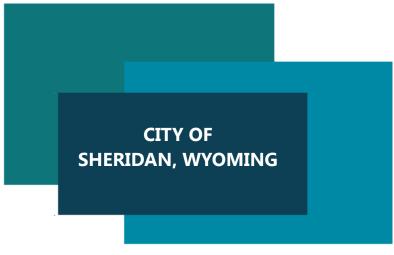
## CITY OF SHERIDAN, WYOMING

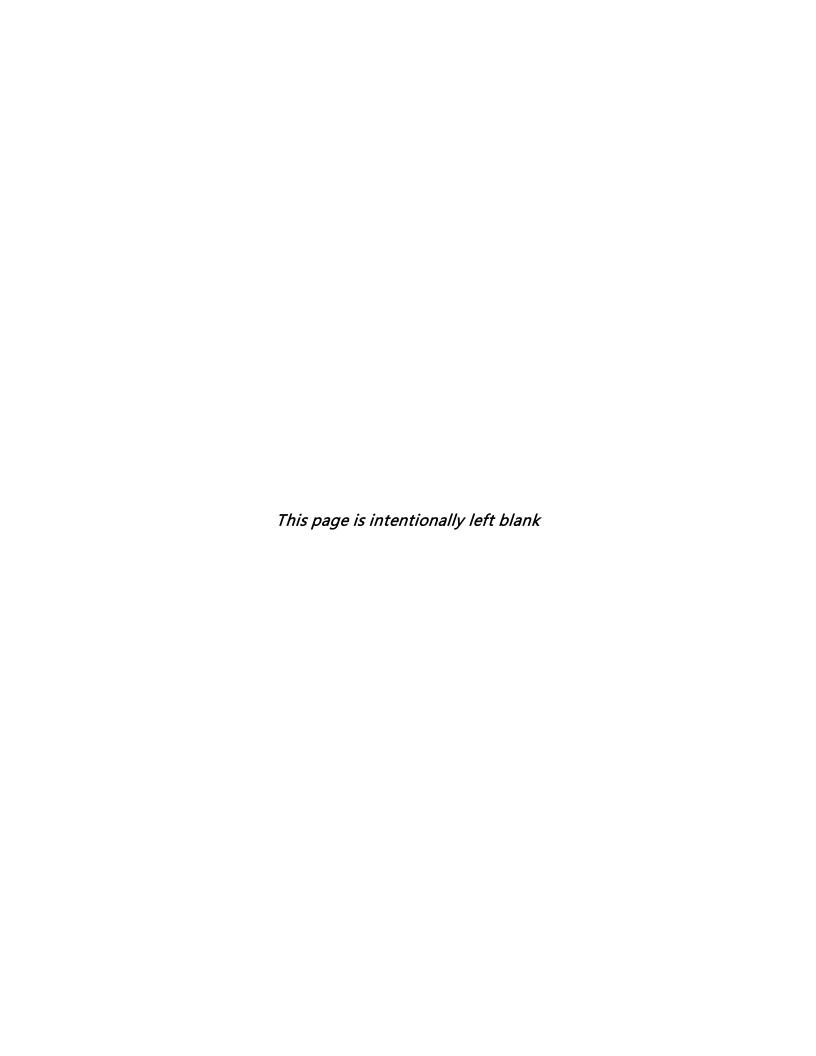
Financial and Compliance Report
June 30, 2023





Financial and Compliance Report

June 30, 2023



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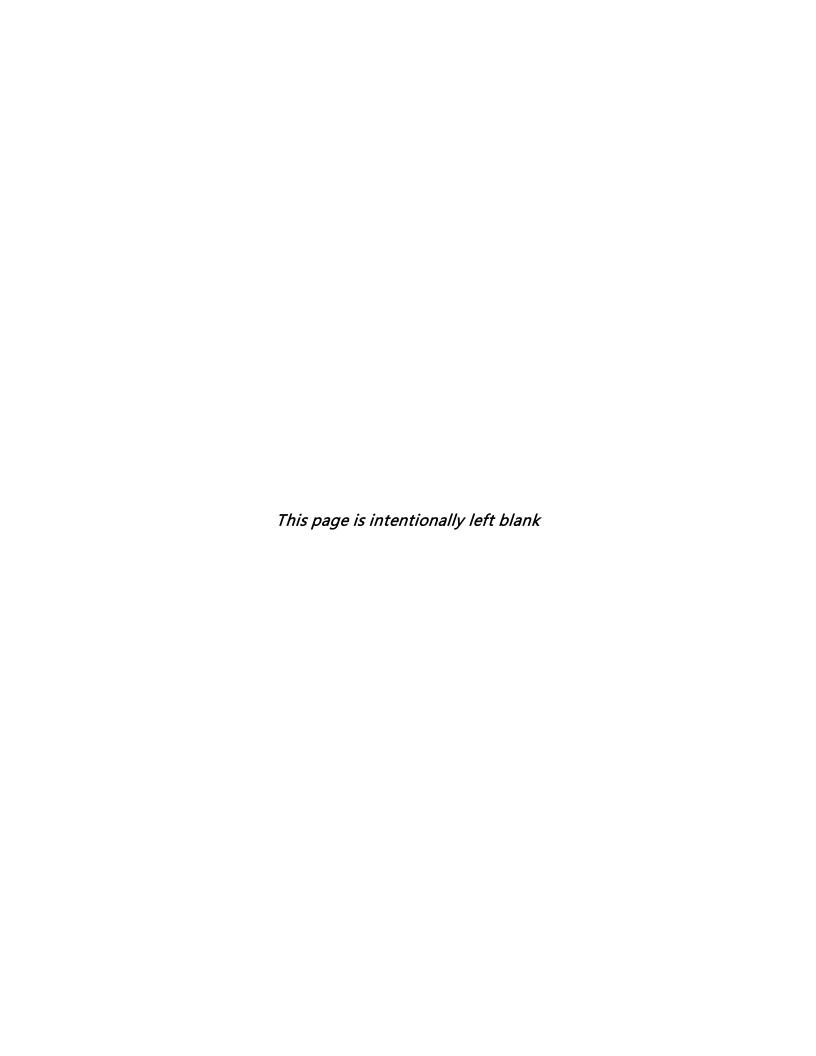
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#### INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Members of the City Council City of Sheridan, Wyoming

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

### **Opinions**

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Sheridan, Wyoming ("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, the aggregate discretely present component units, each major fund, and the aggregate remaining fund information of the City of Sheridan, Wyoming, 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 of Sheridan, Wyoming and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.





### Responsibilities of Management for the Financial Statements

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

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

## 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 judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City of Sheridan'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 judgement, there are conditions or events, considered in the aggregate, that
  raise substantial doubt about the City of Sheridan's ability to continue as a going concern for a
  reasonable period of time.

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

### Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, pension schedules, and budgetary comparison information as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental

Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

## Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Sheridan, Wyoming's basic financial statements. The budgetary comparison information, custodial funds, combining statements as listed in the table of contents, and schedule of expenditures of federal awards, as required by *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* are presented for purposes of additional analysis and are not required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the supplementary information as listed in the table of contents, is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

