

**CITY OF ROCK SPRINGS, WYOMING**

**FINANCIAL AND COMPLIANCE REPORT**

**JUNE 30, 2023**

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## **INDEPENDENT AUDITOR'S REPORT**

The Honorable Mayor and Members of the City Council  
City of Rock Springs  
Rock Springs, Wyoming

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Rock Springs, Wyoming (the City) as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of June 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

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

#### ***Emphasis of Matter***

As discussed in Notes 1 and 12 to the financial statements, effective July 1, 2022, the City adopted new accounting guidance based on the provisions of Governmental Accounting Standards Board (GASB) Statement No. 96, *Subscription-Based Information Technology Arrangements*, which require governments to recognize subscription assets and corresponding subscription liabilities for qualifying arrangements. Our opinion is not modified with respect to this matter.

#### ***Responsibilities of Management for the Financial Statements***

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for 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 GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

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

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

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

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis on pages 4 through 12, the Budgetary Comparison Schedule - General Fund on pages 55 through 57, the Notes to Required Supplementary Information on page 58, the Schedule of Changes in Total OPEB Liability and Related Ratios on page 59, the Schedule of the Proportionate Share of the Net Pension Liability on pages 60 through 63, and the Schedule of Pension Contributions on pages 64 through 67 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the GASB who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The Combining Nonmajor Blended Component Unit Fund Financial Statements and the 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 GAAS. In our opinion, this information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated November 1, 2023 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

*McGee, Hearne & Paiz, LLP*

Cheyenne, Wyoming  
November 1, 2023

## **CITY OF ROCK SPRINGS, WYOMING MANAGEMENT'S DISCUSSION AND ANALYSIS**

### **INTRODUCTION**

As management of the City of Rock Springs, Wyoming, we offer the readers of the City's financial statements this narrative overview and analysis of the financial statements of the City for the year ended June 30, 2023. When read in conjunction with the financial statements, this section's financial highlights, overview, and analysis should assist the reader in gaining a more complete knowledge of the City's financial performance.

### **FINANCIAL HIGHLIGHTS**

The assets and deferred outflows of resources of the City exceed its liabilities and deferred inflows of resources at the close of June 30, 2023 by \$194,778,832 (reported as net position). Of this amount, \$43,274,797 (unrestricted net position) may be used to meet the City's ongoing obligations to citizens and creditors. Note that the total net position figure includes net investment in capital assets of \$137,038,385.

The City's total net position increased by \$6,861,874. Net position for governmental activities increased by \$5,495,175 or 4.72%. Net position for business-type activities increased by \$1,366,699 or 1.91%.

At the close of the year, the City's general fund reported an ending fund balance of \$44,208,985, an increase of \$3,080,166 or 7.49% from the prior year. Of this amount, \$17,983,047 is available for spending at the City's discretion (unassigned fund balance).

Total noncurrent portion of long-term obligations for governmental activities had a net increase of \$2,308,442 or 9.07% from the prior year. This is due to a increase in the City's net pension obligation of \$3,134,510, primarily relating to an increase in the City's liability for the WRS public employees' pension plan and the firemen's pension plan B as well as a decrease in the City's liability for the WRS firemen's pension plan A. The increase from the net pension obligation was offset by an decrease in the total OPEB obligation of \$966,778, the City's OPEB obligation is incurred due to the City's electing to offer health insurance to the City's retiree's (See further discussion in Note 11). In addition during the current year there was a small increase due to the implementation of GASB Statement No. 96 Subscription-Based Information Technology Arrangements of \$95,167.

### **OVERVIEW OF THE FINANCIAL STATEMENTS**

The discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The basic financial statements include three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. The report also contains additional required supplementary information (budgetary comparison schedule, schedule of changes in total OPEB liability and related ratios, and schedule of the proportionate share of the net pension liability and the schedule of pension contributions) and other supplementary information in addition to the other basic financial statements themselves.

**Government-wide financial statements.** These statements are designed to provide readers with a broad overview of the City's finances in a manner similar to private-sector business reporting.

The statement of net position presents information on all of the City's assets/deferred outflows of resources and liabilities/deferred inflows of resources, with the difference reported as net position. The statement provides both short-term and long-term information about the City's financial position. Over time, increases or decreases in net position may serve as a useful indicator of whether the economic condition of the City is improving or deteriorating. In evaluating the government's economic condition, however, additional non-financial factors should be considered such as the City's economic outlook, changes in its demographics, and the condition of its infrastructure and other capital assets. The statement of activities presents revenue and expense information showing how the City's net position changed during the fiscal year. To understand the basis of how these numbers are determined, it is important to note that changes in net position are reported whenever an event occurs that requires a revenue

or expense to be recognized, regardless of when cash is received or disbursed (such as uncollected fees and expenses for goods purchased but not yet received).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by intergovernmental revenues and taxes (governmental activities) from other functions that are designed to recover all or a significant portion of their costs through user fees and charges (business type activities). The governmental activities of the City include: general government, public safety, public works and culture and recreation. Business-type activities include the water department, the water reclamation facility, and the housing authority.

The government-wide financial statements can be found on pages 13 and 14 of this report.

**Fund financial statements.** A fund is a grouping of related accounts (revenues, expenditures/expenses, assets, deferred outflows of resources, liabilities, and deferred inflows of resources) that is used to control resources that have been segregated for specific activities. The City of Rock Springs, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds utilized by the City can be divided into two categories, governmental funds and proprietary funds.

**Governmental funds.** Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, for accounting and reporting purposes, government fund numbers are determined with a different approach. At the fund level, the focus is on changes in near-term spendable resources and the balance of resources available to spend at year-end, rather than the long-term focus used for determining government-wide numbers. Because the focus is so different between fund statements and government-wide statements, reconciliation between the two types is necessary to understand how the numbers differ. Reconciliations are provided on pages 16 and 18 of this report.

The General Fund is the operating governmental fund of the City. To demonstrate legal compliance, a schedule comparing budget-to-actual numbers for the General Fund is included in the required supplementary information.

**Proprietary funds.** The City maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for the operation of the water and sewer operations as well as the Rock Springs Housing Authority. Internal service funds are an accounting tool used to accumulate and allocate costs internally among the City's functions. The City uses an internal service fund to account for its employee health insurance.

**Notes to the financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found starting on page 23 of this report.

**Other information.** The budgetary comparison schedule, including related notes, a schedule of changes in total OPEB liability and related ratios, a schedule of the proportionate share of the net pension liability and a schedule of pension contributions are reported as required supplementary information, which begins on page 55. Also supplementary information such as, individual fund statements for the Housing Authority and the Schedule of Expenditures of Federal Awards, can be found starting on page 68 of this report.

## Government-wide financial analysis

**Net position:** As stated earlier, an analysis of net position is probably the most important financial measurement to assist with understanding the financial position of the City, and whether the financial position improves or deteriorates each year. The following table presents summary information from the government-wide statement of net position:

<b>City of Rock Springs</b> <b>Summary of Net Position</b> (expressed in millions, totals may not add due to rounding)						
	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
<b>Current and other assets</b>	56.37	51.58	34.77	31.67	91.14	83.25
<b>Noncurrent assets</b>	1.11	0.97	1.34	1.19	2.45	2.16
<b>Capital assets</b>	98.06	99.94	42.78	45.41	140.84	145.35
<b>Total assets</b>	155.54	152.46	78.89	78.27	234.43	230.76
<b>Deferred outflows of resources</b>	8.19	10.17	-	-	8.19	10.17
<b>Current liabilities</b>	4.60	4.57	2.17	2.67	6.77	7.24
<b>Non-current liabilities</b>	27.75	25.44	2.97	3.93	30.72	29.37
<b>Total liabilities</b>	32.35	30.01	5.14	6.60	37.49	36.61
<b>Deferred inflows of resources</b>	9.46	16.26	0.90	0.18	10.36	16.41
<b>Net investment in capital assets</b>	97.57	99.76	39.47	41.27	137.04	141.03
<b>Restricted</b>	-	-	14.46	13.88	14.46	13.88
<b>Unrestricted</b>	24.35	16.66	18.92	16.34	43.27	33.00
<b>Total net position</b>	121.92	116.42	72.85	71.49	194.77	187.91

As depicted above, at June 30, 2023, the City's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by approximately \$194.77 million (net position). 70.36% of this amount is represented by the net investment in capital assets. Due to the nature of these assets – long-term assets which are not readily convertible to liquid assets – they are not considered to be available for spending or appropriation.

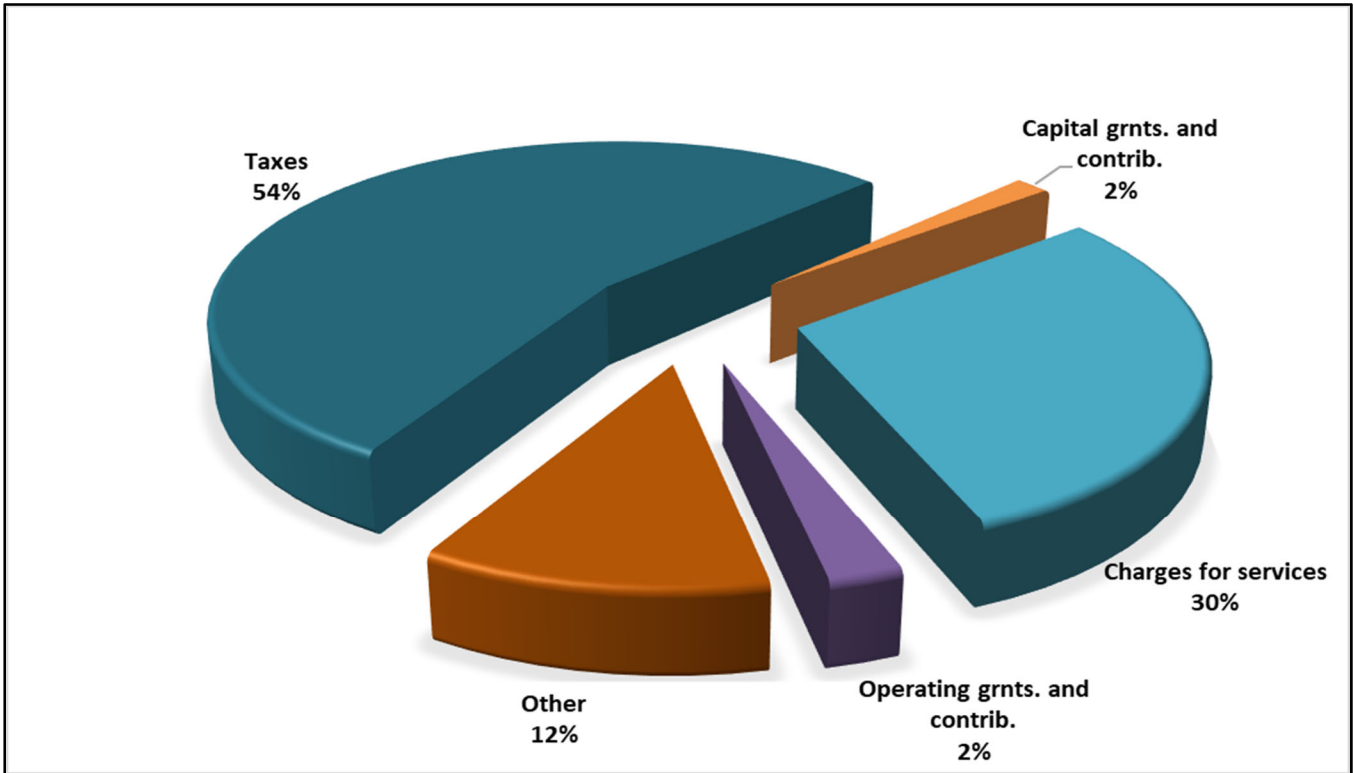


**Changes in net position:** As taken from the government-wide statement of activities, the following table depicts the changes in net position for the current and prior year:

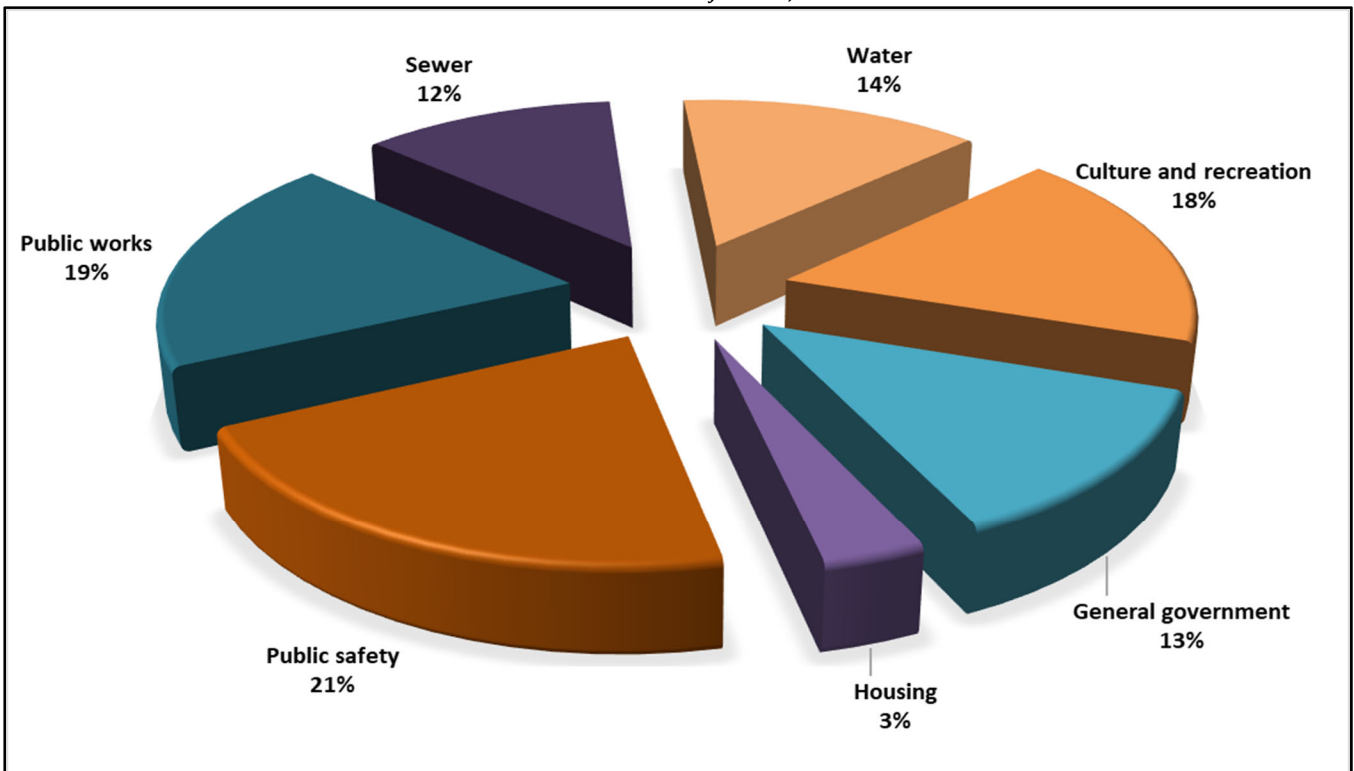
<p style="text-align: center;"><b>City of Rock Springs</b>  <b>Summary of Changes in Net Position</b>  (expressed in millions, totals may not add due to rounding)</p>						
	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total</b>	
	<b>2023</b>	<b>2022*</b>	<b>2023</b>	<b>2022*</b>	<b>2023</b>	<b>2022*</b>
<b>Revenues:</b>						
<b>Program revenues:</b>						
Charges for services	3.01	2.89	12.65	12.18	15.66	15.07
Operating grants and contribution	0.60	25.30	0.74	0.80	1.34	26.10
Capital grants and contribution	0.29	5.12	0.55	0.45	0.84	5.57
<b>General revenues:</b>						
Sales and use tax	22.21	18.25	-	-	22.21	18.25
Mineral severance and royalties tax	1.76	1.82	-	-	1.76	1.82
Property tax	2.69	2.53	-	-	2.69	2.53
Franchise tax	0.77	0.68	-	-	0.77	0.68
Gas and special fuels tax	1.00	1.03	-	-	1.00	1.03
Other taxes	0.17	0.19	-	-	0.17	0.19
Supp. local gov't funding/impact asst.	1.69	1.37	-	-	1.69	1.37
Investment earnings	1.04	-	0.54	(0.16)	1.58	(0.16)
Miscellaneous	2.61	2.52	.27	0.57	2.88	3.09
<b>Total revenues</b>	<b>37.84</b>	<b>61.70</b>	<b>14.75</b>	<b>13.84</b>	<b>52.59</b>	<b>75.54</b>
<b>Expenses:</b>						
General government	5.89	4.81	-	-	5.89	4.81
Public safety	9.65	13.56	-	-	9.65	13.56
Public works	8.77	8.19	-	-	8.77	8.19
Culture and recreation	8.03	7.37	-	-	8.03	7.37
Water	-	-	6.44	6.87	6.44	6.87
Sewer	-	-	5.38	5.42	5.38	5.42
Housing	-	-	1.57	1.48	1.57	1.48
<b>Total expenses</b>	<b>32.34</b>	<b>33.93</b>	<b>13.39</b>	<b>13.77</b>	<b>45.73</b>	<b>47.70</b>
<b>Change in net position</b>	<b>5.50</b>	<b>27.77</b>	<b>1.36</b>	<b>0.07</b>	<b>6.86</b>	<b>27.84</b>
<b>Net position, beginning of year</b>	<b>116.42</b>	<b>90.61</b>	<b>71.49</b>	<b>71.42</b>	<b>187.91</b>	<b>162.03</b>
<b>Prior period adjustment</b>	<b>-</b>	<b>(1.96)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1.96)</b>
<b>Net position, end of year</b>	<b>121.92</b>	<b>116.42</b>	<b>72.85</b>	<b>71.49</b>	<b>194.77</b>	<b>187.91</b>

\*GASB Statement No. 96 is effective for the year ended June 30, 2023. The year ended June 30, 2022, as presented in this column was not restated. For further discussion, see notes 12 and 14 to the financial statements.

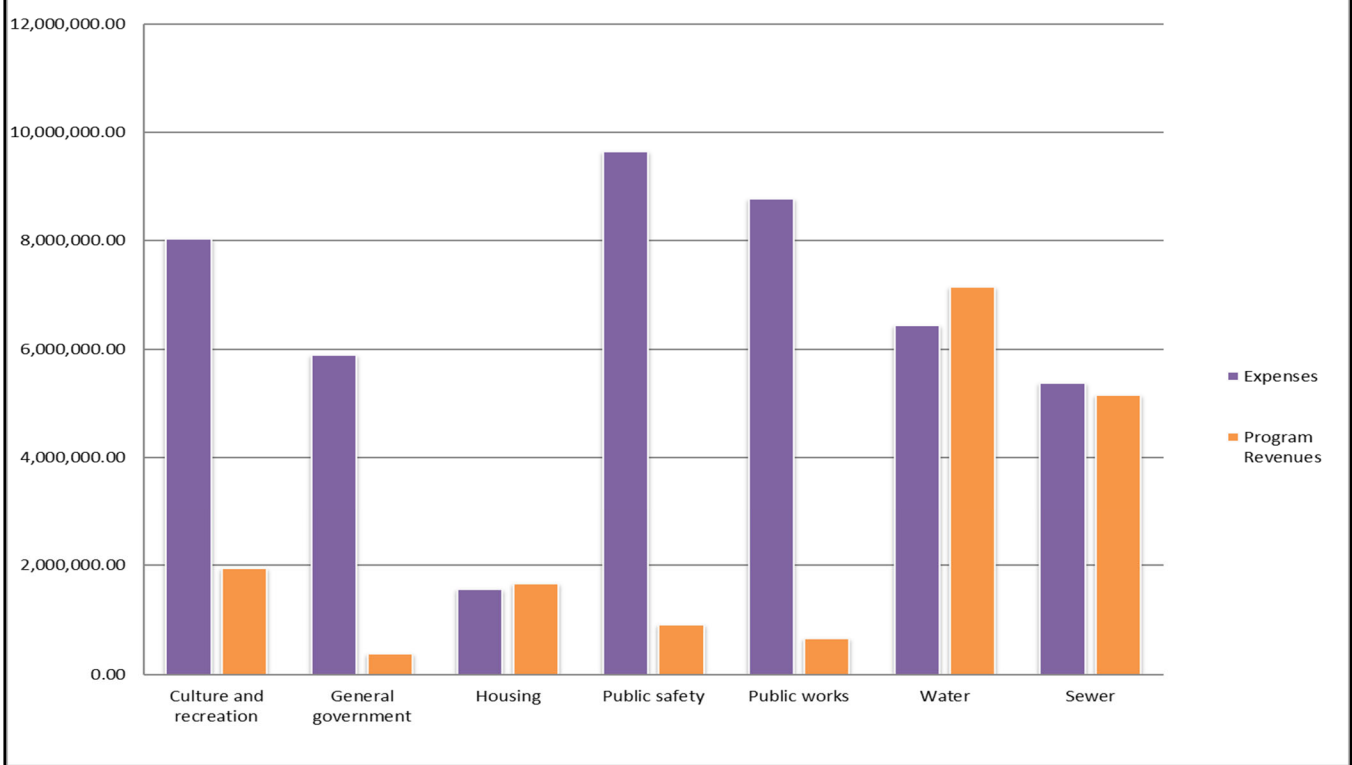
Total Government-Wide Revenues  
Fiscal Year Ended June 30, 2023



