item C.

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Assistance Listing Number</u>	<u>Grantor's Number</u>	<u>2025 Expenditures</u>	<u>Total Federal Loan Balance</u>
U.S. Environmental Protection Agency				
<i>Passed through to Office of State Land and Investments</i>				
Loan - Clean Water Drinking #125	66.458	NA	\$ 0	\$ 337,618
Loan - Clean Water Drinking #128	66.458	NA	0	972,691
Loan - Clean Water Drinking #142	66.458	NA	0	872,911
Loan - Clean Water Drinking #141	66.458	NA	0	800,359
Loan - Safe Water Drinking #194	66.458	NA	0	1,091,586
Loan - Safe Water Drinking #180	66.458	NA	0	392,062
Total U.S. Environmental Protection Agency			<u>0</u>	<u>4,467,226</u>
U.S Department of Treasury				
<i>Passed through to Office of State Lands & Investment Board</i>				
Coronavirus State and Local Fiscal Recovery Funds	21.027	ARPA WS -1105	1,611,189	0
<i>Passed through Wyoming Department of Health</i>				
Coronavirus State and Local Fiscal Recovery Funds	93.384	ARPA HHS-1394	311,655	0
Total U.S. Department of Treasury			<u>311,655</u>	<u>0</u>
U.S Department of Interior				
<i>Passed through the Wyoming Department of Environmental Quality, Abandoned Mine Land Division</i>				
AML Project 76 - Water Storage Tanks and Pump Station Project	15.252		4,145,784	0
Total U.S Department of Interior			<u>4,145,784</u>	<u>0</u>
Federal Emergency Management (FEMA)				
<i>Passed through to Wyoming Office of Homeland Security</i>				
Homeland Security Grant Program	97.067	23-SHSP-LAN-FD-INT	22,004	0
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	4327-DR-WY-PISWY500	186,826	0
Total U.S. Department of the Interior			<u>208,830</u>	<u>0</u>
Wyoming Department of Transportation				
<i>Passed through the WYDOT Aeronautics Division</i>				
Airport Improvement Program	20.106	3-56-16-24-2025	94,950	0
<i>Passed through the WYDOT</i>				
Highway Planning and Construction	20.205	CD23514	124,297	
State and Community Highway Safety Program	20.600	AL-2024-BI-AL-01	18,901	0
Total Wyoming Department of Transportation			<u>238,148</u>	<u>0</u>
Total Expenditures of Federal Awards			<u>\$ 4,904,417</u>	<u>\$ 4,467,226</u>

NOTE TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2025

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.

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**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, 2025, 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 February 6, 2026.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2024-001 that we consider to be significant deficiencies.

Report on Compliance And Other Matters

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

City of Lander, Wyoming's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the City of Lander, Wyoming's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The City of Lander, Wyoming response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

SUMMIT WEST CPA GROUP, P.C.

Summit West CPA Group, P.C.
Lander, Wyoming
February 6, 2026

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**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, 2025. 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, 2025.

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

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

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

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

Report on Internal Control over Compliance

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

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

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

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

SUMMIT WEST CPA GROUP, P.C.

Summit West CPA Group, P.C.
Lander, Wyoming
February 6, 2026

**CITY OF LANDER, WYOMING
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2025**

Section 3, Item C.

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

Material weakness identified?	☐ Yes	☒ No
Significant deficiency identified not considered to be material weaknesses?	☐ Yes	☒ None Reported

Noncompliance material to financial statements noted? ☐ Yes ☒ No

Federal Awards

Internal control over major programs:

Material weakness identified?	☐ Yes	☒ No
Significant deficiency identified not considered to be material weakness?	☐ Yes	☒ None Reported

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

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

Identification of major programs:

ULN Numbers

Name of Federal Program or Cluster

15.252

Abandoned Mine Land Reclamation (AMLR) Grants

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

\$750,000

Auditee qualified as low-risk auditee?

☐ Yes ☒ No

CITY OF LANDER, WYOMING
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2025

Section 3, Item C.

SECTION II - FINANCIAL STATEMENT FINDINGS

None noted

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None noted

CITY OF LANDER, WYOMING
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
JUNE 30, 2025

SIGNIFICANT DEFICIENCY

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

Condition

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

Criteria

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

Cause

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

Effect

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

Questioned Costs

Not applicable

Sampling Method

Not applicable

Recommendation

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

Response and Views of Responsible Officials

See Corrective Action Plan and Response to Findings

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None noted