## Other Reporting Required by Government Auditing Standards

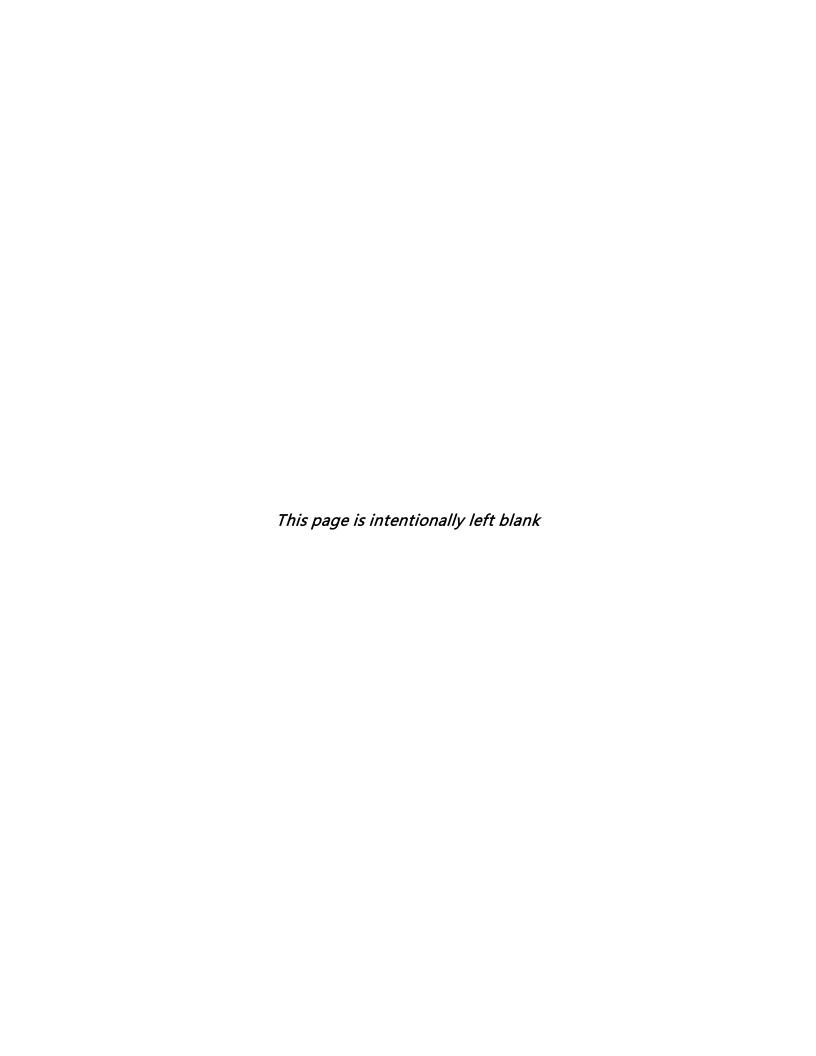
In accordance with *Government Auditing Standards*, we have also issued our report dated September 11, 2024 on our consideration of the City of Sheridan, Wyoming's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and 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 of the effectiveness of City of Sheridan, Wyoming'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 City of Sheridan, Wyoming's internal control over financial reporting and compliance.

Porter, Muirhead, Cornia & Howard Certified Public Accountants

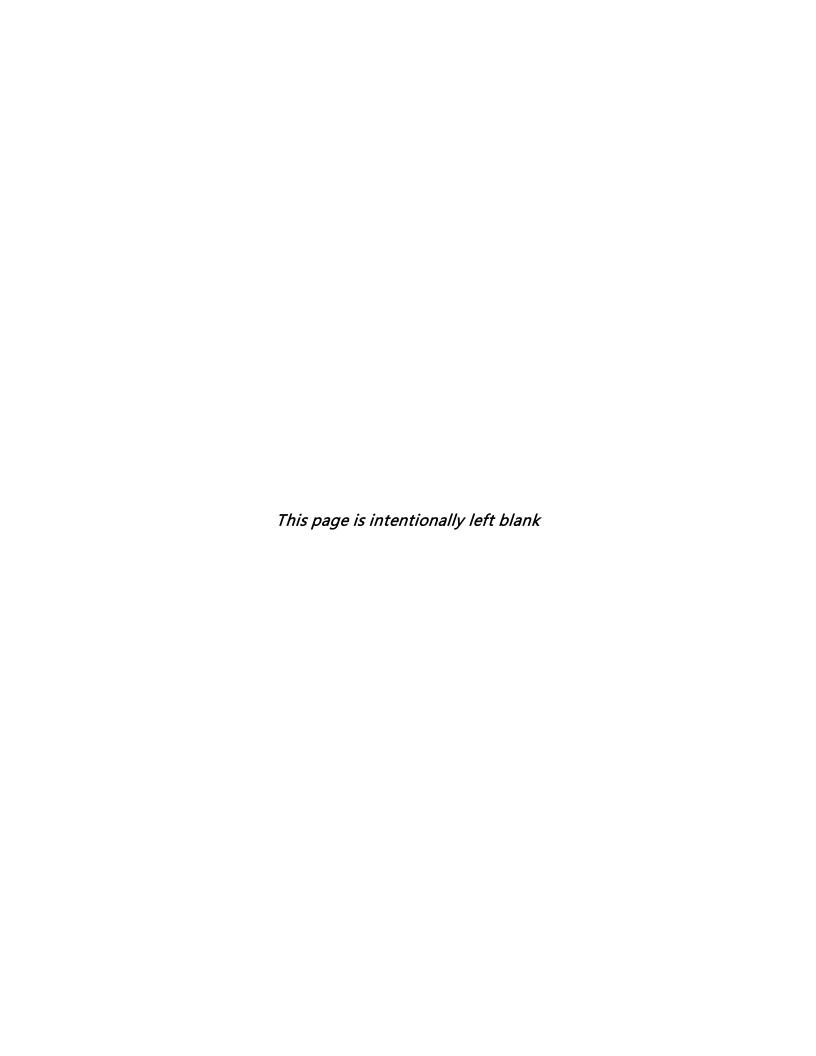
Porter, Muikad, Cornia 4 Howard

spor Wyoming

Casper, Wyoming September 11, 2024







This section of the City of Sheridan's ("City") annual financial report presents our discussion and analysis of the City's financial performance during the fiscal year that ended on June 30, 2023. Please read it in conjunction with the Auditor's Report at the front of this report and the City's financial statements which immediately follow this section.

## Financial Highlights

The City's total net position increased by 5.7% or \$10.2 million during the fiscal year. The governmental type activities recorded an increase in net position of \$7.9 million which resulted in a 7.1% increase over last year. The business-type activities recorded an increase in net position of \$2.3 million or an increase of 3.3% compared to last year.

During the fiscal year, the City's total revenue decreased by 17.3% to \$49.4 million from \$59.8 million last fiscal year. The governmental type activities recorded a \$10.48 million decrease in revenues, while the business-type activities recorded an \$89 thousand decrease resulting in a net revenue decrease for the year of \$10.3 million. This decrease in revenue in FY23 versus FY22 was a result of a decrease in Operating Grants and Contributions of \$13.2 million, Property Taxes increase of \$420 thousand, and Investment Income increase of \$1.4 million. The City's total expenses decreased by 22.2% in the current fiscal year to \$39.2 million from \$50.4 million last fiscal year.

The City participates in the Public Employees' Pension Plan ("PEPP"), a statewide cost-sharing multiple-employer public employee retirement plan administered by the State of Wyoming Retirement System. Under current GAAP the City was required to record its proportional share of the overall plan's net liability. This resulted in recording a net pension liability of liability of \$32.6 million, \$30.9 million, \$35.7 million, \$17.1 million and \$18.2 million as of June 30, 2019, 2020, 2021, 2022 and 2023, respectively. All plan components, including the major components of participation, eligibility, investment strategy, benefit structure, contribution rates and plan administration are overseen by the Wyoming Retirement System's Board. The City has no control over the plan elements that affect the net pension liability.

### Using the Annual Report

This annual report consists of the Management's Discussion and Analysis, the Financial Statements, Required Supplementary Information, Supplementary Information and Compliance Section. The financial statements consist of government-wide financial statements and the fund financial statements.

The government-wide financial statements include the statement of net position and the statement of activities which provide both long-term and short-term information about the overall financial status of the City.

The fund financial statements are the remaining statements and focus on the individual parts of the City government, presenting information in greater detail than the government-wide statements.

- Governmental funds statements explain how general government departments such as street maintenance were funded in the short term and what remains for future spending.
- *Proprietary funds* statements offer short-term and long-term financial information about the activities the government operates like a business, such as the water and sewer system.
- *Fiduciary funds* statements provide information about the financial relationships in which the City acts solely as a trustee or agent for the benefit of others.

The Financial Statements also include *notes* that explain some of the information in the financial statements and provide more detailed data. Following the notes are the *required supplementary information* statements, which further explain and support the information in the financial statements.

### **Government-Wide Statements**

The government-wide statements help to answer the question 'Is the City better or worse off as a result of the current year activities?' These statements include all of the City's assets and liabilities as well as the current year's revenues and expenses using the accrual basis of accounting, which is similar to those used by private-sector companies.

The change in *net position* (the difference between total assets, deferred outflows, liabilities, and deferred inflows) is one way to measure whether the City's financial health is improving or deteriorating. However, when assessing the overall health of the City one needs to consider additional non-financial factors such as changes in the City's property tax base, condition of City roads and its water and sewer distribution system, decisions of State Legislators concerning distribution of certain tax revenues, as well as economic factors such as inflation.