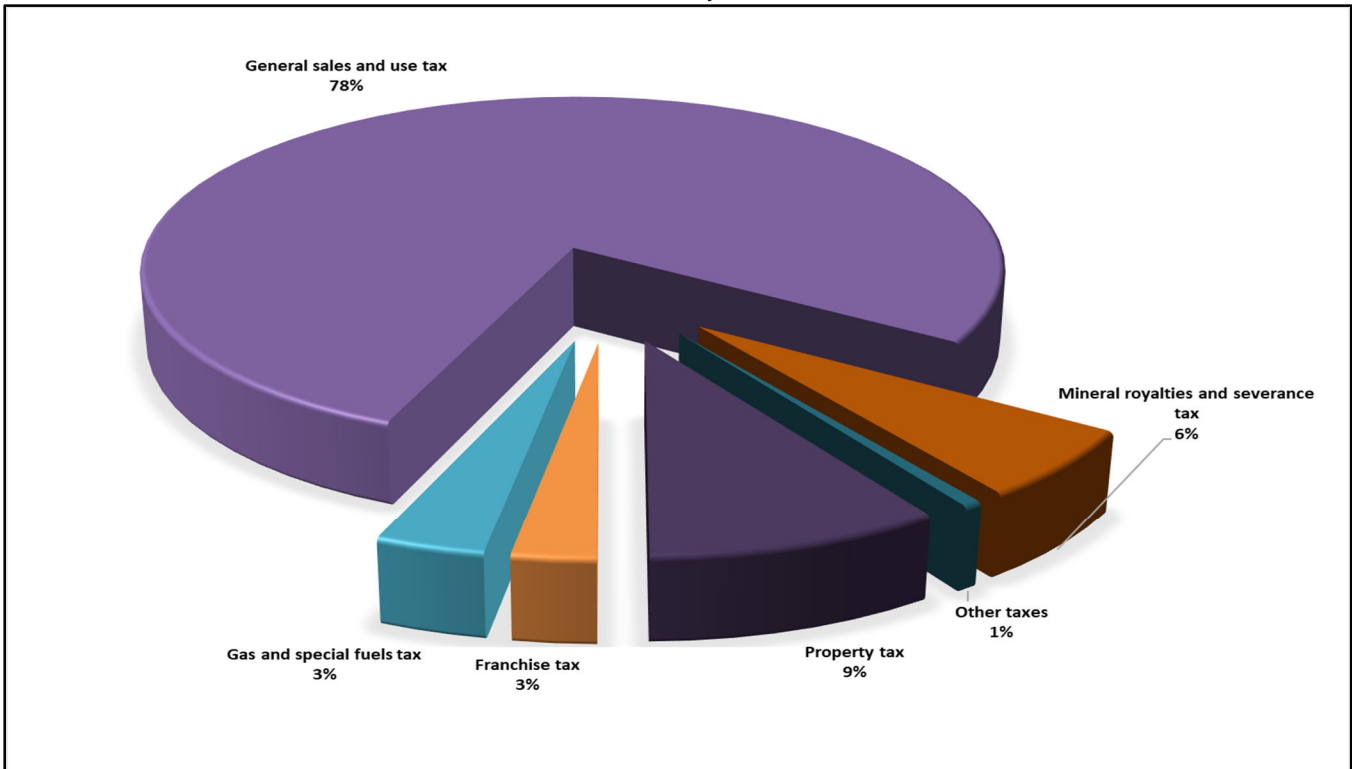
Total Government-Wide Expenses  
Fiscal Year Ended June 30, 2023



**Expenses and Program Revenue**  
**Fiscal Year Ended June 30, 2023**



**Tax Revenue**  
**Fiscal Year Ended June 30, 2023**



Governmental activities increased the City's net position by \$5,495,175 million. This change in net position is an increase from last year's change in net position by approximately \$22.28 million. Key elements of the change in net position include:

- Sales and use tax revenue comprises approximately 59% of total governmental activities revenues. These taxes increased by approximately \$3.96 million or 21.70% from the previous year.
- In the prior year there was a decrease in the City's net pension obligation of \$21,396,841, primarily relating to decrease in the City's liability for the WRS Firemen's Pension Plan A. A portion of this decrease would have been included as a decrease to prior year expenditures. However, the large the reduction of the Fire Pension Plan A liability, a decrease of \$20.9 million, was included as an increase to prior year public safety operating grants and contributions. This is because the primary driver of the decrease was the contributions required under Senate File 39 (See discussion at Note 6). There were no such items in the current year.
- Operating grants and contributions revenue comprise approximately 41% of total governmental activities revenues in the prior year but only 2% in the current year. These revenues decreased by approximately \$24.7 million or 97.63% from the previous year. This is due to the Fire Plan A liability decrease discussed above, as well as the City receiving approximately \$3.93 million in Coronavirus Aid, Relief and Economic Security Act funding in the PY, there was no such funding received in the current year.
- Capital grants and contributions revenue comprise approximately 8% of total governmental activities revenues in the prior year versus 1% in the current year. These revenues decreased by approximately \$4.83 million or 94.34% from the previous year. This is due to the City receiving grant funding for several large capital projects that were completed in the prior year (i.e. the First Security bank project and Bitter Creek Restoration project).

The business-type activities include the water, sewer, and the housing authority funds. These activities increased net position by approximately \$1.36 million. This change in net position is an increase from last year's change in net position of approximately \$1.3 million. Key elements of the change in net position include:

- Water fund charges increased by \$255 thousand or 3.70% from the prior year, which is due to rate increases as well as overall increased water usage. Additionally there was an overall decrease in water fund expenses of \$439 thousand due to a decrease in infrastructure costs (which are contributed to the Joint Powers Water Board).
- Sewer fund revenue and expenditures remained comparable to the prior year, an increase of \$2.7 thousand from the prior year, this is due in part to no new subdivisions being accepted into the city which is offset by an increase in sewer use fees due to rate increases.
- Overall housing authority program revenue increased from the prior year, this is primarily due to an increased capital grant funding and is offset by an increase in capital expenditures for the Gobel exterior siding project.
- Total business-type activity unrestricted investment earnings increased by approximately \$697 thousand or 439% compared to the prior year; this is primarily due to improved market performance.

### **Financial analysis of the City's funds**

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

The general fund is the chief operating fund of the City. As of the end of the current fiscal year, the City's general fund reported a total ending fund balance of \$44,208,985 in comparison with \$41,128,819 in ending fund balance in the prior year. \$17,983,047 of this amount is reported as unassigned fund balance, which is available for spending at the government's discretion. Unassigned fund balance represents 51.55% of total general fund expenditures, while total fund balance equals 126.73% of total general fund expenditures. The remainder of fund balance is nonspendable, assigned, or committed to indicate that it is not available for new spending. These amounts are not available because of 1) buying inventory, and paying expenditures in advance (\$531,429), 2)

being used in emergency or unusual situations that may arise causing need to exceed total appropriations (\$12,992,493), 3) purchasing capital assets in future periods (\$1,487,945), 4) paying compensated absences and post-employment benefits other than pensions due to employees (\$1,650,250), 5) encumbered by the City Council or other authorized City official (\$5,293,770), or 6) cash carried over from prior periods (\$4,270,051).

Unrestricted net position of the water fund and sewer funds were \$10,614,303 and \$8,310,271, respectively. The increase in total net position was \$1,148,987 and \$115,185 for the water fund and sewer fund, respectively. The water fund has restricted net position of \$1,181,226 relating to assets held by the Joint Powers Water Board for water system capital expenses and \$3,278,806 for future system improvements and repairs. The sewer fund had restricted net position of \$9,474,921 for future system improvements and repairs. Also, the water fund, by agreement, is required to give the Joint Powers Water Board any water related infrastructure assets constructed by the City. An expense of \$312,770 was incurred in the water fund relating to the transfer of title of assets from the City to the Joint Powers Water Board.

The restricted net position balance for the housing authority was \$530,697, which was an increase of \$215,945 from the prior year. The City's internal service fund had a net position balance of \$5,362,002 at year-end which is an increase of \$600,303 from the prior year. This can be attributed to a decrease in insurance claims.

### **General Fund budgetary highlights**

The differences between the original budget and the final amounts represent changes made by the council as additional facts and information became available. Several factors lead to these modifications. They include: economic factors, emergency purchases, and other factors.

For the current year, actual tax revenues exceeded budgeted tax revenues by \$10.54 million. This is due to the City budgeting conservatively due to the statewide decrease in economic activity seen in previous years and the resulting sales tax collections. Actual federal, state, and county grant revenue recognized was \$636 thousand less than what was budgeted for. This was due to the timing of projects expended that are applicable for reimbursements for grants and for grants budgeted for, but not received.

For the current year, expenditures were under budget by approximately \$6.52 million. Most of this amount was due to projects budgeted but not completed in various departments (most of these projects should be completed in the subsequent budget year) as well as an continued reduction in spending due to decreased economic activity statewide.

### **Capital assets**

At the end of the year, the City owned capital assets valued at approximately \$140.84 million. Additional information is provided in footnote 4. The following schedules show the City's capital assets for the current and prior year.

**City of Rock Springs**  
**Capital Assets (net of depreciation)**  
(expressed in millions)

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
<b>Land/easements/art</b>	8.45	8.30	0.78	0.78	9.23	9.08
<b>Construction in progress</b>	8.64	13.02	0.06	0.22	8.70	13.24
<b>Buildings/improvements</b>	16.12	17.10	16.99	18.03	33.11	35.13
<b>Systems improvements</b>	-	-	0.56	0.70	0.56	0.70
<b>Land improvements</b>	7.55	7.96	0.35	0.38	7.90	8.34
<b>Equipment</b>	2.61	2.87	0.56	0.73	3.17	3.60
<b>Infrastructure</b>	54.09	50.40	23.48	24.57	77.57	74.97
<b>Depreciable easements</b>	0.10	0.10	-	-	0.10	0.10
<b>Right-to-use: equipment</b>	0.36	0.19	-	-	0.36	0.19
<b>Right-to-use: subscriptions</b>	0.14	-	-	-	0.14	-
<b>Total</b>	98.06	99.94	42.78	45.41	140.84	145.35

Major capital asset events during the year included:

- A new piece of property for the detention basins in the amount of \$151 thousand.
- A new civic center cargo van with as cost of approximately \$60 thousand.
- A new fire department pickup truck with as cost of approximately \$58 thousand.
- 2 new leased police vehicles with equipment with a cost of approximately \$124 thousand.
- A new leased Caterpillar 320-07 hydraulic excavator with a cost of approximately \$175 thousand.
- IT Server room upgrade with a cost of approximately \$92 thousand.
- A new parks department Kubota mower with a cost of approximately \$50 thousand.
- Two new pieces of subscription software in the amount of \$169 thousand.
- Exterior siding and improvements at the Public Housing Gobel Grove site with a cost of approximately \$155 thousand.

#### **Long-term obligations**

As of June 30, 2023, the City had long-term obligations outstanding of \$33.73 million. This primarily consists of the following: loans payable to the State of Wyoming (approximately \$6 million) for water and sewer projects as well as the Fire Plan A Legislative Reserve account debt; lease liability of \$352 thousand, net pension obligation of \$22.8 million, and the total OPEB obligation of \$1.94 million. Overall long-term obligations for the City increased by \$1.5 million or 4.64%, from the previous year. This increase was due to the increase in the City's net pension obligation, lease liabilities, and subscription liabilities; which was offset by the decrease in the City's total OPEB obligation, and amounts due to other governmental entities.

Please refer to note 10 for more information on long-term obligations. For more information specifically on the net pension obligation or total OPEB obligation see notes 6 and 11, respectively.

#### **Requests for Information**

This financial report is designed to provide citizens, customers, investors, creditors and others with a general overview of the City's finances and to demonstrate the City's accountability for the money it receives. Questions concerning any of the information provided in this report, or requests for additional financial information should be addressed to the City of Rock Springs, Matthew L. McBurnett, Director of Administrative Services, 212 D Street, Rock Springs, WY 82901, telephone number (307) 352-1500.

## **GOVERNMENT-WIDE FINANCIAL STATEMENTS**

**City of Rock Springs, Wyoming**  
**Statement of Net Position**  
**As of June 30, 2023**

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
<b>Assets</b>			
<b>Current Assets</b>			
Cash and investments	\$ 47,154,407	\$ 31,873,708	\$ 79,028,115
Receivables (net of allowance for uncollectibles):			
Accounts receivable	16,088	968,181	984,269
Taxes receivable	3,464,046	722,055	4,186,101
Accrued interest receivable	80,655	44,706	125,361
Grants receivable	258,563	-	258,563
Lease receivable	160,720	8,522	169,242
Due from other governmental entities	4,707,983	-	4,707,983
Inventories	426,454	1,133,721	1,560,175
Prepaid items	104,975	19,846	124,821
Total current assets	<u>56,373,891</u>	<u>34,770,739</u>	<u>91,144,630</u>
<b>Noncurrent Assets</b>			
Lease receivable	1,113,066	158,737	1,271,803
Restricted receivable, due from the JPWB	-	1,181,226	1,181,226
Capital assets being depreciated, net	80,957,139	41,945,685	122,902,824
Capital assets, not being depreciated	17,095,226	837,765	17,932,991
Total noncurrent assets	<u>99,165,431</u>	<u>44,123,413</u>	<u>143,288,844</u>
Total assets	<u>155,539,322</u>	<u>78,894,152</u>	<u>234,433,474</u>
<b>Deferred Outflows of Resources</b>			
Pension contributions	7,798,455	-	7,798,455
OPEB contributions	392,332	-	392,332
Total deferred outflows of resources	<u>8,190,787</u>	<u>-</u>	<u>8,190,787</u>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Accounts payable	2,471,266	838,985	3,310,251
Customer and security deposits	258,744	134,478	393,222
Compensated absences - current	1,594,150	226,540	1,820,690
Due to other governmental entities - current	105,882	968,017	1,073,899
Retainage payable	45,527	-	45,527
Lease liabilities - current	89,968	-	89,968
Subscription liabilities - current	34,991	-	34,991
Total current liabilities	<u>4,600,528</u>	<u>2,168,020</u>	<u>6,768,548</u>
<b>Noncurrent Liabilities</b>			
Compensated absences - noncurrent	763,486	85,459	848,945
Total OPEB obligation	1,944,428	-	1,944,428
Net pension obligation	22,776,777	-	22,776,777
Due to other governmental entities - noncurrent	1,905,883	2,882,840	4,788,723
Lease liabilities - noncurrent	262,987	-	262,987
Subscription liabilities - noncurrent	95,167	-	95,167
Total noncurrent liabilities	<u>27,748,728</u>	<u>2,968,299</u>	<u>30,717,027</u>
Total liabilities	<u>32,349,256</u>	<u>5,136,319</u>	<u>37,485,575</u>
<b>Deferred Inflows of Resources</b>			
Unearned/Unavailable revenue	3,243,801	735,946	3,979,747
Lease revenue	1,263,760	162,530	1,426,290
Pension contributions	3,405,402	-	3,405,402
OPEB contributions	1,548,415	-	1,548,415
Total deferred inflows of resources	<u>9,461,378</u>	<u>898,476</u>	<u>10,359,854</u>
<b>Net Position</b>			
Net investment in capital assets	97,569,252	39,469,133	137,038,385
Restricted for:			
Joint Powers Water Board	-	1,181,226	1,181,226
Housing Authority	-	530,697	530,697
Depreciation Fund	-	12,753,727	12,753,727
Unrestricted	24,350,223	18,924,574	43,274,797
Total net position	<u>\$ 121,919,475</u>	<u>\$ 72,859,357</u>	<u>\$ 194,778,832</u>

*The notes to the financial statements are an integral part of this statement.*



City of Rock Springs, Wyoming  
Statement of Activities  
For the Year Ended June 30, 2023

Functions/Programs	Program Revenues				Net (Expenses) Revenues and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total
					Governmental Activities	Business-type Activities	
<b>Primary government:</b>							
Governmental activities:							
General government	\$ 5,885,612	\$ 335,853	\$ 41,632	\$ -	\$ (5,508,127)	\$ -	\$ (5,508,127)
Public safety	9,649,850	524,537	389,881	-	(8,735,432)	-	(8,735,432)
Public works	8,774,915	239,414	159,232	259,114	(8,117,155)	-	(8,117,155)
Culture and recreation	8,031,916	1,909,905	4,999	33,216	(6,083,796)	-	(6,083,796)
Total governmental activities	32,342,293	3,009,709	595,744	292,330	(28,444,510)	-	(28,444,510)
Business-type activities:							
Water	6,436,191	7,141,644	-	-	-	705,453	705,453
Sewer	5,378,630	5,147,117	-	-	-	(231,513)	(231,513)
Housing	1,565,019	366,536	744,722	551,270	-	97,509	97,509
Total business-type activities	13,379,840	12,655,297	744,722	551,270	-	571,449	571,449
Total primary government	\$ 45,722,133	\$ 15,665,006	\$ 1,340,466	\$ 843,600	\$ (28,444,510)	\$ 571,449	\$ (27,873,061)
General Revenues:							
Taxes:							
General sales and use tax					\$ 22,205,995	\$ -	\$ 22,205,995
Mineral severance and royalties tax					1,759,887	-	1,759,887
Property tax					2,690,145	-	2,690,145
Franchise tax					772,352	-	772,352
Gas and special fuels tax					1,004,111	-	1,004,111
Other taxes					173,404	-	173,404
Supplemental government funding					1,676,979	-	1,676,979
Unrestricted investment earnings (losses)					1,044,924	538,663	1,583,587
Miscellaneous					2,611,888	256,587	2,868,475
Total general revenues					33,939,685	795,250	34,734,935
Change in net position					5,495,175	1,366,699	6,861,874
Net position - beginning					116,424,300	71,492,658	187,916,958
Net position - ending					\$ 121,919,475	\$ 72,859,357	\$ 194,778,832

*The notes to the financial statements are an integral part of this statement.*

## **GOVERNMENTAL FUND FINANCIAL STATEMENTS**

**City of Rock Springs, Wyoming**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2023**

**General Fund**

**Assets**

Cash and investments	\$ 41,562,405
Receivables (net of allowance for uncollectibles):	
Accounts receivable	16,088
Taxes receivable	3,464,046
Accrued interest receivable	80,655
Grant receivable	258,563
Lease receivable	1,273,786
Due from other governmental entities	4,707,983
Inventories	426,454
Prepaid items	104,975
Total assets:	<u>\$ 51,894,955</u>

**Liabilities, Deferred Inflows of Resources, and Fund Balance**

Liabilities:	
Accounts payable	\$ 2,241,266
Customer and security deposits	258,744
Retainage payable	45,527
Total liabilities:	<u>2,545,537</u>

Deferred inflows of resources:

Unavailable revenue	3,876,673
Lease revenue	1,263,760

Total deferred inflows of resources:	<u>5,140,433</u>
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Fund balance:

Nonspendable	531,429
Committed	20,598,093
Assigned	5,096,416
Unassigned	17,983,047

Total fund balance:	<u>44,208,985</u>
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Total liabilities, deferred inflows of resources, and fund balance	<u>\$ 51,894,955</u>
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*The notes to the financial statements are an integral part of this statement*

**City of Rock Springs, Wyoming**  
**Reconciliation of the Governmental Fund Balance Sheet to the Statement of Net Position**  
**June 30, 2023**

Total Fund Balances - Governmental Fund	\$ 44,208,985
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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, not reported in the governmental funds	98,052,365
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Certain assets are not available to pay current expenditures, so they are deferred in the fund	632,872
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Long-term liabilities and related items (compensated absences, total OPEB obligation, net pension obligation, leases payable, subscriptions payable, and amounts due to other governmental entities) are not due and payable in the current period and, therefore, not reported in the funds	(29,573,719)
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Pension and OPEB related inflows and outflows do not provide current financial resources and, therefore, are not reported in the fund.	3,236,970
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An internal service fund is used by management to charge the costs of certain activities to individual funds. The assets and liabilities of the internal service fund are included with governmental activities in the statement of net position because they primarily benefit governmental activities	<u>5,362,002</u>
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<b>Net position of governmental activities:</b>	<b><u>\$ 121,919,475</u></b>
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*The notes to the financial statements are an integral part of this statement.*

**City of Rock Springs, Wyoming**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Governmental Funds**  
**For the Year Ended June 30, 2023**

	<b><u>General Fund</u></b>
<b>Revenues</b>	
Taxes and special assessments	\$ 27,684,787
Licenses and permits	326,963
Inter-governmental revenue	3,762,579
Charges for services	2,377,127
Fines and forfeitures	318,309
Miscellaneous	2,156,120
Investment income (expense)	<u>920,912</u>
<b>Total revenues</b>	<u>37,546,797</u>
<b>Expenditures</b>	
Current:	
General government	5,210,225
Public safety	13,634,793
Public works	5,933,083
Culture and recreation	7,280,811
Capital outlay	<u>2,825,590</u>
<b>Total expenditures:</b>	<u>34,884,502</u>
<b>Other Financing Sources (Uses)</b>	
Lease & other financing proceeds	<u>417,871</u>
<b>Net change in fund balances</b>	3,080,166
Fund balances, beginning of year	<u>41,128,819</u>
Fund balances, end of year	<u><u>\$ 44,208,985</u></u>

*The notes to the financial statements are an integral part of this statement.*

**City of Rock Springs, Wyoming**  
**Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Fund to**  
**the Statement of Activities**  
**For the Year Ended June 30, 2023**

**Net Change in Fund Balances - Governmental Fund** **\$ 3,080,166**

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital purchases/capital contributions is greater (less) than depreciation/loss on disposal during the current period (1,891,375)

The statement of activities reports a increase (decrease) in the change of revenue which is not reported in the fund because it does not provide current financial resources 23,210

Long-term liabilities and related items (compensated absences, total OPEB obligation, net pension obligation, leases payable, subscriptions payable, and amounts due to other governmental entities) are not due and payable in the current period and, therefore, not reported in the funds. This is the current year change in the liability, reported as an expense in the statement of activities (2,537,129)

The changes in the pension and OPEB related inflows and outflows are not reported in the governmental fund. This is the net effect of the changes in these balances in the statement of net position 6,220,000

An internal service fund is used by management to charge the costs of certain activities to individual funds. The net revenue (expense) of the internal service fund is reported with governmental activities 600,303