The government-wide financial statements of the City are divided into two categories:

- Governmental Activities-Included here are most of the City's basic services, such as public safety, street maintenance, code enforcement, parks and recreation and general administration. These services are mainly financed through property taxes, sales and use taxes, mineral royalties, and severance taxes.
- Business-Type Activities-The City charges fees to customers to help cover the costs of certain services it provides. The City's solid waste system, water and sewer systems, and golf course are included here.
- Component Units-The government-wide financial statements include not only the City of Sheridan (known as the primary government), but also includes the legally separate entities of Sheridan Area Water Supply, Sheridan Economic and Educational Development Authority, Sheridan County Travel and Tourism, and Sheridan Downtown Development Authority. The City of Sheridan may appoint board members to their boards or is financially accountable for these entities. Financial information for these component units are reported separately from the financial information presented for the primary government itself. Complete financial statements for Sheridan Area Water Supply, Sheridan Economic and Educational Development Authority, and Sheridan County Travel and Tourism can be obtained from the entity's administrative offices.

## Financial Analysis of the City as a Whole

## Fund Financial Statements

The fund financial statements provide more detailed information about the most significant *funds* used by the City. The City is required to show detailed information for its major funds. The City uses funds to keep track of specific sources of funding and spending for particular purposes. The three funds the City uses are as follows:

- Governmental Funds Includes most of the City's basic services, such as streets, public safety, and special construction projects. These statements provide a detailed short-term view of the City's current financial resources. They focus on how cash and other financial assets flow in and out and the balances left at year-end that are available for spending.
- Proprietary Funds Includes services for which the City charges a fee, such as utility services. These
  statements provide both long- and short-term financial information. The City's enterprise funds (a type
  of proprietary fund) are the same as its business-type activities, but provide more detail and additional
  information.

• Fiduciary Funds – The City maintains one type of fiduciary fund, custodial funds. The fiduciary fund financial statements are prepared on the accrual basis of accounting. The fiduciary funds are used to account for resources held by the City in a trustee capacity or as an agent for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The City reported assets, liabilities and changes in net position for custodial funds, representing fiduciary activities not held in a trust, all associated with other governmental organizations and/or individuals. The City does not adopt an annual appropriated budget for its fiduciary funds.

## Financial Position

As explained, net position is the difference between assets and liabilities. Between fiscal years 2022 and 2023 combined net position increased by approximately 5.7%.

### City of Sheridan's Net Position

	Governmental	Business-Type	
	Activities	Activities	Total
	2022	2022	2022
Current and Other Assets	\$ 35,609,428	\$ 20,194,305	\$ 55,803,733
Capital Assets	103,668,706	88,377,642	192,046,348
Total Assets	139,278,134	108,571,947	247,850,081
Pension Plan Items	5,107,827	837,595	5,945,422
<b>Total Deferred Outflows</b>			
of Resources	5,107,827	837,595	5,945,422
Current Liabilities	7,575,901	1,506,428	9,082,329
Long-term Liabilities	17,970,310	35,977,483	53,947,793
Total Liabilities	25,546,211	37,483,911	63,030,122
Unavailable Property Tax Revenues	2,250,183	-	2,250,183
Pension Plan Items	6,189,878	2,019,868	8,209,746
<b>Total Deferred Inflows</b>			
of Resources	8,440,061	2,019,868	10,459,929
Net Position			
Net Investment in Capital Assets	103,136,210	69,429,441	172,565,651
Restricted	6,222,037	7,327,211	13,549,248
Unrestricted (Deficit)	1,041,442	(6,850,889)	(5,809,447)
<b>Total Net Position</b>	\$110,399,689	\$ 69,905,763	\$ 180,305,452

	Governmental Activities	Business-Type Activities	Total	Total Percent
	2023	2023	2023	Change
Current and Other Assets	\$ 34,834,017	\$ 23,496,188	\$ 58,330,205	4.5%
Capital Assets	106,243,998	86,400,336	192,644,334	0.3%
Total Assets	141,078,015	109,896,524	250,974,539	1.3%
Pension Plan Items	5,323,926	652,435	5,976,361	0.5%
<b>Total Deferred Outflows</b>				
of Resources	5,323,926	652,435	5,976,361	0.5%
Current Liabilities	5,562,182	1,407,078	6,969,260	(23.3)%
Long-term Liabilities	18,473,564	36,906,056	55,379,620	2.7%
Total Liabilities	24,035,746	38,313,134	62,348,880	(1.1)%
Unavailable Property Tax Revenues	2,599,679	-	2,599,679	15.5%
Pension Plan Items	1,480,813	21,077	1,501,890	(81.7)%
<b>Total Deferred Inflows</b>				
of Resources	4,080,492	21,077	4,101,569	(60.8)%
Net Position				
Net Investment in Capital Assets	105,493,786	65,605,155	171,098,941	(0.8)%
Restricted	-	2,187,399	2,187,399	(83.9)%
Unrestricted	12,791,917	4,422,194	17,214,111	(396.3)%
<b>Total Net Position</b>	\$118,285,703	\$ 72,214,748	\$ 190,500,451	5.7%

Unrestricted net position includes funds that have been committed or assigned by the City Council for special projects, such as capital projects and replacement reserves. It is important to understand that funds committed or assigned by the City Council are not considered restricted. The unrestricted (deficit) is caused by the pension liability and/or the landfill closure and post closure costs.

The net position of government-type activities increased by \$7.9 million or 7.1%. The net position for business-type activities increased by \$2.3 million, or 3.3%.

### **Results of Operations**

The City's total revenues come from numerous sources. Around 45% of the City's revenues come from other taxes, which include sales/use taxes, gas tax, severance tax, direct distribution, capital facilities tax, and mineral royalties. Direct distribution revenues are distributed to local governments each August and January and are subject to fluctuation through the state legislative process. Another 31.8% comes from fees charged for services, capital grants and other support represents 13.6%, while property tax revenue represents about 5.7% of total revenues.

## **Changes in City of Sheridan's Net Position**

	Governmental Activities 2022	Business-Type Activities 2022	Total
Program Revenues			
Charges for Services	\$ 1,706,654	\$ 14,319,415	\$ 16,026,069
Operating Grants and Contributions	17,031,471	931,355	17,962,826
Capital Grants and Contributions	1,088,572	971,177	2,059,749
General Revenues			
Property Taxes	2,395,755	-	2,395,755
Special Assessments	5,114	-	5,114
Other Taxes	20,951,828	-	20,951,828
Miscellaneous Revenues	32,404	197,662	230,066
Investment Income	46,764	37,653	84,417
Gain on Sale of Capital Assets		87,779	87,779
<b>Total Revenues</b>	43,258,562	16,545,041	59,803,603
Expenses			
General government	5,460,392	-	5,460,392
Health and Welfare	177,822	-	177,822
Public Safety	6,105,125	-	6,105,125
Public Works	4,438,284	-	4,438,284
Parks and Recreation	925,542	-	925,542
Interest on Long-term Debt	120,947	-	120,947
<b>Unallocated Depreciation</b>	5,957,644	-	5,957,644
Solid Waste Fund	-	17,290,869	17,290,869
Water Fund	-	6,309,155	6,309,155
Sewer Fund	-	2,668,095	2,668,095
Golf Fund	-	768,776	768,776
Weed and Pest Fund		182,622	182,622
Total Expenses	23,185,756	27,219,517	50,405,273
Excess (Deficiency) Before Transfers	20,072,806	(10,674,476)	9,398,330
Transfers	1,828,686	(1,828,686)	-
Increase (Decrease)			
in Net Position	21,901,492	(12,503,162)	9,398,330
Net position - beginning, as restated *	88,498,197	82,408,925	170,907,122
<b>Total Net Position</b>	\$ 110,399,689	\$ 69,905,763	\$ 180,305,452

<sup>\*</sup> The City reported a restatement of the beginning net position due to the implementation of GASB Statement No. 87, *Leases*.

	Governmental Activities 2023	Business-Type Activities 2023	Total	Total Percent Change
Program Revenues				
Charges for Services	\$ 1,517,137	\$ 14,209,815	\$ 15,726,952	(1.9)%
Operating Grants and Contributions	3,493,612	237,559	3,731,171	(79.2)%
Capital Grants and Contributions	1,587,932	1,412,808	3,000,740	45.7%
General Revenues				
Property Taxes	2,815,815	-	2,815,815	17.5%
Special Assessments	2,690	-	2,690	(47.4)%
Other Taxes	22,341,232	-	22,341,232	6.6%
Miscellaneous Revenues	111,218	32,015	143,233	(37.7)%
Investment Income	877,525	646,213	1,523,738	1705.0%
Gain on Sale of Capital Assets	53,553	96,106	149,659	(99.7)%
<b>Total Revenues</b>	32,800,714	16,634,516	49,435,230	(17.3)%
Expenses				
General Government	7,248,612	-	7,248,612	32.7%
Health and Welfare	55,900	-	55,900	(68.6)%
Public Safety	2,151,657	-	2,151,657	(64.8)%
Public Works	11,948,009	-	11,948,009	169.2%
Parks and Recreation	2,576,248	-	2,576,248	178.4%
Conservation and development	600,945	-	600,945	100.0%
Interest on Long-term Debt	23,875	-	23,875	(80.3)%
Solid Waste Fund	-	5,499,427	5,499,427	(68.2)%
Water Fund	-	5,648,283	5,648,283	(10.5)%
Sewer Fund	-	2,684,888	2,684,888	0.6%
Golf Fund	-	677,294	677,294	(11.9)%
Weed and Pest Fund	_	125,092	125,092	(31.5)%
Total Expenses	24,605,246	14,634,984	39,240,230	(22.2)%
Excess Before Transfers	8,195,468	1,999,532	10,195,000	8.5%
Transfers	(309,453)	309,453	10,193,000	0.0%
ITalisiers	(309,433)	309,433		0.0%
Increase in Net Position	7,886,015	2,308,985	10,195,000	8.5%
Net position - beginning	110,399,689	69,905,763	180,305,452	5.5%
<b>Total Net Position</b>	\$ 118,285,704	\$ 72,214,748	\$ 190,500,452	5.7%

During fiscal year 2023, nearly 37.29% of the total cost of all programs and services were expended by the business type activities or the enterprise funds. Our public safety programs, such as the police and fire rescue departments, accounted for 5.48% of the total costs for City operations, while public works activities which include planning, engineering, code enforcement and streets accounted for 30.45% of the total costs. General administration activities represented 18.47% of City operations total costs.

#### **Governmental Activities**

Other taxes are the primary source of revenues for the governmental activities. Due to recent legislation and other factors the following items should be noted:

- The City's property tax valuation increased 17.5% from the prior year and is estimated to increase by at least 20% for the upcoming fiscal year.
- The cap placed on severance tax and mineral royalty distributions is still in place with no change expected for the upcoming fiscal year. The State Legislature continues to approve direct distributions to cities, towns, and counties to alleviate the loss in funding from the cap. There have been discussions about reducing or removing direct distribution funding altogether from the State budget, thus increasing the burden on local communities to find other funding sources to cover this potential loss in revenue from the State.
- The City received \$1,762,809, \$1,769,549, \$1,802,987, \$1,735,588, and \$1,947,500 in direct distribution funding respectively for fiscal years 2019, 2020, 2021, 2022, and 2023. As in the past, the State Legislature has requested that direct distribution funds not be used for salary adjustments, additional personnel, or increased personnel benefits.
- The cost of all governmental activities this year was approximately \$24.6 million, an increase of 6.1% from last year's amount of \$23.2 million. The City received \$1.5 million from those who directly benefited from charged services (i.e. permits, licenses, and fines). The City also received over \$5.08 million from other governments and organizations that subsidized certain programs through grants and contributions.

### **Net Cost of City of Sheridan's Governmental Activities**

		Tota	l Cos	st		Net Cost (Revenues)						
		Of Se	ervic	es	Percent		Of Se	ervic	es	Percent		
		2022		2023	Change		2022		2023	Change		
General Government	\$	5,460,392	\$	7,248,612	32.7%	\$	3,391,188	\$	2,679,813	(21.0)%		
Health and Welfare		177,822		55,900	(68.6)%		177,822		52,500	(70.5)%		
Public Safety		6,105,125		2,151,657	(64.8)%		(10,827,729)		1,636,700	(115.1)%		
Public Works		4,438,284		11,948,009	169.2%		3,771,704		10,935,278	189.9%		
Parks and Recreation		925,542		2,576,248	178.4%		767,483		2,101,454	173.8%		
Conservation and												
development		-		600,945	N/A		-		576,945	N/A		
Interest on												
long-term debt		120,947		23,875	(80.3)%		120,947		23,875	(80.3)%		
Unallocated depreciation		5,957,644		-	(100.0)%		5,957,644		-	(100.0)%		
Total	\$ 2	23,185,756	\$	24,605,246	6.1%	\$	3,359,059	\$	18,006,565	436.1%		

The City's business-type activities are operating at proper funding levels, except for the Golf Course which requires General Fund subsidies.

## Financial Analysis of the City's Funds

The City's combined fund balance in its governmental funds at June 30, 2023 was approximately \$26.2 million, an increase of \$721 thousand versus last year. Other items that should be noted are as follows:

- The cap on severance tax and mineral royalty revenues by the State Legislature still remains.
- The City has \$0.2 million that is committed to debt payments and \$6.2 million in commitments related to general cash reserves. These amounts affect availability of the City's funds.

### General Fund Budgetary Highlights

## **General Fund Budget Analysis**

	Original Budget		Final Budget	Percent Change	Final Budget	Actual	Percent Change
Revenues	\$ 12,309,60	) \$	12,773,504	3.8%	\$ 12,773,504	\$ 14,146,364	10.7%
Expenditures							
General Government	\$ 3,744,49	3 \$	4,173,769	11.5%	\$ 4,173,769	\$ 3,880,400	(7.0)%
Public Safety	6,655,70	)	6,858,926	3.1%	6,858,926	6,286,926	(8.3)%
Public Works	2,354,65	)	2,515,630	6.8%	2,515,630	2,508,043	(0.3)%
Parks and Recreation	614,15	)	624,017	1.6%	624,017	692,070	10.9%
Conservation and							
Development	219,00	)	221,885	1.3%	221,885	211,299	(4.8)%
Capital Outlay			432,767	0.0%	432,767	67,468	0.0%
Total	\$ 13,587,99	3 \$	14,826,994	9.1%	\$ 14,826,994	\$ 13,646,206	(8.0)%

During the year, the City Council revised the City budget once. Budget amendments fall into the following categories:

- Amendments and appropriations for prior year encumbrances and unappropriated funds not included in the beginning account balances.
- Appropriation of unanticipated income.
- Transfer of appropriations to prevent budget overruns.

Taking into account these amendments and transfers, actual expenditures were below final budget appropriations.

## Capital Asset and Debt Administration

## Capital Assets

As of June 30, 2023, the City has invested \$192.6 million (net of depreciation) in a broad range of capital assets, including police and fire equipment, land, buildings, park facilities, automobiles, and water and sewer lines.

This represents an increase of .3% versus last year. More detailed information concerning the City's capital assets can be found in the notes to the financial statements.

## **City of Sheridan's Capital Assets**

	Governmental		В	usiness-Type	
		Activities		Activities	Total
		2022		2022	2022
Land	\$	6,462,421	\$	1,246,284	\$ 7,708,705
Works of art		1,628,311		-	1,628,311
Water rights		-		576,678	576,678
Construction in progress		23,522,972		2,589,585	26,112,557
Infrastructure		102,328,695		13,266,395	115,595,090
Buildings		29,137,622		24,171,005	53,308,627
Improvements, other than buildings		14,880,915		100,200,900	115,081,815
Machinery and equipment		17,455,649		21,957,589	39,413,238
Right-of-use leased equipment		611,542		2,061,710	2,673,252
Accumulated depreciation		(92,359,421)		(77,692,504)	(170,051,925)
Total	\$	103,668,706	\$	88,377,642	\$ 192,046,348

	G	overnmental Activities 2023	siness-Type Activities 2023	Total 2023	Total Percent Change
Land	\$	6,343,665	\$ 1,644,458	\$ 7,988,123	3.6%
Works of art		1,628,311	-	1,628,311	0.0%
Water rights		-	576,678	576,678	0.0%
Construction in progress		16,648,901	4,098,040	20,746,941	(20.5)%
Infrastructure		104,332,922	13,266,395	117,599,317	1.7%
Buildings		30,094,848	24,465,022	54,559,870	2.3%
Improvements, other than buildings		26,889,143	100,168,989	127,058,132	10.4%
Machinery and equipment		18,070,075	23,157,833	41,227,908	4.6%
Right-of-use leased equipment		611,542	1,846,880	2,458,422	(8.0)%
Accumulated depreciation		(98,375,409)	 (82,823,959)	 (181,199,368)	6.6%
Total	\$	106,243,998	\$ 86,400,336	\$ 192,644,334	0.3%

This year's major capital asset additions included 7 patrol vehicles, one vehicle for the fire department, 65 golf carts, Promac building & land for parks office space, asphalt silo, John Deer Ztrak, and a 16' dump box trailer.