**Change in net position of governmental activities** **\$ 5,495,175**

*The notes to the financial statements are an integral part of this statement.*

## **PROPRIETARY FUND FINANCIAL STATEMENTS**

**City of Rock Springs, Wyoming**  
**Statement of Net Position**  
**Proprietary Funds**  
**June 30, 2023**

	<b>Business-Type Activities Enterprise Funds</b>			<b>Governmental Activities</b>	
			<b>Nonmajor - Housing Authority</b>		<b>Internal Service Funds</b>
	<b>Water Fund</b>	<b>Sewer Fund</b>		<b>Total</b>	
<b>Assets</b>					
<b>Current assets:</b>					
Cash and investments	\$ 13,361,751	\$ 17,830,373	\$ 681,584	\$ 31,873,708	\$ 5,592,002
Receivables (net of allowance for uncollectibles):					
Accounts receivable	887,189	66,794	14,198	968,181	-
Taxes receivable	226,658	495,397	-	722,055	-
Accrued interest receivable	15,132	29,574	-	44,706	-
Lease receivable	-	8,522	-	8,522	-
Inventories	972,760	152,973	7,988	1,133,721	-
Prepaid items	-	-	19,846	19,846	-
Total current assets	15,463,490	18,583,633	723,616	34,770,739	5,592,002
<b>Noncurrent assets:</b>					
Restricted receivable, due from the JPWB	1,181,226	-	-	1,181,226	-
Lease receivable - noncurrent	-	158,737	-	158,737	-
Capital assets, net of accumulated depreciation	896,273	40,636,671	1,250,506	42,783,450	-
Total noncurrent assets	2,077,499	40,795,408	1,250,506	44,123,413	-
Total assets	\$ 17,540,989	\$ 59,379,041	\$ 1,974,122	\$ 78,894,152	\$ 5,592,002
<b>Liabilities</b>					
<b>Current liabilities:</b>					
Accounts payable	587,217	196,215	55,553	838,985	230,000
Customer and security deposits	61,626	31,162	41,690	134,478	-
Compensated absences - current	108,701	57,865	59,974	226,540	-
Due to other governmental entities - current	268,121	699,896	-	968,017	-
Total current liabilities	1,025,665	985,138	157,217	2,168,020	230,000
<b>Noncurrent liabilities:</b>					
Compensated absences - noncurrent	49,639	14,009	21,811	85,459	-
Due to other governmental entities - noncurrent	850,191	2,032,649	-	2,882,840	-
Total noncurrent liabilities	899,830	2,046,658	21,811	2,968,299	-
Total liabilities	1,925,495	3,031,796	179,028	5,136,319	230,000
<b>Deferred Inflows of Resources:</b>					
Unavailable revenue	226,658	495,397	13,891	735,946	-
Lease revenue	-	162,530	-	162,530	-
Total deferred inflows of resources:	226,658	657,927	13,891	898,476	-
<b>Net Position:</b>					
Net investment in capital assets	314,501	37,904,126	1,250,506	39,469,133	-
Restricted for Joint Powers Water Board	1,181,226	-	-	1,181,226	-
Restricted for Housing Authority	-	-	530,697	530,697	-
Restricted for Depreciation Fund	3,278,806	9,474,921	-	12,753,727	-
Unrestricted	10,614,303	8,310,271	-	18,924,574	5,362,002
Total net position	\$ 15,388,836	\$ 55,689,318	\$ 1,781,203	\$ 72,859,357	\$ 5,362,002

*The notes to the financial statements are an integral part of this statement.*



**City of Rock Springs, Wyoming**  
**Statement of Revenues, Expenses, and Changes in Fund Net Position**  
**Proprietary Funds**  
**For the Year Ended June 30, 2023**

	<b>Business-Type Activities Enterprise Funds</b>			<b>Governmental Activities</b>
			<b>Nonmajor - Housing Authority</b>	
	<b>Water Fund</b>	<b>Sewer Fund</b>	<b>Total</b>	<b>Internal Service Funds</b>
<b>Operating revenues:</b>				
Water charges	\$ 7,141,644	\$ -	\$ -	\$ 7,141,644
Wastewater charges	-	5,147,117	-	5,147,117
Tenant rental revenue	-	-	340,757	340,757
Other tenant revenue	-	-	25,779	25,779
Insurance premiums and refunds	-	-	-	3,857,283
Total operating revenues	7,141,644	5,147,117	366,536	12,655,297
<b>Operating Expenditures:</b>				
Personnel	1,235,910	1,482,806	700,412	3,419,128
Water purchases	3,478,641	-	-	3,478,641
Utilities	200,558	434,294	108,531	743,383
Postal/Freight	20,866	24,430	944	46,240
Communications	4,708	4,265	2,006	10,979
Office supplies and printing	10,078	10,727	3,260	24,065
Repairs and maintenance	45,660	305,994	206,582	558,236
Departmental supplies	709,120	426,376	-	1,135,496
Travel	26,104	49,279	4,804	80,187
Administrative costs	82,768	125,290	2,700	210,758
Other costs	4,686	12,325	4,217	21,228
Depreciation	197,830	2,379,527	138,853	2,716,210
Audit and legal	-	-	6,000	6,000
Laundry and towel service	1,939	6,205	-	8,144
Consulting and collection	62,902	3,100	18,958	84,960
Insurance	13,018	33,062	52,913	98,993
Housing assistance payments	-	-	314,839	314,839
Total operating expenses	6,094,788	5,297,680	1,565,019	12,957,487
Operating income (loss)	1,046,856	(150,563)	(1,198,483)	(302,190)
<b>Nonoperating Revenues (Expenditures):</b>				
HUD PHA grants	-	-	1,295,992	1,295,992
Investment income (expense)	239,404	294,607	4,652	538,663
Other income	204,130	52,091	366	256,587
Interest expense	(28,633)	(80,950)	-	(109,583)
Capital asset contribution to JPWB	(312,770)	-	-	(312,770)
Total nonoperating revenues (expenditures)	102,131	265,748	1,301,010	1,668,889
Income (loss) before operating transfers	1,148,987	115,185	102,527	1,366,699
Transfers in	-	-	551,270	551,270
Transfers out	-	-	(551,270)	(551,270)
Change in net position	1,148,987	115,185	102,527	1,366,699
Net position, beginning of year	14,239,849	55,574,133	1,678,676	71,492,658
Net position, end of year	\$ 15,388,836	\$ 55,689,318	\$ 1,781,203	\$ 72,859,357

*The notes to the financial statements are an integral part of this statement.*

City of Rock Springs, Wyoming  
Statement of Cash Flows  
Proprietary Funds  
For the Year Ended June 30, 2023

	Business-type Activities Enterprise Funds				Governmental Activities Internal Service Funds
	Water Fund	Sewer Fund	Nonmajor - Housing Authority	Total	
<b>Cash from operating activities:</b>					
Receipts from external customers and users	\$ 6,868,432	\$ 5,039,211	\$ 360,036	\$ 12,267,679	\$ -
Receipts from internal customers and users	436,724	109,081	-	545,805	3,857,283
Payments to suppliers	(5,228,154)	(1,433,476)	(716,689)	(7,378,319)	(3,432,042)
Payments to employees	(1,229,731)	(1,481,917)	(684,073)	(3,395,721)	-
Net cash provided (used) by operating activities	847,271	2,232,899	(1,040,726)	2,039,444	425,241
<b>Cash from noncapital financing activities:</b>					
Receipts from grants	-	-	1,301,035	1,301,035	-
Other	51,680	51,506	366	103,552	-
Net cash provided by noncapital financing activities	51,680	51,506	1,301,401	1,404,587	-
<b>Cash from capital and related financing activities:</b>					
Payment for JPWB assets	(408,855)	-	-	(408,855)	-
Purchase of capital assets	-	(66,431)	(139,979)	(206,410)	-
Principal payment on loans	(377,141)	(680,193)	-	(1,057,334)	-
Interest paid on loans	(32,325)	(89,137)	-	(121,462)	-
Net cash (used) by capital and related financing activities	(818,321)	(835,761)	(139,979)	(1,794,061)	-
<b>Cash from investing activities:</b>					
Investment income	243,483	282,254	4,652	530,389	124,012
Net cash increase (decrease) in cash and cash equivalents	324,113	1,730,898	125,348	2,180,359	549,253
Cash and investments, July 1	13,037,638	16,099,475	556,236	29,693,349	5,042,749
Cash and investments, June 30	<u>\$ 13,361,751</u>	<u>\$ 17,830,373</u>	<u>\$ 681,584</u>	<u>\$ 31,873,708</u>	<u>\$ 5,592,002</u>

Continued

**City of Rock Springs, Wyoming**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Year Ended June 30, 2023**

	<b>Business-type Activities Enterprise Funds</b>				<b>Governmental Activities Internal Service Funds</b>
	<b>Water Fund</b>	<b>Sewer Fund</b>	<b>Nonmajor - Housing Authority</b>	<b>Total</b>	
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities</b>					
Operating income (loss)	\$ 1,046,856	\$ (150,563)	\$ (1,198,483)	\$ (302,190)	\$ 476,291
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation	197,830	2,379,527	138,853	2,716,210	-
Changes in assets and liabilities:					
Accounts receivable	163,512	1,175	(6,500)	158,187	-
Prepaid expenses	-	-	(3,338)	(3,338)	-
Inventory	(355,916)	11,403	1,129	(343,384)	-
Accounts payable	(195,871)	(1,839)	11,704	(186,006)	(51,050)
Customer deposits	(11,868)	(6,976)	1,543	(17,301)	-
Compensated absences accrued expenses	2,728	172	14,366	17,266	-
Net cash provided (used) by operating activities:	<u>\$ 847,271</u>	<u>\$ 2,232,899</u>	<u>\$ (1,040,726)</u>	<u>\$ 2,039,444</u>	<u>\$ 425,241</u>

*The notes to the financial statements are an integral part of this statement.*

## **NOTES TO THE FINANCIAL STATEMENTS**

**City of Rock Springs, Wyoming**  
**Notes to the Financial Statements**  
**For the Year Ended June 30, 2023**

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

Reporting entity:

The City of Rock Springs, Wyoming (the "City") is a municipal corporation incorporated October 1, 1888, and is governed by an elected mayor and an eight member council. The Mayor and Council members are each elected to serve a four-year term. The Mayor appoints all department heads, subject to approval by the Council. The department heads are under the direct supervision of the Mayor.

In accordance with Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity as amended by GASB Statements Nos. 39 and 61*, entities over which the City has significant operational or financial relationships such as boards, commissions and authorities are considered component units. Component units are either discretely presented or blended. Discrete presentation entails reporting component unit financial data in columns separate from the financial data of the primary government (the City). Blended requires the component unit's balances and transactions be reported with the balances and transactions of the City.

The Rock Springs Housing Authority, an entity legally separated from the City, has been included as a blended component unit in these financial statements. For financial reporting purposes, the Rock Springs Housing Authority is reported as if it were part of the City's operation because its purpose is to provide low-income housing to citizens of the City. No separate individual component unit financial statements are available for the Rock Springs Housing Authority.

Government-wide and fund financial statements:

The government-wide statements (i.e. the statement of net position and statement of activities) report information on all of the nonfiduciary activities of the primary government and its blended component unit. The effect of interfund activity has been removed from these statements.

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

Measurement focus, basis of accounting, and financial statement presentation:

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

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 government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

**City of Rock Springs, Wyoming**  
**Notes to the Financial Statements**  
**For the Year Ended June 30, 2023**

However, debt service expenditures, as well as expenditures related to compensated absences are recorded only when payment is due.

Property taxes, sales and franchise taxes, special assessments, 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 government.

The government reports the following major governmental fund:

The *general fund* is the primary operating fund of the City. This fund is established to account for resources devoted to financing the general services that the City performs for its citizens. General tax revenues and other sources of revenue used to finance the fundamental operations of the City are included in this fund. This fund is charged with all costs of operating the government for which a separate fund has not been established.

The government reports the follow major proprietary funds:

The *water and sewer funds* account for the activities of the water and wastewater treatment facilities that the City operates.

The government reports the following nonmajor proprietary funds:

The *housing authority funds* account for the activities of the Rock Springs Housing Authority, a blended component unit of the government. The Authority provides 100 low-income units to the citizens of the City.

Additionally, the government reports the following fund type:

The *internal service fund* accounts for the financing of goods or services provided by the City to the City itself on a cost reimbursement basis. The City's employee insurance plan is accounted for as an internal service fund.

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. General revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise funds and of the government's internal service funds are charges to customers for sales and services. The water and sewer funds also recognize as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Reconciliations of government-wide and fund financial statements:

Governmental funds use the current financial resources measurement focus and the modified accrual basis of accounting, while the government-wide financial statements use the economic resources measurement focus and the accrual basis of accounting. As a result, there are important differences between the assets, deferred outflows of resources, liabilities, deferred inflows of resources, revenues, and expense/expenditures reported on the fund financial statements and governmental-wide financial statements. For example, many long-term assets and liabilities are excluded from the fund balance sheet but are included in

**City of Rock Springs, Wyoming**  
**Notes to the Financial Statements**  
**For the Year Ended June 30, 2023**

the government-wide financial statements. As a result, there must be a reconciliation between the two statements to explain the differences. Reconciliations are included as part of the fund financial statements (see pages 16 and 18).

Cash and investments:

Cash consists of demand deposit accounts, money market accounts and petty cash. Investments are carried at fair value in accordance with GASB Statement No. 72, *Fair Value Measurement and Application*. Accordingly, the change in fair value of investments is recognized as an increase or decrease to investment assets and investment income. Investments held in the Wyoming Cooperative Liquid Assets Securities System (Wyoming CLASS), an external investment pool, have no withdrawal restrictions and are measured at fair value.

Receivables:

All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible. Estimated unbilled revenues from the water fund are recognized at the end of each fiscal year on a pro rata basis. The estimated amount is based on billings during the months following the close of the fiscal year.

Interfund transactions:

During the normal course of operations, transactions occur between individual funds for goods, services, and for short-term interfund loans or transfers. As a general rule, the effect of the interfund activity has been eliminated from the government-wide financial statements.

Interfund receivables and payables between funds within governmental activities are eliminated in the statement of net position.

In general, interfund activity, including internal service fund transactions, has been eliminated from the government-wide financial statements in an effort to minimize the doubling up of revenues and expenses resulting from such transactions.

Restricted receivable:

The restricted receivable is money held in a separate account by the Joint Powers Water Board that can only be spent on capital projects related to the Joint Powers Water Board. See further discussion in Note 3.

Leases:

City owned leased assets are shown as receivables in accordance with GASB Statement No. 87, Leases, which requires that a lessor recognize a lease receivable and a deferred inflow of resources. The leases receivable consist of various leases for land, site space for the placing of communications equipment, buildings, and a portion of a new fuel tank farm owned by the City and leased by and located at the Southwest Wyoming Regional Airport. See further discussion in Note 12.

Additionally vehicles, equipment and other leased assets are capitalized in accordance with GASB Statement No. 87, Leases, which requires that a lessee recognize lease liability and an intangible right-to-use lease asset. Right-to-use lease assets useful lives are determined by the length of the lease period and are amortized using the straight line method. The City has elected to use the same capitalization thresholds for leased asset that it uses for those assets purchased, as such see further discussion under the "Capital asset and depreciation/amortization" section below.

Subscriptions:

Subscription-based information technology arrangements (SBITA's or subscription assets) are capitalized in accordance with

**City of Rock Springs, Wyoming**  
**Notes to the Financial Statements**  
**For the Year Ended June 30, 2023**

GASB Statement No. 96, Subscription-Based Information Technology Arrangements, which requires that the government user (the City) to recognize subscription liability and an intangible right-to-use subscription asset. Right-to-use subscription assets useful lives are determined by the length of the subscription period and are amortized using the straight line method. The City has elected to use the same capitalization thresholds for subscription asset that it uses for those assets purchased, as such see further discussion under the "Capital asset and depreciation/amortization" section below.

Capital assets and depreciation/amortization:

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

The government-wide financial statements and the fund financial statements for proprietary funds include capital assets. Capital assets include property, plant, equipment and infrastructure assets, e.g. roads, bridges, curbs, and gutters, streets and sidewalks, drainage systems and lighting systems, as well as leased assets. The City defines capital assets as assets with an initial, individual cost of more than \$5,000 for equipment, and \$25,000 for easements, buildings, improvements, land improvements, and infrastructure. All purchased capital assets are valued at cost where historical records are available and at an estimated historical cost where no historical records exist. Donated capital assets are valued at their acquisition value on the date received.

The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend asset lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets, as applicable.

Infrastructure and other self-constructed assets are capitalized in accordance with the provisions of GASB Statement No. 89, *Accounting for Interest Costs Incurred before the End of a Construction Period*, which requires that interest cost incurred before the end of the construction period not be capitalized as part of the asset's historical cost. This statement was implemented prospectively in a prior year, as such any interest that had been capitalized prior to implementation is still included in asset cost in accordance with GASB Statement No. 89.

Depreciation is computed using the straight-line method based on useful lives as follows:

	<u>Years</u>
Buildings and improvements	30 years
Equipment and furnishings	2-15 years
Infrastructure	12-45 years

Amortization is computed using the straight-line method. Easements with a definite life are amortized over the term of the related contract. Easements with an indefinite life are not amortized.

Inventories of consumable supplies/prepaid items:

All inventories are carried at cost on the first-in, first-out method. Inventories of the governmental fund types are recorded as expenditures when used. Reported inventories and prepayments in the general fund are reflected in the category nonspendable fund balance which indicates that these amounts are not in a spendable form.

Inventories of the proprietary fund types are not charged to operations until consumed by the individual enterprises.

Cash reserve (stabilization arrangement):

The City maintains a cash reserve in accordance with the Municipal Fiscal Procedures Act as prescribed by Wyoming State Statutes and put into effect through resolution of the City Council. The Act allows a cash reserve to be established and used in



**City of Rock Springs, Wyoming**  
**Notes to the Financial Statements**  
**For the Year Ended June 30, 2023**

an emergency or an unusual situation that arises causing the need to exceed total appropriations. The cash reserve is considered a stabilization arrangement and is reported in the committed category of fund balance. It is included in the cash balance of the general fund. The amount held in the cash reserve is calculated using an average of three months of expenditures determined by using five years of actual expenditures by month historically and then arriving at an average monthly expense. The cash reserve may only be spent following action on a formal resolution of the City Council when: 1) revenues are insufficient in an amount that is equal to at least one-half of one percent of the annual expenditures of the previous year to cover necessary capital improvement expenditures; or 2) there is a major reduction (anticipated or actual) in tax revenue, grant funding, or state legislative appropriation; or 3) there are other unexpected needs or emergency situations costing an amount that is equal to at least one-half of one percent of the annual total expenditures of the previous year which do not routinely occur. If used, the cash reserve funds shall be replenished when revenues become available.

Compensated absences:

Vacation leave and the portion of sick leave that will likely be paid are recognized as liabilities in the government-wide and proprietary fund financial statements. In the event of termination or retirement, an employee is reimbursed for unused accumulated vacation. Employees, other than firemen, with less than five years of service receive 5% of their unused accumulated sick leave up to 1,440 hours. The percentage increases by 5% for each five year increment in service with a cap of 25% and 20 or more years of service. Firemen with 20 or more years of service or firemen who are eligible to collect disability pension payments, receive 25% of their unused accumulated sick leave up to 1,440 hours.

Long-term obligations:

The accounting treatment of long-term debt depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

All long-term obligations to be repaid from governmental and business-type resources are reported as liabilities in the government-wide statements. The long-term obligations consist primarily of notes payable, leases payable, subscriptions payable, accrued compensated absences, and the total OPEB and net pension obligations.

Long-term obligations for governmental funds are not reported as a liability in the fund financial statements. The proceeds are reported as other financing sources, and the payment of principal and interest are reported as expenditures. The accounting for proprietary funds is the same in the fund statements as it is in the government-wide statements.

Property taxes:

Property is annually valued and assessed on January 1. Taxes are levied on or about August 1 and payable in two installments on September 1 and March 1. Sweetwater County bills and collects its own property taxes and also taxes for all municipalities and political subdivisions within the County, including the City. If not paid, property taxes attach as an enforceable lien on property as of May 11. Property tax receivables are recognized when the City has a legal claim to the taxes, which is on the initial date of assessment. Property tax revenues are recognized when collected during the current period or within 60 days of the fiscal year end and can be used to pay liabilities of the current period within the fund financial statements. The uncollected, measurable amounts due and those that will not be levied and may not be used until the subsequent fiscal year have been accrued as unavailable revenue.

Property taxes receivable totaling \$2,159,814, assessed in fiscal year 2023, is reported on the fund financials and on the government-wide financial statements and is included in unavailable revenue on both statements as these revenues can not be levied and may not be used until fiscal year 2024.

Encumbrances:

Encumbrances are recorded when purchase orders are issued or contracts are entered into for goods or services and are

**City of Rock Springs, Wyoming**  
**Notes to the Financial Statements**  
**For the Year Ended June 30, 2023**

reflected as either a restricted, committed, or assigned portion of the fund balance. Actual expenditures are recognized when the goods or services are received.

Fund balance/net position:

Restrictions of net position/fund balance are limited to outside third-party restrictions. Commitments of fund balance represent amounts that can only be used for specific purposes whose constraints are imposed by the Mayor and City Council through formal resolutions. Assignments of fund balance represent amounts that the City intends to be used for specific purposes whose constraints are imposed by the Mayor and City Council or through an agreement with an authorized representative of the City as specified in chapter 1, article 5 of the City of Rock Springs ordinances. If more than one type of resource is available to spend, the order of spending will be restricted first, then committed funds, next assigned funds, and finally unassigned funds. For nongovernmental fund types and government-wide activities, restricted resources will be spent before nonrestricted resources when both are available to spend.

Defined benefit pensions:

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

Other post employment benefits:

The total other post employment benefits (OPEB) liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, have been actuarially determined. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms.