## Outstanding Long-Term Debt

## **City of Sheridan's Outstanding Debt**

		Gover	nme	ental	Busine	ss-T	ype					Total
	Activities			 Activities			Total				Percent	
		2022		2023	2022		2023		2022		2023	Change
Special												
Assessment												
Bonds	\$	105,000	\$	90,000	\$ -	\$	-	\$	105,000	\$	90,000	(14.3)%
Leases		427,496		386,060	1,096,852		751,709		1,524,348		1,137,769	(25.4)%
Notes payable -												
State Loan and												
Investment												
Board		304,789		244,040	17,851,349		19,748,418		18,156,138		19,992,458	10.1%
Loan payable -												
Paid Firemen												
Pension												
Plan A		1,725,490		1,725,490	-		-		1,725,490		1,725,490	
Compensated												
absences		1,208,247		1,141,357	477,982		428,801		1,686,229		1,570,158	(6.9)%
Landfill closure												
liability		-		-	13,643,606		12,652,305		13,643,606		12,652,305	(7.3)%
Net pension												
liability		14,199,288		14,886,617	 2,907,694		3,324,823		17,106,982		18,211,440	6.5%
Total	\$	17,970,310	\$	18,473,564	\$ 35,977,483	\$	36,906,056	\$	53,947,793	\$	55,379,620	2.7%

At year end the City had \$55.4 million in outstanding debt, an increase of 2.7% or approximately \$1.4 million from last year. More detailed information can be found in the notes to the financial statements.

### Future of the City

The City prepared its FY23 General Fund revenue budget with a 7% increase over FY22 due to increased sales and use tax and property tax revenue. In June of 2022, the average of sales and use tax income was around 9% over the previous year. At the end of FY23, compared to previous years' substantial surpluses, Sheridan ended FY23 with a slightly higher than the predicted at around 6%. As a result of this, the City estimated conservatively at just 5% increase for FY24.

Through State Legislation, severance tax and mineral royalty revenues continue to be capped.

For FY24, the City budgeted \$2,657,287 in Direct Distribution revenue. These funds are to help alleviate the effect of capping the severance tax and mineral royalty revenues. The State Legislature has requested that direct distribution funding not be used for salary adjustments, additional personnel or increased personnel benefits. Pending 2024 Legislative changes, the direct distribution may be slightly increased.

City of Sheridan, Wyoming June 30, 2023

## Management's Discussion & Analysis (Unaudited)

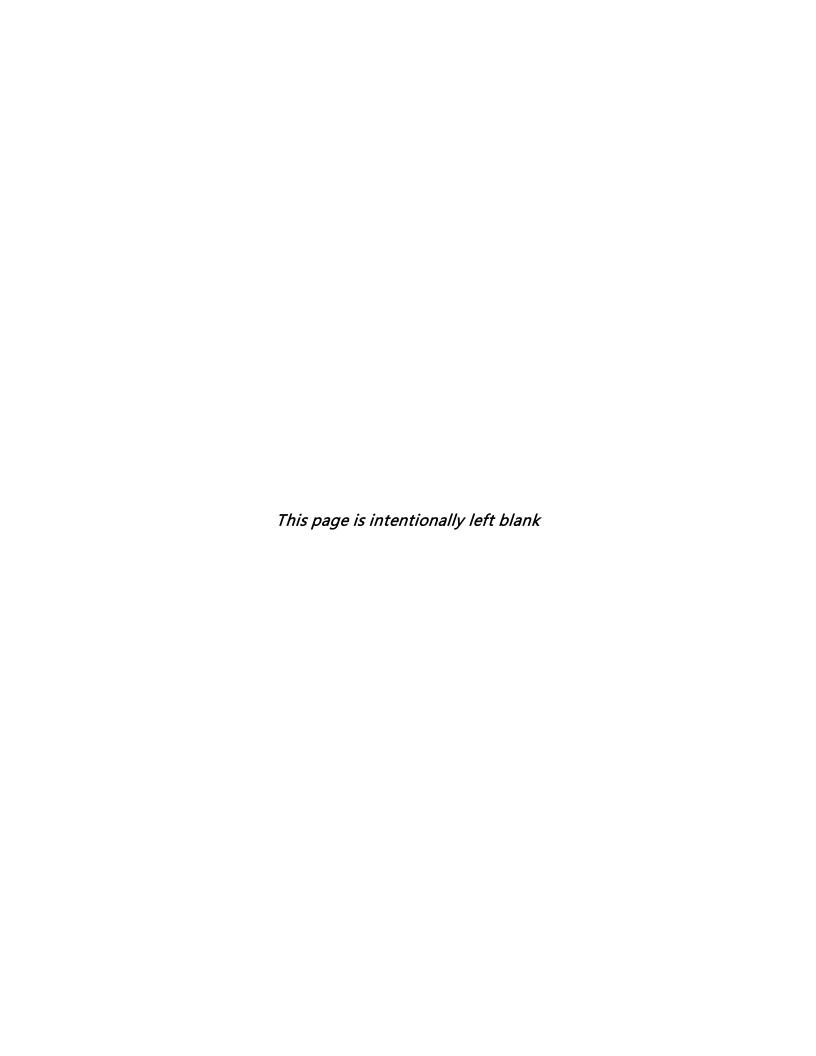
In November 2020, Sheridan County residents voted to reapproved the \$40,000,000 Capital Facilities Tax with the expectation of the tax continuing for an additional eight years using current collections as estimates. The City's share of the tax is \$22,947,200. This will enable the City to continue working on its Capital Improvement Plan.

In November 2022, the residents also voted to approve the continuation of the General-Purpose Excise Tax (One Cent Tax), the other optional tax for a total sales and use tax rate of 6%, extending the existing tax through fiscal year 2027. The GPET (One Cent Tax) will be voted on again in November 2026 to extend the existing tax through fiscal year 2031.