**City of Rock Springs, Wyoming**  
**Notes to the Financial Statements**  
**For the Year Ended June 30, 2023**

**Note 2. Cash and Investments**

Cash and investments as of June 30, 2023, as classified in the accompanying financial statements, consist of the following:

Statement of Net Position:

	Primary Government
Deposits with financial institutions:	
Demand Deposit Accounts	\$ 20,233,600
Money Market Fund	81,345
Certificates of Deposit	5,589,020
Investments:	
Wyoming Cooperative Liquid Assets Securities System	\$ 31,054,671
BMW Bank North America UT CD	231,712
Citibank National Association CD	44,632
Discover Bank Greenwood DE CD	242,409
Federal Agriculture Mortgage Corp Medium Term Note	499,079
Federal Farm Credit Bank Bond - Callable	449,467
Federal Farm Credit Bank Bond - Callable	486,112
Federal Farm Credit Bank Bond - Callable	483,359
Federal Home Loan Banks Bond - Callable	486,078
Federal Home Loan Banks Bond - Callable	467,861
Federal Home Loan Banks Bond - Callable	467,861
Federal Home Loan Banks Bond - Callable	467,861
Federal Home Loan Banks Bond - Callable	493,710
Federal Home Loan Banks Bond - Callable	989,179
Federal Home Loan Banks Bond - Callable	471,973
Federal Home Loan Banks Bond - Callable	2,034,278
Federal Home Loan Banks Bond - Callable	682,450
Federal Home Loan Banks Bond - Callable	454,967
Federal Home Loan Banks Bond - Callable	298,413
Federal Home Loan Banks Bond - Callable	464,631
Federal Home Loan Banks Bond - Callable	460,746
Federal Home Loan Banks Bond - Callable	460,746
Federal Home Loan Banks Bond - Callable	467,011
Federal Home Loan Banks Bond - Callable	484,664
Federal Home Loan Banks Bond - Callable	244,758
Federal Home Loan Mortgage Corp Medium Term Note - Callable	481,855
Federal Home Loan Mortgage Corp Medium Term Note - Callable	385,169
Federal Home Loan Mortgage Corp Medium Term Note - Callable	491,243
Federal Home Loan Mortgage Corp Medium Term Note - Callable	492,665
Morgan Stanley Bank NA CD	243,453
Morgan Stanley Private Bank NA CD	243,453
Sallie Mae Bank SLC UT CD	222,454
State Bank of India, New York CD	219,885
UBS Bank USA CD	243,527
US Treasury Note	996,150
US Treasury Note	493,920
US Treasury Note	977,660
US Treasury Note	488,260
US Treasury Note	488,260
US Treasury Note	961,170
US Treasury Note	243,760
US Treasury Note	457,480
US Treasury Note	481,815
US Treasury Note	673,478
US Treasury Note	449,865
	<u>\$ 79,028,115</u>

**City of Rock Springs, Wyoming**  
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**For the Year Ended June 30, 2023**

Investments authorized by the City's investment policy:

The City follows the guidelines set forth in Wyoming State Statute 9-4-831 as it relates to the investment of public funds. The City's investment policy requires investments to comply with State statutes, which generally allows the City to invest in U.S., state and local government securities and accounts of any bank and savings associations which are federally insured or secured by a pledge of assets including bonds, debentures and other securities in which the State Treasurer may by law invest. All investments made during the year were made within these statutory limits. The City's investment policy does not contain any specific provisions intended to limit the City's exposure to interest rate risk, credit risk or concentration of credit risk. However, in regards to custodial credit risk, the City's investment policy does require all deposits and certificates of deposits held within financial institutions to be collateralized at 100% of the amount invested including accrued interest, based on the market value of the collateral.

Additionally, a portion of the City's investment activity is conducted in Wyoming CLASS, which was established pursuant to the Wyoming Statutory Trust Act. Shares of Wyoming CLASS are offered exclusively to Wyoming governmental entities. The fair value of the City's position in Wyoming CLASS is the same as the value of the pool shares

Credit risk:

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The Wyoming CLASS investment pool holds an AAAm rating by Standard & Poor's ("S&P") indicating "excellent safety of investment principal and a superior capacity to maintain a \$1.00 per share net asset value." Additionally, Wyoming CLASS limits its investments in any issuer to the top two ratings issued by nationally recognized statistical rating organizations.

**City of Rock Springs, Wyoming**  
**Notes to the Financial Statements**  
**For the Year Ended June 30, 2023**

The credit risk for the City's other investments are presented as follows:

<u>Category</u>	<u>Credit Rating</u>	<u>Market Value</u>
BMW Bank North America UT CD	Not Rated	\$ 231,712
Citibank National Association CD	Not Rated	44,632
Discover Bank Greenwood DE CD	Not Rated	242,409
Federal Agriculture Mortgage Corp Medium Term Note	AAA	499,079
Federal Farm Credit Bank Bond - Callable	AAA	449,467
Federal Farm Credit Bank Bond - Callable	AAA	486,112
Federal Farm Credit Bank Bond - Callable	AAA	483,359
Federal Home Loan Banks Bond - Callable	AAA	486,078
Federal Home Loan Banks Bond - Callable	AAA	467,861
Federal Home Loan Banks Bond - Callable	AAA	467,861
Federal Home Loan Banks Bond - Callable	AAA	467,861
Federal Home Loan Banks Bond - Callable	AAA	493,710
Federal Home Loan Banks Bond - Callable	AAA	989,179
Federal Home Loan Banks Bond - Callable	AAA	471,973
Federal Home Loan Banks Bond - Callable	AAA	2,034,278
Federal Home Loan Banks Bond - Callable	AAA	682,450
Federal Home Loan Banks Bond - Callable	AAA	454,967
Federal Home Loan Banks Bond - Callable	AAA	298,413
Federal Home Loan Banks Bond - Callable	AAA	464,631
Federal Home Loan Banks Bond - Callable	AAA	460,746
Federal Home Loan Banks Bond - Callable	AAA	460,746
Federal Home Loan Banks Bond - Callable	AAA	467,011
Federal Home Loan Banks Bond - Callable	AAA	484,664
Federal Home Loan Banks Bond - Callable	AAA	244,758
Federal Home Loan Mortgage Corp Medium Term Note - Callable	AAA	481,855
Federal Home Loan Mortgage Corp Medium Term Note - Callable	AAA	385,169
Federal Home Loan Mortgage Corp Medium Term Note - Callable	AAA	491,243
Federal Home Loan Mortgage Corp Medium Term Note - Callable	AAA	492,665
Morgan Stanley Bank NA CD	Not Rated	243,453
Morgan Stanley Private Bank NA CD	Not Rated	243,453
Sallie Mae Bank SLC UT CD	Not Rated	222,454
State Bank of India, New York CD	Not Rated	219,885
UBS Bank USA CD	Not Rated	243,527
US Treasury Note	AAA	996,150
US Treasury Note	AAA	493,920
US Treasury Note	AAA	977,660
US Treasury Note	AAA	488,260
US Treasury Note	AAA	488,260
US Treasury Note	AAA	961,170
US Treasury Note	AAA	243,760
US Treasury Note	AAA	457,480
US Treasury Note	AAA	481,815
US Treasury Note	AAA	673,478
US Treasury Note	AAA	449,865

**City of Rock Springs, Wyoming**  
**Notes to the Financial Statements**  
**For the Year Ended June 30, 2023**

**Custodial credit risk:**

Custodial credit risk for deposits and certificates of deposit is the risk that, in the event of the failure of a depository financial institution, the City will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. Certain deposits held in City bank accounts are insured by Federal depository insurance or are collateralized with securities held by the custodian bank under safekeeping or Federal Reserve receipts in the name of the City and the financial institution. As of June 30, 2023, the primary government had bank balances on deposit and certificates of deposit, including accrued interest of \$26,012,651, which were fully collateralized.

The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g. broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. With respect to investments, custodial credit risk generally applies only to direct investments in marketable securities. As of June 30, 2023, all investment securities were held by the City's custodian and registered in the City's name. Custodial credit risk does not apply to a local government's indirect investment in securities through the use of government investment pools.

**Concentration of credit risk:**

Because there is minimal credit risk associated with investments issued by the U.S. government agencies and investments made by the City's third-party investment manager in certificates of deposit that are insured by Federal depository insurance, as well as the funds held withing Wyoming CLASS. As this includes all of the City's investments, no further disclosure regarding concentrations of credit risk is required.

**Interest rate risk:**

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. A majority of the bonds held in the City's investment portfolio have call structures allowing the issuer to call that bond at specific times during the life of the bond. These bonds are purchased because they add yield compared to buying a non-callable bond.

The dollar weighted average days to maturity (WAM) of Wyoming CLASS at June 30, 2023, is 39 days. Next interest rate reset dates for floating rate securities are used in the calculation of the WAM. The weighted average life (WAL) of Wyoming CLASS at June 30, 2023, is 54 days.

The City has chosen the segmented time distribution method for its Interest Rate Disclosure. Maturity assumptions have been made using a matrix analyzing interest rates versus final maturity dates of these callable securities. The maturity assumptions or average life of the City's securities are displayed in the Interest Rate Risk Table.

**City of Rock Springs, Wyoming**  
**Notes to the Financial Statements**  
**For the Year Ended June 30, 2023**

	Market	Primary Government		
		Less than 1 Year	1-2 Years	2-5 Years
BMW Bank North America UT CD	\$ 231,712	\$ -	\$ 231,712	\$ -
Citibank National Association CD	44,632	44,632	-	-
Discover Bank Greenwood DE CD	242,409	-	-	242,409
Federal Agriculture Mortgage Corp Medium Term Note	499,079	499,079	-	-
Federal Farm Credit Bank Bond - Callable	449,467	-	-	449,467
Federal Farm Credit Bank Bond - Callable	486,112	-	-	486,112
Federal Farm Credit Bank Bond - Callable	483,359	-	-	483,359
Federal Home Loan Banks Bond - Callable	486,078	-	486,078	-
Federal Home Loan Banks Bond - Callable	467,861	-	-	467,861
Federal Home Loan Banks Bond - Callable	467,861	-	-	467,861
Federal Home Loan Banks Bond - Callable	467,861	-	-	467,861
Federal Home Loan Banks Bond - Callable	493,710	-	-	493,710
Federal Home Loan Banks Bond - Callable	989,179	-	-	989,179
Federal Home Loan Banks Bond - Callable	471,973	-	-	471,973
Federal Home Loan Banks Bond - Callable	2,034,278	-	-	2,034,278
Federal Home Loan Banks Bond - Callable	682,450	-	-	682,450
Federal Home Loan Banks Bond - Callable	454,967	-	-	454,967
Federal Home Loan Banks Bond - Callable	298,413	-	-	298,413
Federal Home Loan Banks Bond - Callable	464,631	-	-	464,631
Federal Home Loan Banks Bond - Callable	460,746	-	-	460,746
Federal Home Loan Banks Bond - Callable	460,746	-	-	460,746
Federal Home Loan Banks Bond - Callable	467,011	-	-	467,011
Federal Home Loan Banks Bond - Callable	484,664	-	-	484,664
Federal Home Loan Banks Bond - Callable	244,758	-	-	244,758
Federal Home Loan Mortgage Corp Medium Term Note - Callable	481,855	-	481,855	-
Federal Home Loan Mortgage Corp Medium Term Note - Callable	385,169	-	-	385,169
Federal Home Loan Mortgage Corp Medium Term Note - Callable	491,243	-	-	491,243
Federal Home Loan Mortgage Corp Medium Term Note - Callable	492,665	-	-	492,665
Morgan Stanley Bank NA CD	243,453	243,453	-	-
Morgan Stanley Private Bank NA CD	243,453	243,453	-	-
Sallie Mae Bank SLC UT CD	222,454	-	-	222,454
State Bank of India, New York CD	219,885	-	-	219,885
UBS Bank USA CD	243,527	243,527	-	-
US Treasury Note	996,150	996,150	-	-
US Treasury Note	493,920	493,920	-	-
US Treasury Note	977,660	977,660	-	-
US Treasury Note	488,260	488,260	-	-
US Treasury Note	488,260	488,260	-	-
US Treasury Note	961,170	961,170	-	-
US Treasury Note	243,760	243,760	-	-
US Treasury Note	457,480	-	457,480	-
US Treasury Note	481,815	-	-	481,815
US Treasury Note	673,478	-	-	673,478
US Treasury Note	449,865	-	-	449,865
	<u>\$ 22,069,479</u>	<u>\$ 5,923,324</u>	<u>\$ 1,657,125</u>	<u>\$ 14,489,030</u>

**City of Rock Springs, Wyoming**  
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**For the Year Ended June 30, 2023**

Fair value of investments:

The City measures and records its investments using fair value measurement guidelines established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant observable inputs other than quoted market prices; and Level 3 inputs are significant inobservable inputs. The City had recurring fair-value measurement as of June 30, 2023 of negotiable certificates of deposit and United States Government agencies bonds in the amount of \$22,069,479; as well as \$31,054,671 of investments held in the Wyoming CLASS investment pool; which is invested in commercial paper, money market funds, repurchase agreements, and U.S. government treasury securities. All of the City's investments are all classified as Level 2 on the fair value hierarchy as defined by GASB statement no. 72., with the exception of money market funds which are classified as Level 1. All of the investments are valued using quoted prices for similar investments in active markets.

**Note 3. Receivables**

Accounts receivable:

Accounts receivable as of year-end for the individual major funds, including the applicable allowances for doubtful accounts, are as follows:

	Governmental Activites	Business-Type Activites		
	General Fund	Water Fund	Sewer Fund	Housing Authority
Accounts receivable	\$ 16,388	\$ 898,189	\$ 67,794	\$ 14,198
Alowance for doubtful accounts	(300)	(11,000)	(1,000)	-
	<u>\$ 16,088</u>	<u>\$ 887,189</u>	<u>\$ 66,794</u>	<u>\$ 14,198</u>

Franchise taxes, 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. The accounts receivable in the water fund is related to amounts owed by water customers.

Restricted receivable:

Historically part of the City's monthly payment to the Joint Powers Water Board was placed in an bank account, held by the Joint Powers Water Board, restricted for improvements to the City's portion of the Water System; the balance in this account was \$1,181,226 as of June 30, 2023. These funds are in the custody of and are collateralized through the Joint Powers Water Board, and are included in the accompanying financial statements as restricted receivables. In order to utilize these funds, and therefore release the restriction, the City is required to make a formal request to the Joint Power Water Board.



**City of Rock Springs, Wyoming**  
**Notes to the Financial Statements**  
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**Note 4. Capital Assets**

The following two tables summarize the changes in capital assets for governmental and business-type activities during the year ended June 30, 2023:

	Balance June 30, 2022	Additions	Transfers	Deductions	Balance June 30, 2023
<b>Governmental Activities:</b>					
Capital assets, not being depreciated:					
Land/ easements/ art	\$ 8,295,623	\$ 156,141	\$ -	\$ -	\$ 8,451,764
Construction in progress	13,017,296	2,063,744	(6,424,888)	(12,690)	8,643,462
<b>Total capital assets, not being depreciated</b>	<b>21,312,919</b>	<b>2,219,885</b>	<b>(6,424,888)</b>	<b>(12,690)</b>	<b>17,095,226</b>
Capital assets, being depreciated:					
Buildings and improvements	50,893,386	-	-	-	50,893,386
Land improvements	17,349,407	-	-	-	17,349,407
Furnishing and equipment	18,428,961	343,972	143,848	(249,605)	18,667,176
Easements	193,771	-	-	-	193,771
Infrastructure	117,999,762	-	6,281,040	-	124,280,802
Right-to-use: leased equipment	200,593	248,781	-	-	449,374
Right-to-use: subscription assets	-	169,089	-	-	169,089
<b>Total capital assets, being depreciated</b>	<b>205,065,880</b>	<b>761,842</b>	<b>6,424,888</b>	<b>(249,605)</b>	<b>212,003,005</b>
Accumulated depreciation for					
Buildings and improvements	(33,791,691)	(983,154)	-	-	(34,774,845)
Land improvements	(9,395,649)	(411,753)	-	-	(9,807,402)
Furnishings and equipment	(15,550,226)	(754,848)	-	249,605	(16,055,469)
Easements	(90,558)	(6,856)	-	-	(97,414)
Infrastructure	(67,595,303)	(2,595,201)	-	-	(70,190,504)
Right-to-use: leased equipment	(11,632)	(82,173)	-	-	(93,805)
Right-to-use: subscription assets	-	(26,427)	-	-	(26,427)
<b>Total accumulated depreciation</b>	<b>(126,435,059)</b>	<b>(4,860,412)</b>	<b>-</b>	<b>249,605</b>	<b>(131,045,866)</b>
<b>Total capital assets, being depreciated, net</b>	<b>78,630,821</b>	<b>(4,098,570)</b>	<b>6,424,888</b>	<b>-</b>	<b>80,957,139</b>
<b>Governmental activities capital assets, net</b>	<b>\$ 99,943,740</b>	<b>\$ (1,878,685)</b>	<b>\$ -</b>	<b>\$ (12,690)</b>	<b>\$ 98,052,365</b>
<b>Business-Type Activities:</b>					
Capital assets, not being depreciated:					
Land	\$ 781,875	\$ -	\$ -	\$ -	\$ 781,875
Construction in progress	225,885	81,325	(251,320)	-	55,890
<b>Total capital assets, not being depreciated</b>	<b>1,007,760</b>	<b>81,325</b>	<b>(251,320)</b>	<b>-</b>	<b>837,765</b>
Capital assets, being depreciated:					
Buildings and improvements	49,669,432	-	155,626	-	49,825,058
System improvements	4,102,885	-	-	-	4,102,885
Furnishing and equipment	3,311,877	5,984	-	(26,710)	3,291,151
Land improvements	758,677	-	-	-	758,677
Infrastructure	40,844,354	-	95,694	-	40,940,048
<b>Total capital assets, being depreciated</b>	<b>98,687,225</b>	<b>5,984</b>	<b>251,320</b>	<b>(26,710)</b>	<b>98,917,819</b>
Accumulated depreciation for					
Buildings and improvements	(31,642,321)	(1,192,525)	-	-	(32,834,846)
System improvements	(3,405,287)	(136,747)	-	-	(3,542,034)
Furnishings and equipment	(2,582,131)	(170,020)	-	26,710	(2,725,441)
Land improvements	(382,173)	(26,713)	-	-	(408,886)
Infrastructure	(16,270,722)	(1,190,205)	-	-	(17,460,927)
<b>Total accumulated depreciation</b>	<b>(54,282,634)</b>	<b>(2,716,210)</b>	<b>-</b>	<b>26,710</b>	<b>(56,972,134)</b>
<b>Total capital assets, being depreciated, net</b>	<b>44,404,591</b>	<b>(2,710,226)</b>	<b>251,320</b>	<b>-</b>	<b>41,945,685</b>
<b>Business-type activities capital assets, net</b>	<b>\$ 45,412,351</b>	<b>\$ (2,628,901)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 42,783,450</b>

**City of Rock Springs, Wyoming**  
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Depreciation (and amortization) expense was charged to functions/programs of the City as follows:

	<u>Depreciation Expense</u>
Governmental Activities:	
General government	\$ 802,571
Public safety	483,887
Public works	2,861,027
Culture and recreation	<u>712,927</u>
<b>Total depreciation expense -         governmental activities</b>	<b><u>\$ 4,860,412</u></b>
Business-Type Activities:	
Water	197,830
Sewer	2,379,527
Housing	<u>138,853</u>
<b>Total depreciation expense -         business-type activities</b>	<b><u>\$ 2,716,210</u></b>

**Note 5. Interfund Transfers**

Interfund transfers for the year ended June 30, 2023 are as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
Public Housing Fund	\$ 551,270	\$ -
Capital Fund	<u>-</u>	<u>551,270</u>
	<b><u>\$ 551,270</u></b>	<b><u>\$ 551,270</u></b>

Transfers are used to: 1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, and 2) use revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

During the year ended June 30, 2023, the City made transfers from the Capital fund in the amount of \$551,270 to the Public Housing fund for money relating to H.U.D. capital grant funding.

**Note 6. Retirement Commitments**

The City participates in the State of Wyoming Retirement System (System), a statewide cost-sharing multiple-employer public employee retirement system.

Public employees pension:

Substantially all employees of the City (except for those that are eligible to participate in the Firemen's or Law Enforcement Plans) are provided with pensions through the Public Employee Pension Plan - a statewide cost sharing multiple-employer defined benefit contributory pension plan. The System is granted authority to administer the Plan by Wyoming State Statutes 9-3-401 through 432.

The determination of retirement benefits is dependent upon the employee's initial employment date. Service retirement tier 1

**City of Rock Springs, Wyoming**  
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allows full retirement at age 60 or qualifies for the rule of 85. Early retirement is permitted at age 50 or 25 years of service. Formula for retirement equals 2.125% times the number of years of service times the three-year highest average salary for the first 15 years and 2.25% times the number of years of service times the three-year highest average over 15 years. Service retirement tier 2 allows full retirement at age 65 or qualifies for the rule of 85. Early retirement is permitted at age 55 or 25 years of service. The formula for retirement equals 2% times the number of years of service times the five-year highest average salary.

The System also provides disability benefits. Partial or total disability retirement is available to any member who becomes permanently incapacitated, mentally or physically, and cannot continue in the performance of his/her duties. Benefits are established by State statute. Certain surviving dependents receive benefits based on the deceased member's compensation and their relationship to the deceased, as well as the benefit option selected by the member at the date of retirement.

Contributions to the System consist of an amount equal to 18.62% of the employee's salary. The City is required by State statute to contribute 9.37% of the amount and, as permitted by statute, also contributes the employees' 9.25%. The City's and covered employees' combined contributions to the plan for the years ended June 30, 2023, 2022, 2021 were \$1,653,386, \$1,518,531, and \$1,530,814, respectively.

**Firemen's pensions:**

The City participates in the State of Wyoming Paid Firemen's Plan B, a statewide cost-sharing multiple-employer defined benefit pension plan administered by the State of Wyoming Retirement System Board. Substantially all paid City firemen hired after July 1, 1981 are eligible to participate. The Plan provides retirement, disability and death benefits according to predetermined formulas. Benefits are established by Wyoming State Statutes.

The members of this plan qualify for a retirement allowance if they are 50 years old and have at least 48 months of credited service. The basic monthly benefit for participants is based on a formula involving years of service, highest average salary and age at retirement. The current benefit formula equals 2.8% times the 3 year final average compensation for first 25 years of service. The benefit is capped at 70% of the highest average salary. The highest average salary is calculated by averaging the 36 highest continuous months of acceptable salary as defined in the rules of the Wyoming Retirement Board.

Partial or total disability retirement is available to any member who becomes incapacitated, mentally or physically, and cannot continue in the performance of his/her duties from an individual and specific act incurred while employed.

Surviving spouse or other qualified dependents receive benefits based on 50% of the member's final actual salary. On the death of a member, inactive member, retired member, or survivor, the excess of the accumulated member contributions over all pension payments made are payable as a death benefit to the next qualified beneficiary.

Contributions to the system consist of an amount equal to 27.245% of the employee's salary. The City is required by State statute to contribute 16% of the amount and, as permitted by statute, also contributes the employee's 6%. An additional 5.245% is contributed by the employee. These contributions increased on July 1, 2022. Previously the employee contribution was 10.745% of which the city contributed 6% and the employee contributed 4.745%; whereas, the employer contribution was 15%. The City's and covered employees' combined contributions to the plan for the years ended June 30, 2023, 2022, 2021 were \$743,200, \$683,540, and \$667,428, respectively.

The City formerly participated in the State of Wyoming Paid Firemen's Plan A, a statewide cost sharing multiple employer defined benefit, contributory retirement plan covering paid firemen who were employed prior to July 1, 1981 and who elected to participate.

The plan statutorily provides retirement, disability and death benefits according to a percentage of a fireman first class salary. The Plan also statutorily provided for an annual percentage increase in the benefit amounts beginning in the year following twelve (12) months of payments, by at least 3%; however, this was discontinued with the passage of Senate File 39 by the

**City of Rock Springs, Wyoming**  
**Notes to the Financial Statements**  
**For the Year Ended June 30, 2023**

Wyoming State Legislature.

Partial or total disability retirement is available to any member who becomes incapacitated, mentally or physically, and cannot continue in the performance of his/her duties from an individual and specific act incurred while employed. Certain surviving beneficiaries receive benefits based on the maximum salary and years of service. Upon death, 100% of the benefit continues to be paid to the beneficiary.

The plan statutorily required participants to contribute 8% of their salary to a maximum not to exceed the salary of a Firemen First Class. Employers were required to contribute 21% of the salary. Effective April 1, 1997, required contributions were suspended as the Plan had been determined to be actuarially over-funded. This plan is being reviewed by the Wyoming Retirement System to determine the appropriate measures to take to ensure this plan is adequately funded, as it is a closed plan.

During fiscal year 2022 it was determined that Firemen's Pension Plan A was actuarially underfunded. As such on or about March 7, 2022 the Wyoming State Legislature passed Senate File 39 which eliminated the annual cost of living percentage increase to the benefit amount and obligated \$75 million dollars toward the stabilization of the plan; of this amount \$55 million was obligated from the State of Wyoming. The remaining \$20 million dollars was to be repaid by the nine legacy employers who still had employees participating in the plan. To determine the liability to each of the legacy employees the Wyoming Retirement Board made an assessment based on the number of retired pensioners receiving benefits from each of the legacy plan employers as of April 1, 2022. See further discussion of the City's portion of the liability at Note 9.

Law Enforcement pension:

Employees who are sworn law enforcement officers are eligible for full retirement benefits after they either reach age 60 with at least forty-eight months of contributions to the plan or at any age with 20 years of service. These same employees are eligible for early retirement with a reduced benefit after they reach age 50 with forty-eight months of contributions. Benefits are established by State statutes.

Benefits are based on a formula involving years of service, highest average salary and age at retirement. Currently, the benefit formula entitles retirees to 2.5% of the highest average salary for each year of service with a ceiling on the benefit at 75% of the highest average salary.

Partial or total disability retirement is available to any member who becomes incapacitated, mentally or physically, and cannot continue in the performance of his/her duties from an individual and specific act incurred while employed. Surviving spouse receives benefits dependent on if the member was on-duty at time of death. Additional benefits are available for additional qualified dependents.

Contributions to the system consist of an amount equal to 17.2% of the employee's salary. The City is required by State statute to contribute 8.6% of the amount and, as permitted by statute, also contributes the employee's 8.6%. The City's and covered employees' combined contributions to the plan for the years ended June 30, 2023, 2022, 2021, were \$513,049, \$508,666, and \$530,552, respectively.

Pension liabilities, pension expense, and deferred outflows of resources and deferred inflows of resources related to pensions:

At June 30, 2023, the City reported a liability of \$22,776,777 for its proportionate share of the net pension liability. This net pension obligation was comprised of \$12,293,106 for the Public Employees Pension Plan, \$3,474,634 for the Firemen's Pension Plan A, \$1,085,294 for the Firemen's Pension Plan B, and \$5,923,743, for the Law Enforcement Pension Plan. The net pension liability was measured as of December 31, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2022. The City's proportion of the net pension liability was based on the relationship of the City's total contributions to the plan for the year ended December 31, 2022 to the contributions of all participating employers for the same period. The table below summarizes the City's share of the net position liability at December 31, 2022 and December 31, 2021.

**City of Rock Springs, Wyoming**  
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Pension Plan	December 31, 2022 Proportion	December 31, 2021 Proportion
Public Employees Pension Plan	.4498332000%	.4542104000%
Paid Firemen's Pension Plan A	9.3963407000%	9.2933725000%
Paid Firemen's Pension Plan B	9.8932553000%	10.7242096000%
Law Enforcement Pension Plan	1.7389291000%	1.8462194000%

For the year ended June 30, 2023 the City recognized pension (offset)/expense of \$(4,085,822) comprised of \$(24,960) for the Public Employees Pension Plan, \$(4,551,164) for the Firemen's Pension Plan A, \$(246,580) for the Firemen's Pension Plan B, and \$736,882 for the Law Enforcement Pension Plan. At June 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Total Deferred Outflows of Resources	Total Deferred Inflows of Resources
Net difference between projected and actual earnings on investments	\$ 2,945,888	\$ -
Changes in proportionate share of contributions	94,898	686,712
Differences in expected and actual experience	219,855	827,872
Changes in assumptions	3,744,489	1,890,818
Contributions subsequent to the measurement date	793,325	-
Total	<u>\$ 7,798,455</u>	<u>\$ 3,405,402</u>

The deferred outflows (inflows) of resources for the net difference between projected and actual earnings on pension investment were \$1,058,195; \$830,752; \$641,192; and \$415,749 for the Public Employees Pension Plan, Firemen's Pension Plan A, Firemen's Pension Plan B, and Law Enforcement Pension Plan, respectively.

The deferred outflows (inflows) of resources for the changes in proportionate share of contributions were \$0 and \$(304,789); \$0; \$86,283 and \$(161,193); as well as \$8,615 and \$(220,730) for the Public Employees Pension Plan, Firemen's Pension Plan A, Firemen's Pension Plan B, and Law Enforcement Pension Plan, respectively.

The deferred outflows (inflows) for differences in expected and actual experience were \$61,648 and \$(77,928); \$0; \$18,335 and \$(563,137); as well as \$139,872 and \$(186,807) for the Public Employees Pension Plan, Firemen's Pension Plan A, Firemen's Pension Plan B, and Law Enforcement Pension Plan, respectively.

The deferred outflows (inflows) for changes in actuarial assumptions were \$329,917; \$0; \$961,318 and \$(974,700); as well as \$2,453,254 and \$(916,118) for the Public Employees Pension Plan, Firemen's Pension Plan A, Firemen's Pension Plan B, and Law Enforcement Pension Plan, respectively.

Amounts of \$416,114; \$254,193; as well as \$123,018 are reported as deferred outflows of resources related to pensions resulting from the City's contributions subsequent to the measurement date for the Public Employees Pension Plan, Firemen's Pension Plan B Plan, and Law Enforcement Pension Plan, respectively, and will be recognized as a reduction of the net pension liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

**City of Rock Springs, Wyoming**  
**Notes to the Financial Statements**  
**For the Year Ended June 30, 2023**

	Public Employees Pension Plan	Paid Firemen's Pension Plan A	Paid Firemen's Pension Plan B	Law Enforcement Pension Plan	Total
<b>Year Ended June 30:</b>					
2024	\$ (521,775)	\$ 41,532	\$ (429,229)	\$ 437,786	\$ (471,686)
2025	97,911	242,143	(212,239)	847,399	975,214
2026	346,937	284,725	39,361	(9,102)	661,921
2027	1,143,970	262,352	600,867	417,752	2,424,941
2028	-	-	32,193	-	32,193
Thereafter	-	-	(22,855)	-	(22,855)
Total	<u>\$ 1,067,043</u>	<u>\$ 830,752</u>	<u>\$ 8,098</u>	<u>\$ 1,693,835</u>	<u>\$ 3,599,728</u>

Actuarial assumptions:

The total pension liability in the January 1, 2022 actuarial valuations was determined using the following actuarial assumptions adopted by the Wyoming Retirement Systems Board effective at its November 17, 2021 and February 17, 2022 meetings, and applied to all periods included in the measurement:

Actuarial Assumption	Public Employees Pension Plan	Paid Firemen's Pension Plan A	Paid Firemen's Pension Plan B	Law Enforcement Pension Plan
Inflation	2.25%	2.25%	2.25%	2.25%
Salary increases (includes inflation)	2.50% to 6.50%	4.50%	4.50% to 7.50%	5.25% to 9.25%
Investment rate of return (net of pension plan investment expense, includes inflation)	6.80%	6.80%	6.80%	6.80%
Payroll growth rate	2.50%	0.00%	2.50%	2.50%
Cost of living adjustment	0.00%	0.00%	0.00%	0.00%

Post-retirement mortality:

For the Public Employees Pension Plan the mortality rates were based on the PUB-2010 General Healthy Annuitant Mortality Table, amounted weighted, fully generational, projected with the MP-2020 Ultimate Scale. Males had no set back with a multiplier of 100% and Females had no set back with a multiplier of 103%.

For Paid Firemen's Pension Plan A mortality rates were based on the RP-2014 Healthy Annuitant Mortality Table, fully generational, projected with the Scale MP-2017. Males had no set back with a multiplier of 100% and Females had no set back with a multiplier of 88%.

For the Paid Firemen's Pension Plan B and the Law Enforcement Pension Plan the mortality rates were based on the PUB-2010 Safety Health Annuitant Mortality Table, amounted weighted, fully generational, projected with the MP-2020 Ultimate Scale. Males had no set back with a multiplier of 100% and Females had no set back with a multiplier of 100%.

Pre-retirement mortality:

For the Public Employees Pension Plan the mortality rates were based on the PUB-2010 General Active Mortality Table, amounted weighted, fully generational, projected with the MP-2020 Ultimate Scale. Males had no set back with a multiplier of 100% and Females had no set back with a multiplier of 100%.

For Paid Firemen's Pension Plan A mortality rates were based on the RP-2014 Employee Mortality Table, fully generational,

**City of Rock Springs, Wyoming**  
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projected with the Scale MP-2017. Males had no set back with a multiplier of 100% and Females had no set back with a multiplier of 100%.

For the Paid Firemen's Pension Plan B and the Law Enforcement Pension Plan the mortality rates were based on the PUB-2010 Safety Health Active Mortality Table, amounted weighted, fully generational, projected with the MP-2020 Ultimate Scale. Males had no set back with a multiplier of 100% and Females had no set back with a multiplier of 100%

Long-Term Expected Rate of Return:

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected arithmetic returns, net of pension plan investment expense and inflation) are developed for each major asset class. These real rates of return are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Each major asset class is included in the pension plans' target asset allocation as of January 1, 2022, these best estimates are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Geometric Rate of Return</u>	<u>Long-Term Expected Real Arithmetic Rate of Return</u>
Cash	0.50%	0.30%	0.32%
Gold	1.50%	2.34%	0.72%
Fixed Income	20.00%	3.59%	4.05%
Equity	51.50%	7.09%	9.00%
Marketable Alternatives	16.00%	5.14%	6.02%
Private Markets	10.50%	6.05%	7.67%
Total	100%		

Experience analysis:

An experience study was conducted on behalf of all WRS' plans covering the five-year period ended December 31, 2020. That study provided a detailed analysis concerning the development of the long-term inflation rate, real rate of return and discount rate. The study also analyzed each major actuarial assumption (e.g., mortality, salary increases, retirement, termination and disability) and proposed assumptions consistent with the findings.

Discount rate:

The discount rate used to measure the total pension liability was 6.80%, 6.80%, 6.80%, and 5.53% for the Public Employees Pension Plan, Paid Firemen's Plan A, Paid Firemen's Plan B, and Law Enforcement Pension Plan, respectively. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the current contribution rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the employer's 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 (asset) 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:

**City of Rock Springs, Wyoming**  
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	<u>Decrease</u>	<u>Discount</u>	<u>Increase</u>
Public Employees Pension Plan proportionate share of the net pension liability	5.80% \$ 18,152,504	6.80% \$ 12,293,106	7.80% \$ 7,437,255
Paid Firemen's Plan A proportionate share of the net pension liability	5.80% \$ 4,804,627	6.80% \$ 3,474,634	7.80% \$ 2,327,328
Paid Firemen's Plan B proportionate share of the net pension liability	5.80% \$ 4,013,961	6.80% \$ 1,085,294	7.80% \$ (1,344,171)
Law Enforcement Pension Plan proportionate share of the net pension liability	4.53% \$ 8,915,570	5.53% \$ 5,923,743	6.53% \$ 3,518,935

Pension plan fiduciary net position:

Detailed information about the pension plan's fiduciary net position is available in the separately issued WRS financial report available from the Wyoming Retirement System, 6101 Yellowstone Road, Cheyenne, Wyoming 82002 or at <http://retirement.wyo.gov/About/Reports?Label=Financial#catagories>.

**Note 7. Joint Ventures**

Combined Communications Joint Powers Agreement:

Under certain provisions of Wyoming State Statutes, the City entered into a joint powers agreement with Sweetwater County and the City of Green River to form the Joint Powers Combined Communications Board to establish and run a combined communications center for the purpose of maximizing efficiency and coordination in communications and dispatching between the Sweetwater County Sheriff's Department, the Rock Springs Police Department, the Green River Police Department, and other law enforcement agencies.

The Board consists of nine members; three members from each of the entities. The participating entities have agreed to fund the Board at a prorated cost as follows: City of Rock Springs, 43%, City of Green River, 32%, and Sweetwater County, 25%. In fiscal year 2023, the City paid the Board \$1,431,080.

The financial transactions of the Board are not included in these financial statements. However, additional financial information of the Board may be obtained by contacting the Executive Director, Rick Hawkins, at 5 Shoshone Ave., Green River, WY 82935.

Joint Telecommunications Board Agreement:

Under certain provisions of Wyoming State Statutes, the City entered into an agreement with the City of Green River to form the Joint Powers Telecommunication Board (JPTB) to plan, create, construct, expand, finance and operate a fiber optic telecommunication system servicing Rock Springs, Wyoming; Green River, Wyoming; and other areas in Sweetwater County, Wyoming.

The JPTB consists of six members: three members from Rock Springs and three members from Green River. The participating cities have agreed to fund the creation of a fiber optic telecommunication system and to reimburse the Board for internet bandwidth costs. In fiscal year 2023, the City paid the JPTB \$23,256 for internet bandwidth.

The financial transactions of the JPTB are not included in these financial statements. However, additional financial information of the JPTB may be obtained by contacting the Chairman, David Halter, at 5 Shoshone Ave., Green River,



**City of Rock Springs, Wyoming**  
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Wyoming 82935.

Joint Water Board Agreement:

Under certain provisions of Wyoming State Statutes, the City entered into an agreement with the City of Green River and Sweetwater County to form a Joint Powers Board for the purchase, financing, rehabilitation, and operation of a water supply distribution system for domestic and other uses servicing Rock Springs, Wyoming; Green River, Wyoming; and other areas in Sweetwater County, Wyoming. The Board consists of five members: two members from Rock Springs, two members from Green River, and one member from Sweetwater County.

The participating cities are responsible for the maintenance, operation, staffing, rate setting, and billing for each distribution system as well as construction of storage facilities. The cities lease these facilities for a nominal fee from the Board on a year-to-year basis subject to annual appropriations by the cities. During the year ended June 30, 2023, the City paid \$3,478,641 to purchase water from the Board. The City is also required to transfer all capital assets associated with water projects to the Board. During the year ended June 30, 2023, capital assets with a cost of \$312,770, were transferred.

The financial transactions of the Board are not included in these financial statements. However, complete financial statements of the Joint Powers Water Board may be obtained from their administrative office in Green River, Wyoming.

Sweetwater County 2023 Specific Purpose Tax Joint Powers Board Agreement:

Under certain provisions of Wyoming State Statutes, the City entered into a joint powers agreement with Sweetwater County, the Cities of Green River, Granger, Superior, Wamsutter, Town of Bairoil, the Jamestown-Rio Vista Water & Sewer District, and the North Sweetwater Water & Sewer District to form the Sweetwater County 2023 Specific Purpose Tax Joint Powers Board to finance construction of infrastructure of the participating entities in Sweetwater County using 1% specific purpose sales and use tax proceeds. The total approved specific purpose tax was \$83,511,570 with \$35,093,771 designated for various projects for the City of Rock Springs as well as related bond costs. The agreement includes lease payments which are required to be made to the Joint Powers Board. The 1% specific purpose sales and use tax proceeds can only be used to make the lease payments to the Joint Powers Board. The lease payments are made out of the 1% specific purpose sales tax proceeds collected by Sweetwater County and remitted directly to the board trustee on behalf of the city.

The City of Rock Spring's share of the collections remitted to the trustee by Sweetwater County was \$1,806,042 for the year ended June 30, 2023, there were no collections for the prior year as the tax began on April 1, 2023. For the year ended June 30, 2023, the tax revenue was allocated as follows: \$1,083,987 to the general fund; \$226,658 to the water fund; and \$495,397 to the wastewater fund. Revenue was allocated based on the underlying projects funded by the tax. Additionally, the revenue was not received, nor were there any expenditures incurred in the current fiscal year as such a receivable and the corresponding unearned revenue were recorded at year end.

The Board consisted of seven members: one member from Sweetwater County and one member from each of the six participating entities. The financial transactions of the Board are not included in these financial statements. However, additional financial information of the Board may be obtained by contacting the Rock Springs Board Member, Mayor Max Mickelson, at the City of Rock Springs, 212 D Street, Rock Springs, WY 82901.

Southwest Wyoming Regional Airport Agreement:

Under certain provisions of Wyoming State Statutes, the City entered into an agreement with Sweetwater County to form the Southwest Wyoming Regional Airport (the "Airport") to provide aviation services and air transportation to the citizens of Rock Springs, Wyoming and Sweetwater County, Wyoming.

The Airport board consists of five members: two members from Rock Springs and three members from Sweetwater County. The participating entities have agreed to fund the Airport at a prorated cost as follows: City of Rock Springs, 40%, and

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Sweetwater County, 60%. In fiscal year 2023, the City paid the Airport \$185,616.

Additionally in May 2020, the City signed a sale-leaseback agreement with the Airport, effective July 1, 2020 which resulted in a lease receivable from the Airport. See further discussion in Note 12.

The financial transactions of the Airport are not included in these financial statements. However, additional financial information of the Airport may be obtained by contacting the Airport Director, Devon Brubaker, at 382 Highway 370, Rock Springs, WY 82901.

**Note 8. Contingencies and Commitments**

At various times, claims and lawsuits are pending against the City. These claims and lawsuits are, in the opinion of management, ordinary routine matters incidental to the normal business conducted by the City. City management and legal counsel are of the opinion that such proceedings are substantially covered by insurance and the City's liability, if any, arising from such claims will not have a materially adverse effect on its financial statements. Under the terms of federal and state grants, periodic audits are required and certain costs may be questioned as not being appropriate expenditures under the terms of the grants. Such audits could lead to reimbursement to the grantor agencies. City management believes disallowances, if any, would not be significant to the City's financial statements.

**Risk of loss:**

The City and Housing Authority are subject to risk of loss from various events, including torts, theft, damage to assets, business interruption, errors and omissions, and job-related injuries to employees, as well as acts of God.

The City and Housing Authority have purchased commercial insurance and workers' compensation coverage to minimize their risks of loss. The City has not had significant settlements exceeding insurance coverage in any of the past three fiscal years. There has been no significant reduction in coverage against these losses from year to year.

Employees of the City are covered by the City's medical self-insurance plan. The City's costs for this plan are reflected in the funds paying the coverage, premiums and administrative costs. The self-insurance fund is reported as an internal service fund in the accompanying financial statements. The City has a contract with a third-party administrator to process payments. The City also maintains a stop-loss policy to limit the potential for individual and aggregate claims. Management has estimated an accrual for incurred but not reported (IBNR) claims at June 30, 2023 of \$230,000. Changes in the IBNR from fiscal years 2023 and 2022 were as follows:

	At Fiscal Year-End Liability	Estimated Claims Incurred	Claim Payments	At Fiscal Year-End Liability
Fiscal Year 2021-2022	\$ 270,000	\$ 3,582,051	\$ (3,559,051)	\$ 293,000
Fiscal Year 2022-2023	\$ 293,000	\$ 2,546,862	\$ (2,609,862)	\$ 230,000

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At June 30, 2023, the City was obligated for construction and other commitments as follows:

Governmental activities:	<u>Encumbered</u>
General government	\$ 536,017
Public safety	454,965
Public works	3,876,854
Culture and recreation	<u>425,934</u>
Total governmental activities	<u>5,293,770</u>
Business-type activities:	
Sewer	912,788
Water	1,134,171
Housing Authority	-
Internal Service Fund	<u>10,000</u>
Total business-type activities	<u>\$ 2,056,959</u>

**Note 9. Due to State of Wyoming**

The Sewer fund has the following outstanding loans with the Wyoming State Loan and Investment Board.

The *Wastewater Treatment Plant Expansion Project* loan (original loan \$11,000,000, interest at 2.5%) requires annual principal and interest payments of \$705,618. The loan balance as of June 30, 2023 was \$2,613,747. The loan is secured by the pledge of the City's rights, title, and interest in and to the revenues received from the water system user fees.

The *Clark Addition loan* (original loan \$993,198, interest at 2.5%) requires annual principal and interest payments of \$63,711. The loan balance as of June 30, 2023 was \$118,798. The loan is secured by the pledge of the City's rights, title, and interest in and to revenues received in the operations of the Sewer Fund.