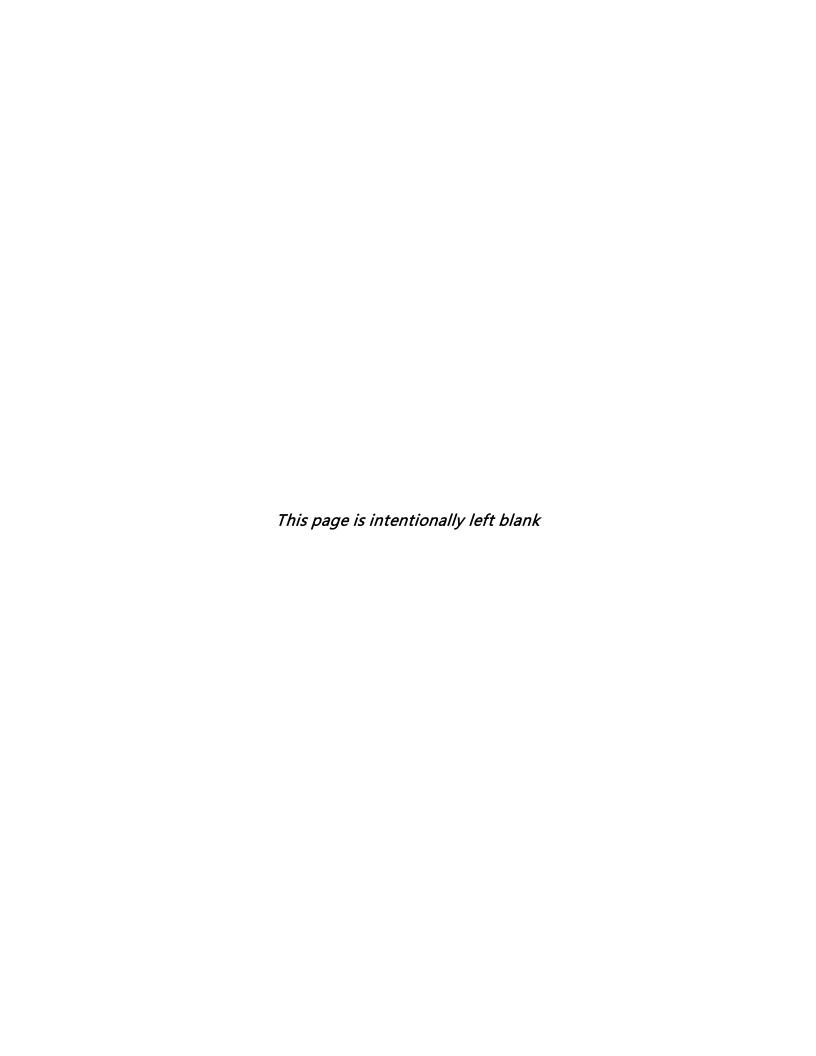
Current projects of the City include the North Heights Waterline Replacement, East 5th Street Corridor, Landfill Closure and Remediation, Northeast Water Transmission line, Blacktooth Park Improvements, Parks and Pathway Improvements, and South Downtown Improvements.

## Requests for Information

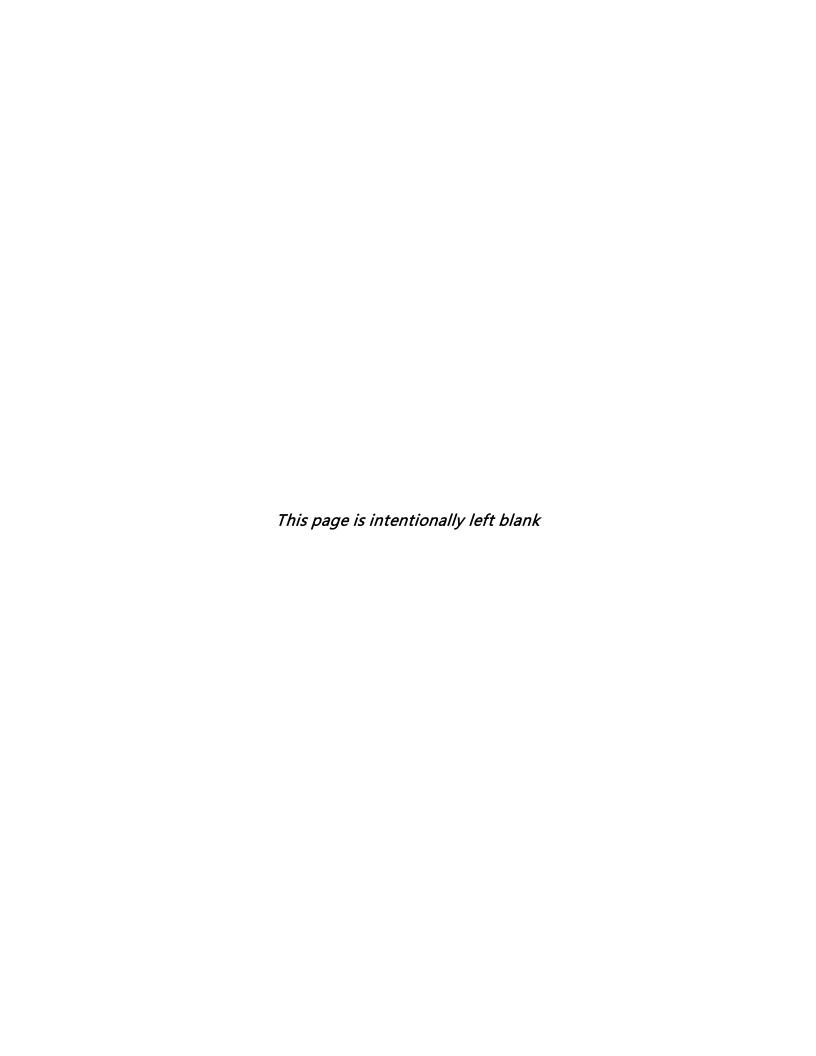
The financial report is designed to provide a general overview of the City of Sheridan, Wyoming's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information, including separately issued reports for the Sheridan Area Water Supply, the Sheridan Economic and Educational Development Authority, and the Sheridan County Travel & Tourism Joint Powers Board, should be addressed to the Office of the Treasurer, 55 Grinnell Plaza, Sheridan, WY 82801.







		-		
	Governmental Activities	Business-type Activities	Total	Component Units
ASSETS				
Cash and investments	\$ 26,414,874	\$ 15,917,022	\$ 42,331,896	\$ 3,478,871
Restricted cash and investments	98,063	112,840	210,903	723,055
Cash held with fiscal agent	101,415	-	101,415	-
Investments	-	-	-	4,952,252
Restricted investments	-	-	-	2,359,207
Accounts receivable, net	286,219	2,183,039	2,469,258	189,229
Special assessments receivable, net	193,091	-	193,091	-
Due from primary government	-	-	-	83,145
Internal balances	45,660	(45,660)	-	-
Due from other governments	7,544,194	1,874,322	9,418,516	778,952
Due from component units	63,699	3,359,710	3,423,409	-
Lease receivable, current	-	-	-	136,045
Interest receivable	-	-	-	237,760
Prepaid items	86,802	14,819	101,621	9,627
Inventory	-	80,096	80,096	15,583
Lease receivable	-	-	-	5,130,710
Real estate held for sale	-	-	-	1,095,806
Notes receivable, current portion - primary government	_	-	_	78,136
Notes receivable, noncurrent portion -				
primary government	_	_	_	604,164
Capital assets, not being depreciated	24,620,877	6,319,176	30,940,053	2,337,770
Capital assets, net of				
accumulated depreciation	81,623,121	80,081,160	161,704,281	51,039,621
Total assets	141,078,015	109,896,524	250,974,539	73,249,933
DEFERRED OUTFLOWS OF RESOURCES				
Pension plan items	5,323,926	652,435	5,976,361	_
Total deferred outflows	5,525,520	032,733	3,310,301	
of resources	5,323,926	652,435	5,976,361	
				(Continued)



	Governmental Activities	Business-type Activities	Total	Component Units	
LIABILITIES					
Accounts payable	\$ 4,916,616	\$ 340,187	\$ 5,256,803	\$ 360,272	
Accrued liabilities	271,652	115,450	387,102	14,231	
Accrued interest payable	8,206	296,278	304,484	50,668	
Retainage payable	30,112	295,054	325,166	-	
Deposits due to others	-	164,124	164,124	-	
Due to other governments	252,401	-	252,401	55,870	
Due to component unit	-	83,145	83,145	-	
Due to primary government	-	-	-	3,423,409	
Advanced payments on grants	83,195	112,840	196,035	188,282	
Unearned rent revenue	-	-	-	2,963	
Long-term liabilities					
Due within one year	398,252	1,388,058	1,786,310	491,522	
Due in more than one year	18,075,312	35,517,998	53,593,310	5,253,401	
Total liabilities	24,035,746	38,313,134	62,348,880	9,840,618	
DEFERRED INFLOWS					
OF RESOURCES					
Unavailable property tax revenues	2,599,679	_	2,599,679	_	
Lease related	_,000,000	_	_,	5,087,855	
Pension plan items	1,480,813	21,077	1,501,890	-	
Total deferred inflows	,,-		, , , , , , , , ,		
of resources	4,080,492	21,077	4,101,569	5,087,855	
NET POSITION					
Net investment in capital assets	105,493,786	65,605,155	171,098,941	47,662,652	
Restricted by	103/133/100	03/003/133	17 1703 373 11	17,002,032	
Landfill closure and post closure -					
W.S. 35-11-532	_	2,187,399	2,187,399	_	
City of Sheridan/Sheridan Area		2,101,333	2,107,333		
Water Supply JPB agreement	_	_	_	955,013	
Unrestricted	12,791,917	4,422,194	17,214,111	9,703,795	
Total net position	\$ 118,285,703	\$ 72,214,748	\$ 190,500,451	\$ 58,321,460	