Annual debt service requirements to maturity are as follows:

Year ending June 30:	Total	Principal	Interest
2024	\$ 769,329	\$ 699,896	\$ 69,433
2025	765,329	713,394	51,935
2026	705,619	671,618	34,001
2027	<u>664,847</u>	<u>647,637</u>	<u>17,210</u>
	<u>\$ 2,905,124</u>	<u>\$ 2,732,545</u>	<u>\$ 172,579</u>

The City has entered into agreements with the Wyoming State Loan and Investment Board through the Joint Powers Water Board (except for the *Water Meter Replacement* loan, which runs directly through the City) to provide funding for improvements to the water system. The City has agreed to reimburse the Joint Powers Water Board for all required payments on the notes (except for the *Water Meter Replacement* loan).

The *Water Meter Replacement* loan (original loan \$2,449,830, interest at 2.5%) requires annual principal and interest payments of \$157,150. The loan balance as of June 30, 2023 was \$581,772. The loan is secured by the pledge and assignment of revenues from the City's Water Fund.

The *Lower Edgar* loan (original loan \$1,738,481, interest at 2.5%) requires annual principal and interest payments of \$116,062. The loan balance as of June 30, 2023 was \$0 as the loan was paid in full during the current fiscal year. The loan is secured by the pledge and assignment of revenues from the City's Water Fund.

The *Clark Addition* loan (original loan \$1,000,000, interest at 2.5%) requires annual principal and interest payments of

**City of Rock Springs, Wyoming**  
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\$64,147. The loan balance as of June 30, 2023 was \$123,639. The loan is secured by the pledge and assignment of revenues from the City's Water Fund.

The *Gobel/O'Donnell Water Line* loan (original loan \$1,171,045, interest at 2.5%) requires annual principal and interest payments of \$74,876. The loan balance as of June 30, 2023 was \$412,901. The loan is secured by the pledge and assignment of revenues from the City's Water Fund.

Annual debt service requirements to maturity are as follows:

Year ending June 30:	Total	Principal	Interest
2024	\$ 296,173	\$ 268,121	\$ 28,052
2025	296,173	274,802	21,371
2026	232,026	217,502	14,524
2027	222,605	213,496	9,109
2028	74,876	71,316	3,560
Thereafter	74,877	73,075	1,802
	<u>\$ 1,196,730</u>	<u>\$ 1,118,312</u>	<u>\$ 78,418</u>

As discussed in Note 6, during fiscal year 2022 it was determined that Firemen's Pension Plan A was actuarially underfunded. As a result the City entered into an agreement with the State of Wyoming, by and through the State Treasurer, for the City's portion of the liability. The *Fire Pension Plan A Legislative Reserve Account* loan (original loan \$2,117,647, interest at 0.00%) requires annual principal and interest payments of \$105,882. The loan balance as of June 30, 2023 was \$2,011,765.

Annual debt service requirements to maturity are as follows:

Year ending June 30:	Total	Principal	Interest
2024	\$ 105,882	\$ 105,882	\$ -
2025	105,882	105,882	-
2026	105,882	105,882	-
2027	105,882	105,882	-
2028	105,882	105,882	-
Thereafter	1,482,355	1,482,355	-
	<u>\$ 2,011,765</u>	<u>\$ 2,011,765</u>	<u>\$ -</u>

**City of Rock Springs, Wyoming**  
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**Note 10. Long-Term Obligations**

	Balance June 30, 2022	Additions	Reductions	Balance June 30, 2023	Due Within One Year
Governmental Activities:					
Compensated absences	\$ 2,183,027	\$ 1,992,529	\$ (1,817,920)	\$ 2,357,636	\$ 1,594,150
Net pension obligation	19,642,267	3,134,510	-	22,776,777	-
Total OPEB obligation	2,911,206	-	(966,778)	1,944,428	-
Due to other governmental entities	2,117,647	-	(105,882)	2,011,765	105,882
Lease liabilities	182,443	248,782	(78,270)	352,955	89,968
Subscription liabilities	-	169,089	(38,931)	130,158	34,991
<b>Total governmental long-term obligations</b>	<u>27,036,590</u>	<u>5,544,910</u>	<u>(3,007,781)</u>	<u>29,573,719</u>	<u>1,824,991</u>
Business Type Activities:					
Sewer fund - due to other governmental entities	3,412,738	-	(680,193)	2,732,545	699,896
Water fund - due to other governmental entities	722,976	-	(141,204)	581,772	142,370
Water fund - JPWB loan	772,477	-	(235,937)	536,540	125,751
Compensated absences	294,733	310,134	(292,868)	311,999	226,540
<b>Total business-type long-term obligations</b>	<u>5,202,924</u>	<u>310,134</u>	<u>(1,350,202)</u>	<u>4,162,856</u>	<u>1,194,557</u>
<b>Total long-term obligations</b>	<u>\$ 32,239,514</u>	<u>\$ 5,855,044</u>	<u>\$ (4,357,983)</u>	<u>\$ 33,736,575</u>	<u>\$ 3,019,548</u>

**Note 11. Postemployment Benefits Other Than Pensions (OPEB)**

*Plan Description:*

The City of Rock Springs Retiree Healthcare Plan is a single-employer defined benefit post-employment healthcare plan administered by the City of Rock Springs and Blue Cross Blue Shield. The City Council has the authority for establishing and amending this plan. This plan does not issue a separate report and the plan has no assets that are accumulated in a trust that meet the criteria in paragraph 4 of GASB Statement No. 75.

*Benefits provided:*

The plan provides medical (which includes vision and dental) and prescription drug benefits to eligible retirees and their spouses who meet one of the following conditions:

1. Any City employee who retires in good standing after 10 or more years of employment and is a minimum of 55 years old, provided that the retiree pays the required contributions.
2. Any City employee who retires in good standing after 20 or more years of employment regardless of age, provided the retiree pays the required contributions.
3. Any City employee who retires from such employment while in good standing after eight or more years of employment and after attaining the age of 75 years, provided that the employee applies for and uses the City health coverage plan as a supplemental coverage with Medicare being the primary coverage and that the retired employee pays the necessary contributions.
4. All Mayors and Council members who served two or more terms in office and who participated in the City health

**City of Rock Springs, Wyoming**  
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coverage plan prior to retiring from office, provided they pay the necessary contributions.

*Funding policy:*

The contribution requirements of plan members and the City are established and may be amended by the City Council. The required contribution is based on projected pay-as-you-go financing requirements. For fiscal year 2023, the City contributed \$0 to the plan. Plan members receiving benefits contributed \$93,303 or 100% of the total premiums, through their required contributions. The City offers a choice of two different plans to retirees; a \$1,000 deductible plan and a \$3,000 high deductible plan. Required contributions, through December 30, 2022, for the plans were \$835.18 and \$720.89 (\$847.14 and \$731.22 for Post-Medicare) per month for retiree-only coverage and \$1,693.59 and \$1,461.84 (\$1,694.28 and \$1,462.44 for Post-Medicare) per month for spouse coverage for the \$1,000 deductible and \$3,000 high deductible plans, respectively. Effective January 1, 2023 the required contributions increased to \$918.70 and \$792.98 (\$931.85 and \$804.34 for Post-Medicare) per month for retiree-only coverage and \$1,862.95 and \$1,608.02 (\$1,863.70 and \$1,608.68 for Post-Medicare) per month for spouse coverage for the \$1,000 deductible and \$3,000 high deductible plans, respectively.

*Employees covered by the benefit terms:*

As of the measurement date, December 31, 2022, the following employees were covered by the benefit terms:

Inactive plan members or beneficiaries currently receiving benefits	9
Inactive plan members entitled to but not yet receiving benefits	0
Active plan members	210
Total plan members	<u>219</u>

*Total OPEB liability:*

The City's total OPEB liability of \$1,944,428 was measured as of December 31, 2022. The actuarial valuation was performed as of December 31, 2022.

*Actuarial assumptions and other inputs:*

The OPEB liability in the actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified.:

Actuarial Cost Method	Individual Entry-Age
Discount rate	4.05 % as of December 31, 2022
Inflation	2.25%
Salary increases	Fire from 2.00% to 5.00%; Law from 0.5% to 4.50%; and General Employees from 0.25% to 4.00% not including wage inflation of 2.50%.
Health care trend rates	Initial rate of 7.00% declining to an ultimate rate of 4.25% after 15 years.
Participation rates	45% for eligible retirees 55 or older at retirement; 10% for eligible retirees under the age of 55 at retirement.

In accordance with GASB Statement No. 75 for plans that do not have formal assets, the discount rate should equal the tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date. For the purpose of this valuation, the municipal bond rate is 4.05% as of December 31, 2022 (based on the daily rate closest to but not later than the measurement date of the Fidelity "20-Year Municipal GO AA Index"). The discount rate was 1.84% as of the prior measurement date, December 31, 2021.

Mortality Rates for Fire and Law are based on the Pub-2010 Safety Mortality Table for Healthy Annuitants, rates multiplied by 100% for males and 100% for females. Those rates are projected on a fully generational basis with the Ultimate MP-2020

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Scale. Mortality Rates for WRS are based on the Pub-2010 General Mortality Table for Healthy Annuitants, rates multiplied by 100% for males and 103% for females. Those rates are projected on a fully generational basis with the Ultimate MP-2020 Scale.

Demographic assumptions are based on the experience study covering the five-year period ending December 31, 2020, as conducted for the Wyoming Retirement System (WRS).

*Changes in the total OPEB liability:*

Total OPEB liability:	
Service cost	\$ 179,320
Interest on OPEB liability	54,550
Changes of benefit terms	-
Difference between expected and actual experience	(777,581)
Changes in assumptions	(350,664)
Benefit payments	<u>(72,403)</u>
Net change in OPEB liability	(966,778)
Total OPEB liability - beginning	<u>2,911,206</u>
Total OPEB liability - ending	<u>\$ 1,944,428</u>

Changes of assumptions reflect a change in the discount rate from 1.84% as of December 31, 2021 to 4.05% as of December 31, 2022 and updates to the healthcare trend rate assumption.

The benefit payments during the measurement period were determined as follows:

Age-adjusted premiums	\$ 165,706	Retiree contributions * 1.776
Retiree contributions	<u>(93,303)</u>	<u>(data provided by the City)</u>
Total benefit payments	<u>\$ 72,403</u>	

The 1.776 factor equals the ratio of the expected retiree claims to the expected retiree contributions.

The underlying retiree claims were estimated using age-adjusted premiums.

*Sensitivity of the total OPEB liability to changes in the discount rate assumption:*

Regarding the sensitivity of the total OPEB liability to changes in the discount rate, the following presents the City's total OPEB liability, calculated using a discount rate of 4.05%, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is one percent lower or one percent higher:

	1% Decrease	Current	1% Increase
	3.05%	Discount Rate	5.05%
		4.05%	
Total OPEB liability:	\$ 2,159,554	\$ 1,944,428	\$ 1,751,268

*Sensitivity of total OPEB liability to the healthcare cost trend rate assumption:*

Regarding the sensitivity of the total OPEB liability to changes in the healthcare cost trend rates, the following presents the

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**For the Year Ended June 30, 2023**

City's total OPEB liability, calculated using the assumed healthcare cost trend rates as well as what the City's total OPEB liability would be if it were calculated using a healthcare cost trend rate that is one percent lower or one percent higher:

	Current Healthcare Cost Trend Rate		
	1% Decrease	Assumption	1% Increase
Total OPEB liability:	\$ 1,697,578	\$ 1,944,428	\$ 2,238,880

*OPEB expenses and deferred outflows of resources and deferred inflows of resources related to OPEB:*

For the year ended June 30, 2023, the City recognized OPEB expense of \$88,091. At June 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 14,249	\$ 1,234,448
Changes in assumptions	350,128	313,967
Contributions subsequent to the measurement date	27,955	-
Total	<u>\$ 392,332</u>	<u>\$ 1,548,415</u>

An amount of \$27,955 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability in the year ending June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as OPEB expense as follows:

	Net Deferred Outflows/(Inflows)
<b>Year Ended June 30:</b>	
2024	\$ (145,779)
2025	(145,779)
2026	(145,779)
2027	(148,615)
2028	(145,536)
Thereafter	<u>(452,550)</u>
Total	<u>\$ (1,184,038)</u>

**Note 12. Leases and Subscriptions**

Leases receivable:

In November 2004, the City began leasing a parcel of property located near the South Side Belt Route, Rock Springs to a third party, for an outdoor advertising structure. The lease is for 20 years (December 1, 2004 through November 30, 2024), this lease will continue for a subsequent term of 20 years unless either party shall give written notice. The City will receive annual payments of \$1,500 or 15% of gross revenue, whichever is greater. The City recognized \$1,317 in lease revenue and \$290 in interest revenue during the current fiscal year related to this lease.

In November 2004, the City began leasing a parcel of property located near Elk Street, Rock Springs to a third party, for an outdoor advertising structure. The lease is for 20 years (December 1, 2004 through November 30, 2024), this lease will continue for a subsequent term of 20 years unless either party shall give written notice. The City will receive annual payments of \$1,500 or 15% of gross revenue, whichever is greater. The City recognized \$1,317 in lease revenue and \$290 in interest



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revenue during the current fiscal year related to this lease.

In February 2019, the City began leasing the restaurant facility and snack shop area, located in the clubhouse at the White Mountain Golf Course, to a third party. The lease is for 4 years (April 1, 2019 through March 31, 2023) and the City will initially receive monthly payments of \$2,000, increasing to \$2,500 on April 1, 2020, and to \$3,000 on April 1, 2021. This lease was renewed in April 2023 for 4 additional years (April 1, 2023 through March 31, 2027) with monthly payments of \$3,000. The City recognized \$35,602 in lease revenue and \$340 in interest revenue during the current fiscal year related to this lease.

In April 2019, the City committed \$800,000 to the Southwest Wyoming Regional Airport (the "Airport") to support the design and construction of a new fuel tank farm for the Airport. In May 2020, the City signed a sale-leaseback agreement with the Airport, effective July 1, 2020. This lease term remains in effect until July 1, 2036, at which time the lease automatically renews on every 10-year anniversary of the lease thereafter until such time that the Airport no longer is in operation. Beginning on July 1, 2022, the Airport is required to pay an annual fee of \$61,521 through the end of the initial lease term. After the initial term of 16 years, the rental payments are reduced to a nominal fee of \$10 per year. The City recognized \$57,413 in lease revenue and \$8,000 in interest revenue during the current fiscal year related to this lease.

In June 2019, the City began leasing a portion of the water tank (the "tank") located at 1501 Clubhouse Drive, Rock Springs, Wyoming, to a third party, for the purpose of installing and maintaining wireless internet equipment, including but not limited to microwave or other satellite dish equipment, electrical equipment, or other equipment necessary for the purpose. The lease is for 5 years (July 1, 2019 through June 30, 2024), this lease may be renewed for an additional term of five years. The City will receive annual payments of \$2,400 as well as 2 IP cameras for use by the City at the tank. The City recognized \$2,330 in lease revenue and \$119 in interest revenue during the current fiscal year related to this lease.

In July 2021, the City began leasing the Historic Train Depot to a third party. The lease is for 2 years (July 1, 2021 through June 30, 2023) and the City initially received monthly payments of \$1,675, increasing to \$1,775 on July 1, 2022. This lease was renewed in July 2023 for 2 additional years (July 1, 2023 through June 30, 2025) with monthly payments of \$1,875. The City recognized \$20,500 in lease revenue and \$115 in interest revenue during the current fiscal year related to this lease.

In May 2022, the City began leasing a 100' x 100' parcel of land to a third party upon which the Lessee will construct its equipment base stations and antenna structures, ancillary buildings, structures and fences to house electronic communications equipment and antennas. The lease is for 5 years (May 17, 2022 through May 17, 2026), this lease will automatically renew for five additional terms of five years each unless the lessee provides the City notice of intention not to renew. The City will receive an initial annual payment of \$6,500 and rent shall be adjusted each anniversary date in accordance with the Consumer Price Index for All Urban Consumers (CPI-U) using the last month reported prior to the anniversary date except that in no event will rent be decreased from the previous year's amount. The City recognized \$5,644 in lease revenue and \$1,632 in interest revenue during the current fiscal year related to this lease.

In November 2013, the City (under the Sewer fund) began leasing a 80' x 80' parcel of property located at 2300 Sunset Drive, Rock Springs to a third party, for the installation and maintenance of utility wire, poles, cables, conduits, and pipes. The lease is for 15 years (effective December 1, 2013 through November 30, 2028), this lease will automatically renew for two additional terms of five years each unless the lessee provides the City notice of intention not to renew. The City will receive an initial annual amount of \$8,400 to be paid in equal monthly installments; the annual amount for the second year of the initial term and each year thereafter shall be equal to 102% of the annual payment for the immediate preceding year. The City's Sewer Fund recognized \$10,542 in lease revenue and \$1,718 in interest revenue during the current fiscal year related to this lease.

As of June 30, 2023 the City's total receivable for all lease payments was \$1,273,786 for governmental activities and \$167,259 for the Sewer Fund. Also, the City has deferred inflow of resources associated with the above mentioned leases that will be recognized as revenue over the lease terms. As of June 30, 2023, the balance of the deferred inflow of resources related to leasing was \$1,263,760 for governmental activities and \$162,530 for the Sewer Fund. The lease agreements did not contain variable payments or residual value guarantees.

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Leases payable:

In April 2022, the City entered into a four year lease agreement as lessee for the acquisition and use of five 2021 Ford Police Interceptors. An initial lease liability was recorded in the amount of \$148,901 during the prior fiscal year. As of June 30, 2023, the value of the lease liability was \$106,143. The City is required to make monthly principal and interest payments of \$738.18 for one of the vehicles and \$718.07 for the other four vehicles. The leases have an interest rate of 6.01%. The vehicles have an estimated useful life equal to the lease term.

In May 2022, the City entered into a four year lease agreement as lessee for the acquisition and use of an 2022 Ford F-150. An initial lease liability was recorded in the amount of \$43,442 during the prior fiscal year. As of June 30, 2023, the value of the lease liability was \$31,866. The City is required to make monthly principal and interest payments of \$1,024.83. The lease has an interest rate of 6.23%. The truck has an year estimated useful life equal to the lease term.

In February 2023, the City entered into a four year lease agreement as lessee for the acquisition and use of two 2022 Ford Police Interceptors. An initial lease liability was recorded in the amount of \$72,802 during the current fiscal year. As of June 30, 2023, the value of the lease liability was 66,220. The City is required to make monthly principal and interest payments of \$883.86 for each of the two vehicles. The leases have an interest rate of 7.72%. The vehicles have an estimated useful life equal to the lease term.

In September 2022, the City entered into a four year lease agreement as lessee for the acquisition and use of a 2022 Caterpillar 320-07 Hydraulic Excavator. An initial lease liability was recorded in the amount of \$175,980 during the current fiscal year. As of June 30, 2023, the value of the lease liability was \$148,726. The City is required to make annual principal and interest payments of \$34,185. The lease has an interest rate of 6.38%. The equipment has an estimated useful life equal to the lease term.

These lease agreements did not contain variable payments or residual value guarantees.

See Note 4 for the value and accumulated amortization of the right-to-use assets as of June 30, 2023.

The future principal and interest lease payments as of June 30, 2023, were as follows:

Year ending June 30:	Total	Principal	Interest
2024	\$ 109,667	\$ 89,968	\$ 19,699
2025	109,667	95,959	13,708
2026	97,124	89,749	7,375
2027	46,559	43,633	2,926
2028	34,186	33,646	540
	<u>\$ 397,203</u>	<u>\$ 352,955</u>	<u>\$ 44,248</u>

Subscriptions payable:

In February 2021, the City entered into a forty two month agreement for the use of barracuda software. An initial subscription liability was recorded in the amount of \$44,620 during the current fiscal year. As of June 30, 2023, the value of the subscription liability was \$22,331. The City is required to make a final principal and interest payments of \$22,602. The subscription has an estimated useful life equal to the term.

In May 2023, the City entered into a fifty month agreement for the use of darktrace software. An initial subscription liability was recorded in the amount of \$124,469 during the current fiscal year. As of June 30, 2023, the value of the subscription liability was \$107,827. The City is required to make annual principal and interest payments of \$19,433.50 in July 2023, and \$34,254.94 in July 2024, July 2025, and July 2026. The subscription has an estimated useful life equal to the term.

**City of Rock Springs, Wyoming**  
**Notes to the Financial Statements**  
**For the Year Ended June 30, 2023**

See Note 4 for the value and accumulated amortization of the right-to-use assets as of June 30, 2023.

Year ending June 30:	Total	Principal	Interest
2024	\$ 42,036	\$ 34,991	\$ 7,045
2025	34,255	29,452	4,803
2026	34,255	31,667	2,588
2027	34,254	34,048	206
	<u>\$ 144,800</u>	<u>\$ 130,158</u>	<u>\$ 14,642</u>

**Note 13. Fund Balance Classifications**

Certain components of fund balance have been aggregated on the face of the financials. Below is the detail to the aggregated fund balance:

	<u>Governmental</u> <u>Fund</u> <u>General Fund</u>
Nonspendable:	
Inventories	\$ 426,454
Prepaid expenses	104,975
	<u>\$ 531,429</u>
Committed:	
Contingency reserve (cash reserve)	\$ 12,992,493
Capital replacement	1,487,945
Compensated absences/OPEB	1,650,250
General government	527,179
Public safety	294,996
Public works	3,645,230
	<u>\$ 20,598,093</u>
Assigned:	
General government	\$ 8,838
Public safety	159,969
Public works	231,624
Culture and recreation	425,934
Cash carryover	4,270,051
	<u>\$ 5,096,416</u>

**City of Rock Springs, Wyoming**  
**Notes to the Financial Statements**  
**For the Year Ended June 30, 2023**

**Note 14. Recent Pronouncements**

Upcoming:

In June 2022, the GASB issued GASB Statement No.101, *Compensated Absences*. This Statement is effective for fiscal periods beginning after December 15, 2023, and all reporting periods thereafter. The effect that the adoption of this statement will have on the City's financial statements has not been determined.