		Program Revenues					
					Operating		Capital
		(	Charges for	(	Grants and	(	Grants and
Function/Programs	Expenses		Services	C	ontributions		ontributions
Primary government							
Governmental activities							
General government	\$ 7,248,612	\$	1,202,204	\$	3,158,587	\$	208,008
Health and welfare	55,900		-		3,400		-
Public safety	2,151,657		290,933		204,393		19,631
Public works	11,948,009		-		-		1,012,731
Parks and recreation	2,576,248		-		127,232		347,562
Conservation and development	600,945		24,000		-		-
Interest on long-term debt	23,875		_		-		-
Total governmental activities	24,605,246		1,517,137		3,493,612		1,587,932
Business-type activities							
Solid waste fund	5,499,427		6,111,088		_		177,984
Water fund	5,648,283		4,437,585		_		1,234,824
Sewer fund	2,684,888		3,198,528		_		_
Golf fund	677,294		442,096		_		-
Weed and pest fund	125,092		20,518		237,559		-
Total business-type activities	14,634,984		14,209,815		237,559		1,412,808
Total primary government	\$ 39,240,230	\$	15,726,952	\$	3,731,171	\$	3,000,740
Component units	\$ 4,067,083	\$	1,963,952	\$	524,364	\$	343,288

## General revenues

Taxes

Property taxes, levied for general purposes

Special assessments, levied for debt service

Sales, severance, royalties, cigarette, gasoline, use taxes

Pari-mutuel and lottery

Franchise taxes

Lodging tax

Miscellaneous revenues

Investment income

Gain on sale of capital assets

Grants and contributions not restricted

to specific programs

Transfers

Total general revenues and transfers

Change in net position

Net position - beginning of year

Net position - end of year

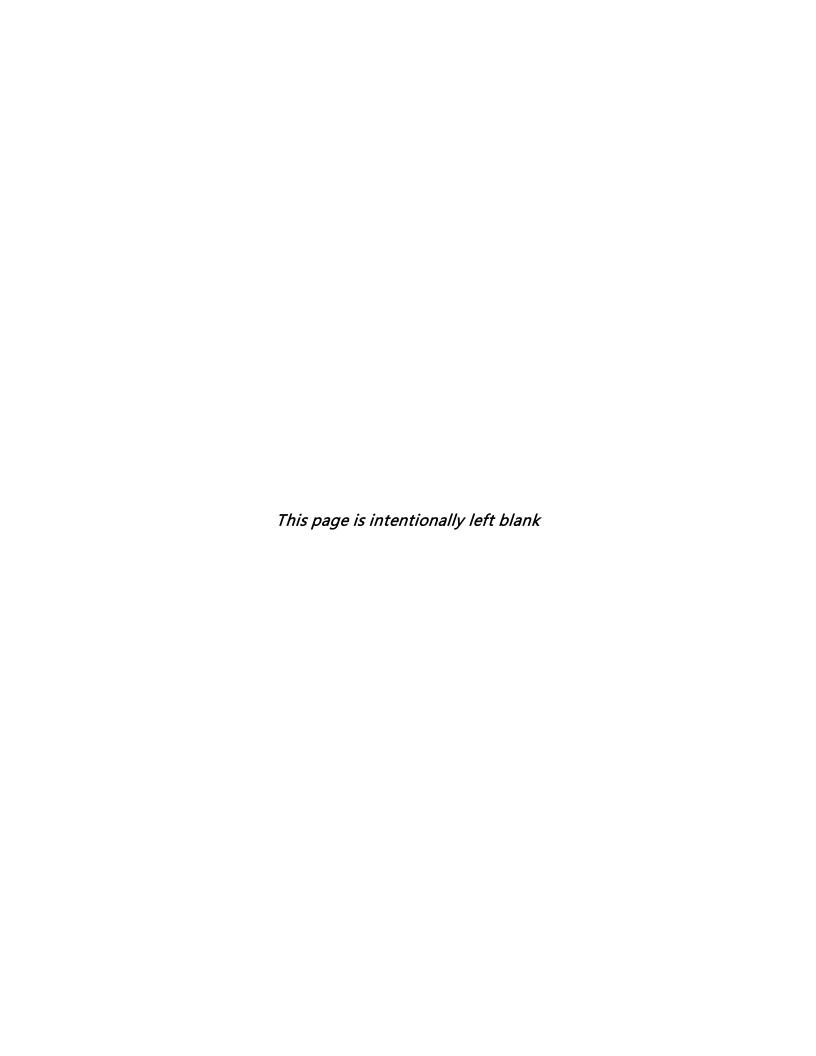
# Net (Expense) Revenue and Changes in Net Position Primary Government

Governmental Activities	Business-type Activities	Total	Component Units
¢ (2.670.912)	¢	¢ (2.670.912)	¢
\$ (2,679,813)	\$ -	\$ (2,679,813)	\$ -
(52,500)	-	(52,500)	-
(1,636,700)	-	(1,636,700)	-
(10,935,278)	-	(10,935,278)	-
(2,101,454)	-	(2,101,454)	-
(576,945)	-	(576,945)	-
(23,875)		(23,875)	_
(18,006,565)	_	(18,006,565)	_
-	789,645	789,645	-
-	24,126	24,126	-
_	513,640	513,640	_
_	(235,198)	(235,198)	_
_	132,985	132,985	_
	1,225,198	1,225,198	-
(18,006,565)	1,225,198	(16,781,367)	-
			(1 235 479)
			(1,235,479)
-		-	(1,235,479)
2 915 915	-	2 015 015	(1,235,479)
2,815,815	-	2,815,815	(1,235,479)
2,690		2,690	(1,235,479) - -
2,690 20,516,378	- - - -	2,690 20,516,378	(1,235,479) - - -
2,690 20,516,378 712,069	- - - -	2,690 20,516,378 712,069	(1,235,479) - - - -
2,690 20,516,378	- - - - -	2,690 20,516,378	- - - - -
2,690 20,516,378 712,069 1,112,785	- - - - - - -	2,690 20,516,378 712,069 1,112,785	(1,235,479) 939,835
2,690 20,516,378 712,069 1,112,785 - 111,218	- - - - - - 32,015	2,690 20,516,378 712,069 1,112,785 - 143,233	- - - - - 939,835
2,690 20,516,378 712,069 1,112,785 - 111,218 877,525	646,213	2,690 20,516,378 712,069 1,112,785 - 143,233 1,523,738	- - - - -
2,690 20,516,378 712,069 1,112,785 - 111,218		2,690 20,516,378 712,069 1,112,785 - 143,233	- - - - - 939,835
2,690 20,516,378 712,069 1,112,785 - 111,218 877,525	646,213	2,690 20,516,378 712,069 1,112,785 - 143,233 1,523,738	- - - - 939,835 - 446,085
2,690 20,516,378 712,069 1,112,785 - 111,218 877,525 53,553	646,213 96,106 -	2,690 20,516,378 712,069 1,112,785 - 143,233 1,523,738	- - - - - 939,835
2,690 20,516,378 712,069 1,112,785 - 111,218 877,525 53,553	646,213 96,106 - 309,453	2,690 20,516,378 712,069 1,112,785 - 143,233 1,523,738 149,659	- - - - 939,835 - 446,085 - 182
2,690 20,516,378 712,069 1,112,785 - 111,218 877,525 53,553 - (309,453) 25,892,580	646,213 96,106 - 309,453 1,083,787	2,690 20,516,378 712,069 1,112,785 - 143,233 1,523,738 149,659 - 26,976,367	- - - - 939,835 - 446,085 - 182 - 1,386,102
2,690 20,516,378 712,069 1,112,785 - 111,218 877,525 53,553 - (309,453) 25,892,580 7,886,015	646,213 96,106 - 309,453 1,083,787 2,308,985	2,690 20,516,378 712,069 1,112,785 - 143,233 1,523,738 149,659 - 26,976,367 10,195,000	- - - - 939,835 - 446,085 - 182 - 1,386,102 150,623
2,690 20,516,378 712,069 1,112,785 - 111,218 877,525 53,553 - (309,453) 25,892,580	646,213 96,106 - 309,453 1,083,787	2,690 20,516,378 712,069 1,112,785 - 143,233 1,523,738 149,659 - 26,976,367	- - - - 939,835 - 446,085 - 182 - 1,386,102