Adopted:

In May 2020, the GASB issued GASB Statement No.96, *Subscription-Based Information Technology Arrangements*. GASB Statement No. 96 provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users. This statement is effective for years beginning after June 15, 2022. Management has adopted this statement for the year ended June 30, 2023. As a result of this adoption, a right-to-use asset and subscription liabilities were established. The right-to-use asset was calculated utilizing the value of the subscription liability plus any direct ancillary costs necessary to place the asset into services. The asset will be amortized over the years remaining on the subscription agreement. The subscription liability was calculated as the present value of future subscription payments expected to be made during the term and will be reduced annually for the actual payments, less amounts for interest expense. The restatement of beginning net position was not required. See additional disclosures regarding the subscriptions in Note 12.

## REQUIRED SUPPLEMENTARY INFORMATION

The City's required supplementary information includes the Budgetary Comparison Schedule – General Fund as described in the accompanying Notes to Required Supplementary Information following the schedule. Also included in the required supplementary information is the Schedule of Changes in Total OPEB Liability and Related Ratios, as well as the Schedule of the Proportionate Share of the Net Pension Liability and the Schedule of Pension Contributions relating to the City's retirement commitment with Wyoming Retirement System.

**City of Rock Springs, Wyoming**  
**Budgetary Comparison Schedule**  
**General Fund**  
**For the Year Ended June 30, 2023**

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
<b>Revenues</b>				
Taxes:				
Property taxes	\$ 2,415,000	\$ 2,415,000	\$ 2,690,145	\$ 275,145
Occupation tax	60,000	60,000	62,115	2,115
Franchise tax	600,000	600,000	772,352	172,352
Sales and use tax	12,184,685	12,184,685	22,205,995	10,021,310
Cigarette tax	130,000	130,000	111,289	(18,711)
Wholesale gas tax	675,000	675,000	758,262	83,262
Mineral severance tax	852,000	852,000	834,827	(17,173)
Special fuels tax	227,000	227,000	249,802	22,802
	<u>17,143,685</u>	<u>17,143,685</u>	<u>27,684,787</u>	<u>10,541,102</u>
Licenses and permits:				
Liquor licenses	97,000	97,000	84,125	(12,875)
Malt beverage and catering	5,000	5,000	6,600	1,600
Building fees and permits	230,000	230,000	170,736	(59,264)
Animal licenses	10,000	10,000	14,002	4,002
Contractor licenses	55,000	55,000	51,500	(3,500)
	<u>397,000</u>	<u>397,000</u>	<u>326,963</u>	<u>(70,037)</u>
Inter-governmental revenue:				
Mineral royalties	935,000	935,000	925,060	(9,940)
Federal, state, and county grants	241,000	1,873,389	1,116,732	(756,657)
Impact assistance funding	-	-	43,808	43,808
Supplemental local government/impact assistance funding	1,590,788	1,590,788	1,676,979	86,191
	<u>2,766,788</u>	<u>4,399,177</u>	<u>3,762,579</u>	<u>(636,598)</u>
Charges for services:				
Golf course	690,000	690,000	849,917	159,917
Civic center	170,000	170,000	184,199	14,199
Indoor recreation	400,000	400,000	513,308	113,308
Field usage fees	18,500	18,500	16,505	(1,995)
Rents and concessions	61,500	61,500	94,309	32,809
Inter-fund administrative charges	164,400	164,400	160,840	(3,560)
Special police and fire services	100,000	100,000	162,869	62,869
Maps, publications and copies	7,000	7,000	10,734	3,734
Sale of cemetery lots	20,000	26,138	35,488	9,350
Miscellaneous cemetery fees	20,000	20,000	33,190	13,190
Sale of property	-	-	34,394	34,394
Sale of materials or supplies	198,500	198,500	251,667	53,167
Animal adoption	17,000	17,000	29,357	12,357
Advertising fees	3,000	3,000	350	(2,650)
	<u>1,869,900</u>	<u>1,876,038</u>	<u>2,377,127</u>	<u>501,089</u>
Fines and forfeitures:				
Municipal court fees and parking fines	301,000	304,022	290,798	(13,224)
Animal fines	12,000	12,000	27,511	15,511
	<u>313,000</u>	<u>316,022</u>	<u>318,309</u>	<u>2,287</u>

**City of Rock Springs, Wyoming**  
**Budgetary Comparison Schedule**  
**General Fund**  
**For the Year Ended June 30, 2023**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Miscellaneous:				
Blue Cross Blue Shield	648,000	648,000	582,028	(65,972)
Miscellaneous reimbursements	18,000	264,584	316,364	51,780
Refund of overpayments and insurance reimbursements	-	219,764	230,647	10,883
Contributions and donations	6,000	7,230	8,480	1,250
Sundry revenues	621,521	637,521	1,018,601	381,080
	1,293,521	1,777,099	2,156,120	379,021
Other income:				
Interest	100,200	324,143	920,912	596,769
Transfers	-	350,629	350,629	-
	100,200	674,772	1,271,541	596,769
<b>Total revenues</b>	<b>23,884,094</b>	<b>26,583,793</b>	<b>37,897,426</b>	<b>11,313,633</b>

*Continued*

**City of Rock Springs, Wyoming**  
**Budgetary Comparison Schedule**  
**General Fund**  
**For the Year Ended June 30, 2023**

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	
<b>Expenditures</b>				
General government:				
Legislative	216,300	283,220	259,188	24,032
Judicial	590,900	621,300	615,978	5,322
Finance	946,200	965,900	928,519	37,381
Municipal court	402,629	400,229	372,264	27,965
Information technology	824,400	904,683	885,430	19,253
City buildings	645,000	702,247	521,196	181,051
Urban renewal	373,100	371,550	351,813	19,737
	<u>3,998,529</u>	<u>4,249,129</u>	<u>3,934,388</u>	<u>314,741</u>
Public safety:				
Police department	8,916,805	9,474,249	7,690,839	1,783,410
Animal control	449,535	505,607	446,402	59,205
Emergency management	17,000	398,130	148,063	250,067
Fire department	6,059,162	6,773,540	6,525,503	248,037
	<u>15,442,502</u>	<u>17,151,526</u>	<u>14,810,807</u>	<u>2,340,719</u>
Public works:				
Public works administration, engineering	746,720	2,202,896	1,399,290	803,606
Planning and inspection	776,370	776,084	636,240	139,844
Street department	5,309,335	9,386,924	7,762,195	1,624,729
Vehicle maintenance	652,000	644,800	622,854	21,946
Cemetery	828,284	943,903	805,432	138,471
	<u>8,312,709</u>	<u>13,954,607</u>	<u>11,226,011</u>	<u>2,728,596</u>
Culture and recreation:				
Parks and recreation	1,493,268	1,580,088	1,481,153	98,935
Golf course	2,250,436	2,413,564	2,295,085	118,479
Civic center	1,485,950	1,539,722	1,359,706	180,016
Historical museum	306,740	385,968	213,511	172,457
Indoor recreation	2,722,913	2,753,664	2,574,329	179,335
	<u>8,259,307</u>	<u>8,673,006</u>	<u>7,923,784</u>	<u>749,222</u>
Nondepartmental	<u>2,036,805</u>	<u>2,247,707</u>	<u>1,865,411</u>	<u>382,296</u>
Transfers	<u>-</u>	<u>350,629</u>	<u>350,629</u>	<u>-</u>
<b>Total expenditures</b>	<u>38,049,852</u>	<u>46,626,604</u>	<u>40,111,030</u>	<u>6,515,574</u>
<b>Excess (deficiency) of revenues over (under) expenses</b>	<u>\$ (14,165,758)</u>	<u>\$ (20,042,811)</u>	<u>\$ (2,213,604)</u>	<u>\$ 17,829,207</u>

*The notes to the required supplementary information are an integral part of this schedule.*



**City of Rock Springs, Wyoming**  
**Notes to the Required Supplementary Information**  
**For the Year Ended June 30, 2023**

**Note 1. Budget**

The budgetary comparison schedule - general fund presents a comparison of the legally adopted budget with actual data. The City prepares its budget on a modified accrual basis, as is used to prepare the governmental fund financial statements adjusted to include encumbrances and transfers within the general fund. The revenues and expenditures shown are presented on a similar basis. All budget amendments are approved by the City Council and are presented within the final budget figures.

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

Wyoming State Statutes require the preparation of an annual budget which provides documentation that all sources and uses of City resources are properly planned, budgeted, and approved. The budget, upon adoption, is the legal document which places restrictions and limitations on the purposes and amounts for which City monies may be expended.

The budget is adopted according to the following schedule:

1. On or before May 15, the Budget Officer shall prepare a tentative budget for each fund and file the budget with the governing body.
2. A summary of the tentative budget shall be entered into the minutes and the governing body shall publish the summary at least one week before the public hearing to adopt the budget.
3. The public hearing is held on the third Tuesday in June.
4. A copy of the adopted budget shall be furnished to the County Commissioners for the necessary property tax levies and placed on file for public inspection.

**Note 2. Explanation of Differences between Budgetary Basis and GAAP Basis**

	<u>General Fund</u>
<b>Revenues</b>	
Actual Amounts (budgetary basis) from the schedule of revenues, expenditures and changes in fund balance - budget (budgetary basis) and actual	\$ 37,897,426
Differences - Budget Basis to GAAP transfers to/from the reserves fund within the General Fund	<u>(350,629)</u>
Total revenues and other financing sources as reported on the statement of revenues, expenditures, and changes in fund balance - governmental funds	<u><u>\$ 37,546,797</u></u>
<b>Expenditures</b>	
Actual Amounts (budgetary basis) from the schedule of revenues, expenditures and changes in fund balance - budget (budgetary basis) and actual	\$ 40,111,030
Transfers to/from the reserves fund within the General Fund	(350,629)
Differences - GAAP expenditures not included on the budgetary basis relating to leased and subscription capital assets.	417,871
Differences - Encumbrances included on the budgetary basis, not included in GAAP based expenditures	<u>(5,293,770)</u>
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balance - governmental funds	<u><u>\$ 34,884,502</u></u>

**City of Rock Springs, Wyoming**  
**Schedule of Changes in Total OPEB Liability and Related Ratios**  
**For the Last Six Years**

	2023	2022	2021	2020	2019	2018
<b>Total OPEB liability:</b>						
Service cost	\$ 179,320	\$ 171,978	\$ 167,805	\$ 130,025	\$ 134,972	\$ 119,597
Interest on the total OPEB liability	54,550	55,955	83,877	97,610	90,790	94,531
Changes in benefit terms	-	-	-	-	-	-
Difference between expected and actual experience	(777,581)	14,050	(601,465)	(4,393)	(275,500)	8,409
Changes of assumptions	(350,664)	13,332	196,360	260,941	19,248	122,105
Benefit payments	<u>(72,403)</u>	<u>(111,761)</u>	<u>(90,212)</u>	<u>(77,768)</u>	<u>(80,090)</u>	<u>(101,024)</u>
<b>Net change in total OPEB liability</b>	<b>(966,778)</b>	<b>143,554</b>	<b>(243,635)</b>	<b>406,415</b>	<b>(110,580)</b>	<b>243,618</b>
<b>Total OPEB liability - beginning</b>	<b><u>2,911,206</u></b>	<b><u>2,767,652</u></b>	<b><u>3,011,287</u></b>	<b><u>2,604,872</u></b>	<b><u>2,715,452</u></b>	<b><u>2,471,834</u></b>
<b>Total OPEB liability - ending</b>	<b><u>1,944,428</u></b>	<b><u>2,911,206</u></b>	<b><u>2,767,652</u></b>	<b><u>3,011,287</u></b>	<b><u>2,604,872</u></b>	<b><u>2,715,452</u></b>
Covered employee payroll	\$ 14,723,581	\$ 14,641,238	\$ 15,017,732	\$ 14,912,653	\$ 14,738,117	\$ 15,720,540
Total OPEB liability as a percentage of covered-employee payroll	13.21%	19.88%	18.43%	20.19%	17.67%	17.27%
Discount Rate	4.05%	1.84%	2.00%	2.75%	3.71%	3.31%

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

\*\* There were no changes in benefit terms between the December 31, 2021 measurement date and the December 31, 2022 measurement date.

\*\*\* Changes of assumptions and other inputs reflect the effects of changes in the discount rate of each period. See the table above for the specific Discount Rate used in each period. Additionally there was a change in the healthcare trend assumption from 7.50% to 7.20% between the December 31, 2017 measurement date and the December 31, 2018 measurement date.

\*\*\*\* This schedule is to be built prospectively until it contains ten years of data.

**City of Rock Springs, Wyoming**  
**Schedule of the Proportionate Share of the Net Pension Liability**  
**For the Last Ten Years**

	Public Employee Pension Plan 2023	Public Employee Pension Plan 2022	Public Employee Pension Plan 2021	Public Employee Pension Plan 2020	Public Employee Pension Plan 2019	Public Employee Pension Plan 2018	Public Employee Pension Plan 2017	Public Employee Pension Plan 2016	Public Employee Pension Plan 2015	Public Employee Pension Plan 2014
City's proportion of the net pension liability (asset)	.4498332000%	.4542104000%	.4737652000%	0.4762739000%	0.4703933000%	0.4747826000%	0.499093800%	0.501718286%	.477587152%	.481505769%
City's proportionate share of the net pension liability (asset)	\$ 12,293,106	\$ 6,925,444	\$ 10,296,622	\$ 11,192,086	\$ 14,324,844	\$ 10,821,912	\$ 12,065,593	\$ 11,686,765	\$ 8,427,943	\$ 7,320,816
City's covered payroll	\$ 8,449,662	\$ 8,277,837	\$ 8,631,490	\$ 8,473,064	\$ 8,267,126	\$ 8,714,891	\$ 8,921,551	\$ 8,948,570	\$ 8,482,763	\$ 8,248,042
City's proportionate share of the net pension liability (asset) as a percentage of its covered employee payroll	145%	84%	119%	132%	173%	124%	135%	131%	99%	89%
Plan fiduciary net position as a percentage of the total pension liability	75.47%	86.03%	79.24%	76.83%	69.17%	76.35%	73.42%	73.40%	79.08%	81.10%
Discount Rate	6.80%	6.80%	7.00%	7.00%	7.00%	7.00%	7.75%	7.75%	7.75%	7.75%
Investment Rate of Return	6.80%	6.80%	7.00%	7.00%	7.00%	7.75%	7.75%	7.75%	7.75%	7.75%
Inflation Increase Rate	2.25%	2.25%	2.25%	2.25%	2.25%	3.25%	3.25%	3.25%	3.25%	3.25%
Salary Increase Rate (Includes Inflation)	2.50% - 6.50%	2.50% - 6.50%	2.50% - 6.50%	2.50% - 6.50%	4.75% - 8.75%	4.25% - 6.00%	4.25% - 6.00%	4.25% - 6.00%	4.25% - 6.00%	4.25% - 6.00%
Payroll Growth Rate	2.50%	2.50%	2.50%	2.50%	2.50%	4.25%	4.25%	4.25%	4.25%	4.25%
Cost of Living	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

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

\*\* There were no changes in benefit terms between the initial December 31, 2021 measurement date and the December 31, 2022 measurement date.

\*\*\* There have been various assumption changes in discount rates, investment rate of return, inflation rates, salary increase rate, and payroll growth rates from the initial December 31, 2013 measurement date through December 31, 2022 measurement date. See the table above for the specific assumptions used in each period. Additionally health care trend rates were updated along with assumptions relating to mortality rates, retirement rates, withdrawal rates, disability rates, and salary increase rates based on the Wyoming Retirement System December 31, 2020 actuarial experience study.

**City of Rock Springs, Wyoming**  
**Schedule of the Proportionate Share of the Net Pension Liability**  
**For the Last Ten Years**

	<u>Paid Firemen's Pension Plan A</u> 2023	<u>Paid Firemen's Pension Plan A</u> 2022	<u>Paid Firemen's Pension Plan A</u> 2021	<u>Paid Firemen's Pension Plan A</u> 2020	<u>Paid Firemen's Pension Plan A</u> 2019	<u>Paid Firemen's Pension Plan A</u> 2018	<u>Paid Firemen's Pension Plan A</u> 2017	<u>Paid Firemen's Pension Plan A</u> 2016	<u>Paid Firemen's Pension Plan A</u> 2015	<u>Paid Firemen's Pension Plan A</u> 2014
City's proportion of the net pension liability (asset)	9.3963407000%	9.2933725000%	9.1881139000%	9.0581126000%	8.7543983000%	8.5328753000%	8.468409700%	8.762495603%	8.768998174%	11.379147754%
City's proportionate share of the net pension liability (asset)	\$ 3,474,634	\$ 9,086,243	\$ 29,750,030	\$ 23,603,213	\$ 19,872,505	\$ 19,090,505	\$ 15,537,226	\$ 16,250,436	\$ 14,432,687	\$ 6,677,562
City's covered payroll	\$ -	\$ -	\$ -	\$ -	\$ 54,023	\$ 103,532	\$ 96,006	\$ 108,055	\$ 106,836	\$ 156,598
City's proportionate share of the net pension liability (asset) as a percentage of its covered employee payroll	N/A	N/A	N/A	N/A	36786%	18439%	16184%	15039%	13509%	4264%
Plan fiduciary net position as a percentage of the total pension liability	77.49%	42.90%	21.77%	27.32%	29.99%	34.28%	38.91%	40.05%	45.95%	71.55%
Discount Rate	6.80%	6.80%	1.95%	3.09%	4.01%	3.75%	4.38%	4.25%	4.47%	4.47%
Investment Rate of Return	6.80%	6.80%	1.00%	7.00%	7.00%	7.75%	4.38%	7.75%	7.75%	7.75%
Inflation Rate	2.25%	2.25%	2.25%	2.25%	2.25%	3.25%	3.25%	3.25%	3.25%	3.25%
Salary Increase Rate (Includes Inflation)	4.50%	4.50%	4.50%	4.50%	4.50%	4.25%	4.25%	4.25%	4.25%	4.25%
Payroll Growth Rate	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Cost of Living	0.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%

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

\*\* There were no changes in benefit terms between the December 31, 2021 measurement date and the December 31, 2022 measurement date.

\*\*\* There have been various assumption changes in discount rates, investment rate of return, inflation rates, salary increase rate, and payroll growth rates from the initial December 31, 2013 measurement date through December 31, 2022 measurement date. See the table above for the specific assumptions used in each period. Additionally health care trend rates were updated along with assumptions relating to mortality rates, retirement rates, withdrawal rates, disability rates, and salary increase rates based on the Wyoming Retirement System December 31, 2020 actuarial experience study.

**City of Rock Springs, Wyoming**  
**Schedule of the Proportionate Share of the Net Pension Liability**  
**For the Last Ten Years**

	<u>Paid Firemen's Pension Plan B</u> 2023	<u>Paid Firemen's Pension Plan B</u> 2022	<u>Paid Firemen's Pension Plan B</u> 2021	<u>Paid Firemen's Pension Plan B</u> 2020	<u>Paid Firemen's Pension Plan B</u> 2019	<u>Paid Firemen's Pension Plan B</u> 2018	<u>Paid Firemen's Pension Plan B</u> 2017	<u>Paid Firemen's Pension Plan B</u> 2016	<u>Paid Firemen's Pension Plan B</u> 2015	<u>Paid Firemen's Pension Plan B</u> 2014
City's proportion of the net pension liability (asset)	9.8932553000%	10.7242096000%	10.9748404000%	11.2529652000%	10.8734311000%	10.2151270000%	9.778981200%	10.317995317%	10.230516150%	10.334137317%
City's proportionate share of the net pension liability (asset)	\$ 1,085,294	\$ (1,622,627)	\$ (255,717)	\$ 799,800	\$ 2,281,595	\$ 4,212,189	\$ 3,086,376	\$ 3,154,686	\$ (115,054)	\$ (372,746)
City's covered payroll	\$ 3,293,724	\$ 3,328,497	\$ 3,303,784	\$ 3,206,576	\$ 3,040,980	\$ 2,888,906	\$ 2,750,647	\$ 2,817,952	\$ 2,679,411	\$ 2,640,437
City's proportionate share of the net pension liability (asset) as a percentage of its covered employee payroll	33%	-49%	-7%	25%	75%	146%	112%	112%	-4%	-14%
Plan fiduciary net position as a percentage of the total pension liability	94.92%	107.43%	101.27%	95.93%	87.07%	77.98%	80.16%	79.33%	100.98%	103.45%
Discount Rate	6.80%	6.80%	7.00%	7.00%	7.00%	5.65%	6.59%	6.52%	7.75%	7.75%
Investment Rate of Return	6.80%	6.80%	7.00%	7.00%	7.00%	7.75%	6.59%	7.75%	7.75%	7.75%
Inflation Rate	2.25%	2.25%	2.25%	2.25%	2.25%	3.25%	3.25%	3.25%	3.25%	3.25%
Salary Increase Rate (Includes Inflation)	4.50% - 7.50%	4.50% - 7.50%	4.50% - 7.50%	4.50% - 7.50%	4.50% - 7.50%	4.25% - 7.00%	4.25% - 7.00%	4.25% - 7.00%	4.25% - 7.00%	4.25% - 7.00%
Payroll Growth Rate	2.50%	2.50%	2.50%	2.50%	2.50%	4.25%	4.25%	4.25%	4.25%	4.25%
Cost of Living	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

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

\*\* There were no changes in benefit terms between the December 31, 2021 measurement date and the December 31, 2022 measurement date.

\*\*\* There have been various assumption changes in discount rates, investment rate of return, inflation rates, salary increase rate, and payroll growth rates from the initial December 31, 2013 measurement date through December 31, 2022 measurement date. See the table above for the specific assumptions used in each period. Additionally health care trend rates were updated along with assumptions relating to mortality rates, retirement rates, withdrawal rates, disability rates, and salary increase rates based on the Wyoming Retirement System December 31, 2020 actuarial experience study.

**City of Rock Springs, Wyoming**  
**Schedule of the Proportionate Share of the Net Pension Liability**  
**For the Last Ten Years**

	Law Enforcement Pension Plan 2023	Law Enforcement Pension Plan 2022	Law Enforcement Pension Plan 2021	Law Enforcement Pension Plan 2020	Law Enforcement Pension Plan 2019	Law Enforcement Pension Plan 2018	Law Enforcement Pension Plan 2017	Law Enforcement Pension Plan 2016	Law Enforcement Pension Plan 2015	Law Enforcement Pension Plan 2014
City's proportion of the net pension liability (asset)	1.7389291000%	1.8462194000%	1.8322552000%	2.0048219000%	2.1543204000%	2.2655944000%	2.233462000%	2.268063847%	2.187755887%	2.180668097%
City's proportionate share of the net pension liability (asset)	\$ 5,923,743	\$ 5,253,207	\$ 1,248,173	\$ 1,728,131	\$ 5,215,012	\$ 1,949,418	\$ 1,686,083	\$ 1,703,768	\$ 644,594	\$ 398,175
City's covered payroll	\$ 2,980,194	\$ 3,034,904	\$ 3,082,458	\$ 3,233,012	\$ 3,375,989	\$ 3,563,211	\$ 3,494,839	\$ 3,565,201	\$ 3,355,648	\$ 3,304,528
City's proportionate share of the net pension liability (asset) as a percentage of its covered employee payroll	199%	173%	40%	53%	154%	55%	48%	48%	19%	12%
Plan fiduciary net position as a percentage of the total pension liability	70.30%	75.62%	91.82%	89.05%	71.22%	87.99%	88.11%	87.49%	94.76%	96.53%
Discount Rate	5.53%	5.17%	7.00%	7.00%	5.92%	7.00%	7.75%	7.75%	7.75%	7.75%
Investment Rate of Return	6.80%	6.80%	7.00%	7.00%	7.00%	7.75%	7.75%	7.75%	7.75%	7.75%
Inflation Rate	2.25%	2.25%	2.25%	2.25%	2.25%	3.25%	3.25%	3.25%	3.25%	3.25%
Salary Increase Rate (Includes Inflation)	5.25% - 9.25%	3.00% - 7.00%	4.75% - 8.75%	4.75% - 8.75%	4.75% - 8.75%	4.75% - 8.00%	4.75% - 8.00%	4.75% - 8.00%	4.75% - 8.00%	4.75% - 8.00%
Payroll Growth Rate	2.50%	2.50%	2.50%	2.50%	2.50%	4.25%	4.25%	4.25%	4.25%	4.25%
Cost of Living	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

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

\*\* There were no changes in benefit terms between the December 31, 2021 measurement date and the December 31, 2022 measurement date.

\*\*\* There have been various assumption changes in discount rates, investment rate of return, inflation rates, salary increase rate, and payroll growth rates from the initial December 31, 2013 measurement date through December 31, 2022 measurement date. See the table above for the specific assumptions used in each period. Additionally health care trend rates were updated along with assumptions relating to mortality rates, retirement rates, withdrawal rates, disability rates, and salary increase rates based on the Wyoming Retirement System December 31, 2020 actuarial experience study.

**City of Rock Springs, Wyoming**  
**Schedule of Pension Contributions**  
**For the Last Ten Years**

	Public Employee Pension Plan 2023	Public Employee Pension Plan 2022	Public Employee Pension Plan 2021	Public Employee Pension Plan 2020	Public Employee Pension Plan 2019	Public Employee Pension Plan 2018	Public Employee Pension Plan 2017	Public Employee Pension Plan 2016	Public Employee Pension Plan 2015	Public Employee Pension Plan 2014
Contractually required contributions	<u>832,021</u>	<u>764,159</u>	<u>770,477</u>	<u>773,458</u>	<u>711,343</u>	<u>682,149</u>	<u>742,648</u>	<u>766,999</u>	<u>659,627</u>	<u>595,582</u>
Contributions in relation to the contractually required contribution	<u>\$ 832,021</u>	<u>\$ 764,159</u>	<u>\$ 770,477</u>	<u>\$ 773,458</u>	<u>\$ 711,343</u>	<u>\$ 682,149</u>	<u>\$ 742,648</u>	<u>\$ 766,999</u>	<u>\$ 659,627</u>	<u>\$ 595,582</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	<u>8,879,624</u>	<u>8,155,343</u>	<u>8,448,203</u>	<u>8,719,927</u>	<u>8,293,500</u>	<u>8,149,932</u>	<u>8,872,736</u>	<u>9,168,118</u>	<u>8,656,527</u>	<u>8,346,912</u>
Contributions as a percentage of covered employee payroll	<u>9.37%</u>	<u>9.37%</u>	<u>9.12%</u>	<u>8.87%</u>	<u>8.58%</u>	<u>8.37%</u>	<u>8.37%</u>	<u>8.37%</u>	<u>7.62%</u>	<u>7.12%</u>

\* There were no changes in benefit terms between the December 31, 2021 measurement date and the December 31, 2022 measurement date.

\*\* There have been various assumption changes in discount rates, investment rate of return, inflation rates, salary increase rate, and payroll growth rates from the initial December 31, 2013 measurement date through December 31, 2022 measurement date. See the tables on previous pages for the respective plans for the specific assumptions used in each period.

**City of Rock Springs, Wyoming**  
**Schedule of Pension Contributions**  
**For the Last Ten Years**

	<u>Paid Firemen's Pension Plan A 2023</u>	<u>Paid Firemen's Pension Plan A 2022</u>	<u>Paid Firemen's Pension Plan A 2021</u>	<u>Paid Firemen's Pension Plan A 2020</u>	<u>Paid Firemen's Pension Plan A 2019</u>	<u>Paid Firemen's Pension Plan A 2018</u>	<u>Paid Firemen's Pension Plan A 2017</u>	<u>Paid Firemen's Pension Plan A 2016</u>	<u>Paid Firemen's Pension Plan A 2015</u>	<u>Paid Firemen's Pension Plan A 2014</u>
Contractually required contributions	-	-	-	-	-	-	-	-	-	-
Contributions in relation to the contractually required contribution	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	-	-	-	-	-	106,466	98,256	104,704	114,724	99,310
Contributions as a percentage of covered employee payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

\* There were no changes in benefit terms between the December 31, 2021 measurement date and the December 31, 2022 measurement date.

\*\* There have been various assumption changes in discount rates, investment rate of return, inflation rates, salary increase rate, and payroll growth rates from the initial December 31, 2013 measurement date through December 31, 2022 measurement date. See the tables on previous pages for the respective plans for the specific assumptions used in each period.



**City of Rock Springs, Wyoming**  
**Schedule of Pension Contributions**  
**For the Last Ten Years**

	<u>Paid Firemen's Pension Plan B 2023</u>	<u>Paid Firemen's Pension Plan B 2022</u>	<u>Paid Firemen's Pension Plan B 2021</u>	<u>Paid Firemen's Pension Plan B 2020</u>	<u>Paid Firemen's Pension Plan B 2019</u>	<u>Paid Firemen's Pension Plan B 2018</u>	<u>Paid Firemen's Pension Plan B 2017</u>	<u>Paid Firemen's Pension Plan B 2016</u>	<u>Paid Firemen's Pension Plan B 2015</u>	<u>Paid Firemen's Pension Plan B 2014</u>
Contractually required contributions	<u>540,509</u>	<u>488,243</u>	<u>467,199</u>	<u>417,278</u>	<u>381,055</u>	<u>342,616</u>	<u>332,994</u>	<u>341,217</u>	<u>330,202</u>	<u>338,748</u>
Contributions in relation to the contractually required contribution	<u>\$ 540,509</u>	<u>\$ 488,243</u>	<u>\$ 467,199</u>	<u>\$ 417,278</u>	<u>\$ 381,055</u>	<u>\$ 342,616</u>	<u>\$ 332,994</u>	<u>\$ 341,217</u>	<u>\$ 330,202</u>	<u>\$ 338,748</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	<u>3,378,179</u>	<u>3,254,951</u>	<u>3,337,139</u>	<u>3,209,826</u>	<u>3,175,461</u>	<u>2,855,136</u>	<u>2,774,950</u>	<u>2,843,478</u>	<u>2,751,686</u>	<u>2,822,902</u>
Contributions as a percentage of covered employee payroll	<u>16.00%</u>	<u>15.00%</u>	<u>14.00%</u>	<u>13.00%</u>	<u>12.00%</u>	<u>12.00%</u>	<u>12.00%</u>	<u>12.00%</u>	<u>12.00%</u>	<u>12.00%</u>

\* There were no changes in benefit terms between the December 31, 2021 measurement date and the December 31, 2022 measurement date.

\*\* There have been various assumption changes in discount rates, investment rate of return, inflation rates, salary increase rate, and payroll growth rates from the initial December 31, 2013 measurement date through December 31, 2022 measurement date. See the tables on previous pages for the respective plans for the specific assumptions used in each period.

**City of Rock Springs, Wyoming**  
**Schedule of Pension Contributions**  
**For the Last Ten Years**

	Law Enforcement Pension Plan 2023	Law Enforcement Pension Plan 2022	Law Enforcement Pension Plan 2021	Law Enforcement Pension Plan 2020	Law Enforcement Pension Plan 2019	Law Enforcement Pension Plan 2018	Law Enforcement Pension Plan 2017	Law Enforcement Pension Plan 2016	Law Enforcement Pension Plan 2015	Law Enforcement Pension Plan 2014
Contractually required contributions	<u>256,525</u>	<u>254,333</u>	<u>265,276</u>	<u>272,141</u>	<u>286,710</u>	<u>289,679</u>	<u>306,242</u>	<u>307,551</u>	<u>296,121</u>	<u>286,699</u>
Contributions in relation to the contractually required contribution	<u>\$ 256,525</u>	<u>\$ 254,333</u>	<u>\$ 265,276</u>	<u>\$ 272,141</u>	<u>\$ 286,710</u>	<u>\$ 289,679</u>	<u>\$ 306,242</u>	<u>\$ 307,551</u>	<u>\$ 296,121</u>	<u>\$ 286,699</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	<u>2,982,844</u>	<u>2,957,363</u>	<u>3,084,605</u>	<u>3,164,427</u>	<u>3,333,846</u>	<u>3,368,360</u>	<u>3,560,953</u>	<u>3,576,174</u>	<u>3,443,267</u>	<u>3,333,707</u>
Contributions as a percentage of covered employee payroll	<u>8.60%</u>	<u>8.60%</u>	<u>8.60%</u>	<u>8.60%</u>	<u>8.60%</u>	<u>8.60%</u>	<u>8.60%</u>	<u>8.60%</u>	<u>8.60%</u>	<u>8.60%</u>

\* There were no changes in benefit terms between the December 31, 2021 measurement date and the December 31, 2022 measurement date.

\*\* There have been various assumption changes in discount rates, investment rate of return, inflation rates, salary increase rate, and payroll growth rates from the initial December 31, 2013 measurement date through December 31, 2021 measurement date. See the tables on previous pages for the respective plans for the specific assumptions used in each period.

## SUPPLEMENTARY INFORMATION

The City's supplementary information includes the Combining Statement of Net Position, as well as the Combining Statement of Revenues, Expenses, and Changes in Net Position for the Blended Component Unit – Housing Authority. Also included in the supplementary information is the Schedule of Expenditures of Federal Awards as described in the accompanying Notes to the Schedule of Expenditures of Federal Awards following the schedule.

**City of Rock Springs, Wyoming**  
**Combining Statement of Net Position**  
**Housing Authority**  
**June 30, 2023**

	Public Housing	Section 8 Vouchers	Supportive Housing	Capital Fund	Total Housing Authority
<b>Assets</b>					
<b>Current assets:</b>					
Cash and investments	\$ 623,773	\$ 53,175	\$ 4,636	\$ -	\$ 681,584
Accounts receivable (net of allowance for uncollectibles)	14,198	-	-	-	14,198
Inventories	7,988	-	-	-	7,988
Prepaid items	19,846	-	-	-	19,846
Total current assets:	665,805	53,175	4,636	-	723,616
<b>Noncurrent assets:</b>					
Capital assets, net of accumulated depreciation	1,250,506	-	-	-	1,250,506
Total assets	\$ 1,916,311	\$ 53,175	\$ 4,636	\$ -	\$ 1,974,122
<b>Liabilities</b>					
<b>Current liabilities</b>					
Accounts payable	52,896	2,657	-	-	55,553
Customer and security deposits	41,690	-	-	-	41,690
Compensated absences - current	59,974	-	-	-	59,974
Total current liabilities	154,560	2,657	-	-	157,217
<b>Noncurrent liabilities:</b>					
Compensated absences - noncurrent	21,811	-	-	-	21,811
Total liabilities	176,371	2,657	-	-	179,028
<b>Deferred Inflows of Resources</b>					
Unavailable Revenue	13,891	-	-	-	13,891
<b>Net Position</b>					
Net investment in capital assets	1,250,506	-	-	-	1,250,506
Restricted	475,543	50,518	4,636	-	530,697
Total net position	\$ 1,726,049	\$ 50,518	\$ 4,636	\$ -	\$ 1,781,203

**City of Rock Springs, Wyoming**  
**Combining Statement of Revenues, Expenses, and Changes in Net Position**  
**Housing Authority**  
**For the Year Ended June 30, 2023**

	Public Housing	Section 8 Vouchers	Supportive Housing	Capital Fund	Total Housing Authority
Operating revenues:					
Tenant rental revenue	\$ 340,757	\$ -	\$ -	\$ -	\$ 340,757
Other tenant revenue	25,779	-	-	-	25,779
Total operating revenues:	366,536	-	-	-	366,536
Operating expenses:					
Personnel	654,348	46,064	-	-	700,412
Utilities	108,531	-	-	-	108,531
Postal/Freight	944	-	-	-	944
Communications	2,006	-	-	-	2,006
Office supplies and printing	3,260	-	-	-	3,260
Repairs and maintenance	199,330	7,252	-	-	206,582
Travel	4,804	-	-	-	4,804
Administrative costs	2,700	-	-	-	2,700
Other costs	4,217	-	-	-	4,217
Depreciation	138,853	-	-	-	138,853
Audit and legal	4,750	1,250	-	-	6,000
Consulting and collection	18,958	-	-	-	18,958
Insurance	52,913	-	-	-	52,913
Housing assistance payments	-	314,839	-	-	314,839
Total operating expenses:	1,195,614	369,405	-	-	1,565,019
Operating (loss)	(829,078)	(369,405)	-	-	(1,198,483)
Nonoperating revenues (expenses):					
HUD PHA grants	391,412	353,310	-	551,270	1,295,992
Investment income (expense)	4,157	495	-	-	4,652
Other income	366	-	-	-	366
Total nonoperating revenues (expenses):	395,935	353,805	-	551,270	1,301,010
Income (loss) before transfers	(433,143)	(15,600)	-	551,270	102,527
Transfers in	551,270	-	-	-	551,270
Transfers out	-	-	-	(551,270)	(551,270)
Change in net position	118,127	(15,600)	-	-	102,527
Net position, beginning of year	1,607,922	66,118	4,636	-	1,678,676
Net position, end of year	\$ 1,726,049	\$ 50,518	\$ 4,636	\$ -	\$ 1,781,203

**City of Rock Springs, Wyoming**  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended June 30, 2023**

<b>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</b>	<b>Federal Assistance Listing Number</b>	<b>Pass-Through Grantor's Number</b>	<b>Expenditures</b>
<b>U.S. Department of Housing and Urban Development</b>			
Public and Indian Housing	14.850	WY003	\$ 391,412
Public Housing Capital Fund	14.872	WY01P003501-20	37,344
Public Housing Capital Fund	14.872	WY01P003501-21	302,708
Public Housing Capital Fund	14.872	WY01P003501-22	211,218
Total Public Housing Capital Fund			551,270
<i>Housing Voucher Cluster</i>			
Section 8 Housing Choice Vouchers	14.871	N/A	353,310
Total Housing Choice Voucher Cluster			353,310
<b>Total U.S. Department of Housing and Urban Development</b>			<b>1,295,992</b>
<b>U.S. Department of Justice</b>			
Bulletproof Vest Partnership Program	16.607	2022 Award	2,883
Public Safety Partnership and Community Policing Grants	16.710	15JCOPS-21-GG-03498-UHPX	125,884
Edward Byrne Memorial Justice Assistance Grant Program	16.738	15PBJA-21-GG-02004-JAGX	9,381
Edward Byrne Memorial Justice Assistance Grant Program	16.738	15PBJA-22-GG-02925-JAGX	7,420
Total Edward Byrne Memorial Justice Assistance Grant Program			16,801
<b>Total U.S. Department of Justice</b>			<b>145,568</b>
<b>U.S. Department of Transportation</b>			
Passed through the Wyoming Department of Transportation:			
Highway Planning and Construction	20.205	CD19306	102,973
<i>Highway Safety Cluster</i>			
Passed through the Wyoming Department of Transportation:			
National Priority Safety Programs	20.616	HS4D522	2,619
National Priority Safety Programs	20.616	HS4B522	2,193
National Priority Safety Programs	20.616	HS4D523	7,192
National Priority Safety Programs	20.616	HS40223	7,929
Total National Priority Safety Programs			19,933
Total Highway Safety Cluster			19,933
<b>Total U.S. Department of Transportation</b>			<b>122,906</b>
<b>U.S. Department of Health and Human Services</b>			
Passed through the Wyoming Association of Sheriffs and Chiefs of Police			
Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243	None	6,167

**City of Rock Springs, Wyoming**  
**Schedule of Expenditures of Federal Awards**

**For the Year Ended June 30, 2023**

<b>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</b>	<b>Federal Assistance Listing Number</b>	<b>Pass-Through Grantor's Number</b>	<b>Expenditures</b>
Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243	None	<u>981</u>
<b>Total U.S. Department of Health and Human Services</b>			<u>7,148</u>
<b>U.S. Department of Homeland Security</b>			
Passed through the Federal Emergency Management Agency			
Assistance to Firefighters Grant	97.044	EMW-2021-FG-02780	<u>27,403</u>
Passed through the Wyoming Office of Homeland Security:			
Homeland Security Grant Program	97.067	20-SHSP-RSF-HRT20	54,939
Homeland Security Grant Program	97.067	21-SHSP-RPC-PD-INT	24,406
Homeland Security Grant Program	97.067	19-SHSP-RR4-RR2-HRT19	45,763
Homeland Security Grant Program	97.067	22-SHSP-ROC-FD-INT	<u>34,264</u>
Total Homeland Security Grant Program			<u>159,372</u>
<b>Total U.S. Department of Homeland Security</b>			<u>186,775</u>
<b>Total Federal Awards expended</b>			<u><u>\$ 1,758,389</u></u>

*The notes to the schedule of expenditures of federal awards are an integral part of this schedule.*

**City of Rock Springs, Wyoming**  
**Notes to the Schedule of Expenditures of Federal Awards**  
**For the Year Ended June 30, 2023**

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

Expenditures reported on the accompanying City of Rock Springs, Wyoming (the "City") schedule of expenditures of federal awards (the "Schedule") are reported on the modified accrual basis of accounting, the same basis used by the City in its governmental fund financial reporting. Such expenditures are recognized following the cost principles outlined in Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), wherein certain types of expenditures are not allowable or are limited as to reimbursement. The City does not sub-grant any Federal funds received.

**Note 2. De Minimis Cost Rate**

The City has elected to not use the 10 percent de minimis indirect cost rate as allowed under Uniform Guidance.

**Note 3. Basis of Presentation**

The Schedule includes the federal award activity of the City under programs of the federal government for the year ended June 30, 2023. The information in this Schedule is presented in accordance with the requirements of Uniform Guidance. Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the City.



## COMPLIANCE AND INTERNAL CONTROL



**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***

The Honorable Mayor and Members of the City Council  
City of Rock Springs  
Rock Springs, Wyoming

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Rock Springs, Wyoming (the City) as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon, dated November 1, 2023.

**Report on Internal Control Over Financial Reporting**

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

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the City'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. However, material weaknesses or significant deficiencies may exist that were not identified.

**Report on Compliance and Other Matters**

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

**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 City'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 City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in cursive script that reads "McGee, Hearne & Paiz, LLP".

Cheyenne, Wyoming

November 1, 2023



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

The Honorable Mayor and Members of the City Council  
City of Rock Springs  
Rock Springs, Wyoming

**Report on Compliance for the Major Federal Program**

***Opinion on the Major Federal Program***

We have audited the City of Rock Springs, Wyoming's (the City) compliance with the types of compliance requirements identified as subject to audit in the Office of Management and Budget *Compliance Supplement* that could have a direct and material effect on the City's major Federal program for the year ended June 30, 2023. The City's major Federal program is identified in the Summary of Independent Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, the City complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major Federal program for the year ended June 30, 2023.

***Basis for Opinion on the Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); 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 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 the major Federal program. Our audit does not provide a legal determination of the City'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's major Federal program.

### ***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'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 GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of the major Federal program as a whole.

In performing an audit in accordance with GAAS, *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'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'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'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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit, we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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.

*McGee, Hearne & Paiz, LLP*

Cheyenne, Wyoming  
November 1, 2023

**CITY OF ROCK SPRINGS, WYOMING**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**Year Ended June 30, 2023**

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**I. SUMMARY OF INDEPENDENT AUDITOR'S RESULTS**

**Financial Statements**

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with U.S. GAAP: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? ☐ Yes ☒ No
- Significant deficiency(ies) identified? ☐ Yes ☒ None Reported

Noncompliance material to financial statements noted? ☐ Yes ☒ No

**Federal Awards**

Internal control over major Federal program:

- Material weakness(es) identified? ☐ Yes ☒ No
- Significant deficiency(ies) identified? ☐ Yes ☒ None Reported

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

- Any audit findings disclosed that are required to be reported in accordance with Section 2 CFR 200.516(a)? ☐ Yes ☒ No

Identification of major Federal program:

Assistance Listing Number	Name of Federal Program or Cluster
14.872	Public Housing Capital Fund

Dollar threshold used to distinguish between Type A and Type B programs: \$750,000

Auditee qualified as low-risk auditee? ☒ Yes ☐ No

**II. FINANCIAL STATEMENT FINDINGS**

None.

**III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

None.

**CITY OF ROCK SPRINGS, WYOMING**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**  
**Year Ended June 30, 2023**

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There were no findings for the year ended June 30, 2022.