## **Balance Sheet - Governmental Funds**

ASSETS		General Fund	One Cent Fund		Debt Service Fund	С	Direct Distribution Fund
Cash and investments	\$	9,904,379	\$ 2,095,218	\$	308,798	\$	1,030,418
Restricted cash and investments		14,868	-		-		-
Cash with fiscal agent		101,415	-		-		-
Accounts receivable, net		34,977	-		-		-
Special assessments receivable, net		-	-		193,091		-
Due from other funds		45,660	-		-		-
Due from other governments		4,080,634	906,303		-		-
Due from component units		63,699	-		-		-
Prepaid items		65,666	-		-		21,136
Total assets	\$	14,311,298	\$ 3,001,521	\$	501,889	\$	1,051,554
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES							
Liabilities							
Accounts payable	\$	277,539	\$ 185,951	\$	86,275	\$	106,036
Accrued liabilities	-	269,427	1,917	•	· -		-
Accrued interest payable		-	-		8,206		-
Retainage payable		-	-		_		-
Due to other governments		-	-		_		-
Advanced payments on grants		-	-		_		-
Total liabilities		546,966	187,868		94,481		106,036
Deferred inflows of resources							
Unavailable property tax revenues		2,607,428	-		_		-
Unavailable grant revenue		-	-		_		-
Unavailable special assessments revenues		-	-		193,091		-
Total deferred inflows of resources		2,607,428	-		193,091		-
Fund balances							
Nonspendable							
Prepaid items		65,666	-		-		21,136
Committed							
Reserves and emergency needs							
by City ordinances		6,222,037	-		-		-
Debt service		-	-		214,317		-
Assigned							
Various capital projects		-	-		-		-
Unassigned		4,869,201	2,813,653		-		924,382
Total fund balances		11,156,904	2,813,653		214,317		945,518
Total liabilities, deferred inflows							
of resources and fund balances	\$	14,311,298	\$ 3,001,521	\$	501,889	\$	1,051,554

apital Tax Fund	Ве	ublic nefits und	Special Revenue Fund	Capital Projects Fund	G	Total overnmental Funds
\$ -	\$	-	\$ 166,863	\$ 12,909,198	\$	26,414,874
-		-	83,195	-		98,063
-		-	-	-		101,415
-		-	-	251,242		286,219
-		-	-	-		193,091
-		-	-	-		45,660
-		-	19,501	2,537,756		7,544,194
-		-	-	-		63,699
 -	_	-	 -	<u> </u>		86,802
\$ -	\$	_	\$ 269,559	\$ 15,698,196	\$	34,834,017
\$ -	\$	-	\$ 24,260	\$ 4,322,830	\$	5,002,891
-		-	308	-		271,652
-		-	-	-		8,206
-		-	-	30,112		30,112
-		-	-	252,401		252,401
-		-	83,195	-		83,195
-		-	107,763	4,605,343		5,648,457
-		-	-	-		2,607,428
-		-	-	167,481		167,481
-		-	-	-		193,091
-		-	 -	167,481		2,968,000
-		-	-	-		86,802
-		-	-	-		6,222,037 214,317
						217,311
_		_	161,796	10,925,372		11,087,168
_		_		-		8,607,236
			161,796	10,925,372		26,217,560
\$ -	\$	-	\$ 269,559	\$ 15,698,196	\$	34,834,017



## **Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position**

Amounts reported for governmental activities in the statement of net position are different because:		
Total fund balances - governmental funds		\$ 26,217,560
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		106,243,998
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds.  Unavailable property taxes - governmental funds  Unavailable property taxes - governmental activities  Unavailable grant revenue - governmental funds  Unavailable special assessments revenues	\$ 2,607,428 (2,599,679) 167,481 193,091	368,321
Differences between expected and actual experiences, assumption changes and net differences between projected and actual earnings and contributions subsequent to the measurement date for the post-retirement benefits (pension) are recognized as deferred outflows of resources and deferred inflows of resources on the statement of net position.  Pension plan items - deferred outflows of resources Pension plan items - deferred inflows of resources	5,323,926 (1,480,813)	3,843,113
Other long-term assets related to special assessments are not available to pay for current-period expenditures and, therefore, are reported as unavailable revenue in the funds.		
Long-term liabilities that are not due and payable in the current period, and therefore, are not reported in the funds.  Special assessment bonds  Notes payable  Loan payable - Firemen's Pension Plan A  Leases  Compensated absences  Pension liability	(90,000) (244,040) (1,639,215) (386,060) (1,141,357) (14,886,617)	(18,387,289)
Net position of governmental activities		\$ 118,285,703

# Statement of Revenues, Expenditures, and Changes in Fund Balances **Governmental Funds**

	General Fund	One Cent Fund	Debt Service Fund	Direct Distribution Fund
Revenues				
Taxes	\$ 11,300,538	\$ 5,179,663	\$ -	\$ -
Licenses and permits	1,071,814	-	-	-
Intergovernmental	135,957	-	25,000	1,947,501
Special assessments	-	-	27,246	-
Fines, forfeitures and penalties	290,933	-	-	-
Charges for services	130,390	-	-	24,000
Pari-mutuel and lottery	712,069	-	-	-
Investment income	228,386	72,927	-	38,959
Contributions	190,519	-	-	-
Miscellaneous	85,758			_
Total revenues	14,146,364	5,252,590	52,246	2,010,460
Expenditures Current				
General government	3,880,400	_	_	269,384
Health and welfare	-	52,500	_	-
Public safety	6,286,926	654,751	_	194,307
Public works	2,508,043	253,602	1,000	703,088
Parks and recreation	692,070	441,407	-	173,259
Conservation and development	211,299	150,000	_	239,461
Capital outlay	67,468	768,897	_	213,984
Debt service - principal	-	-	203,460	-
interest	_	_	23,875	_
Total expenditures	13,646,206	2,321,157	228,335	1,793,483
·				
Excess (deficiency) of revenues over (under) expenditures	F00 1F0	2 021 422	(176,000)	216 077
· · ·	500,158	2,931,433	(176,089)	216,977
Other financing sources (uses)				
Transfers in	1,968,500	-	101,072	-
Transfers out	(738,735)	(2,327,118)	-	(13,500)
Sale of capital assets	22,387	-	-	-
Insurance recoveries	60,623			_
Total other financing sources (uses)	1,312,775	(2,327,118)	101,072	(13,500)
Net change in fund balances	1,812,933	604,315	(75,017)	203,477
Fund balances - beginning of year as previously stated Prior period adjustment	9,343,971 	2,209,338	289,334	742,041 
Fund balances - beginning of year as restated	9,343,971	2,209,338	289,334	742,041
Fund balances - end of year	\$ 11,156,904	\$ 2,813,653	\$ 214,317	\$ 945,518

Capital Tax Fund	Public Benefits Fund	Special Revenue Fund	Capital Projects <u>Fund</u>	Total Governmental Funds
\$ -	\$ -	\$ -	\$ 6,016,493	\$ 22,496,694 1,071,814
_	_	3,008,063	1,470,650	6,587,171
-	-	-	-	27,246
-	-	-	-	290,933
-	-	-	-	154,390
-	-	-	-	712,069
-	-	86,653	450,600	877,525
-	-	119,700	-	310,219
	-	25,460	-	111,218
	-	3,239,876	7,937,743	32,639,279
-	-	171,044	-	4,320,828
-	-	3,400	-	55,900
-	-	178,238	-	7,314,222
-	-	-	1,254,901	4,720,634
-	-	4,781	15,315	1,326,832
-	-	185	-	600,945
-	-	2,685,826	9,807,613	13,543,788
-	-	-	-	203,460
	-	-	-	23,875
		3,043,474	11,077,829	32,110,484
		106 402	(2.140.096)	F20.70F
		196,402	(3,140,086)	528,795
_	_	2,844	5,539,008	7,611,424
(1,204,524)	(14,969)	(50,000)	(3,153,023)	(7,501,869)
-	-	-	-	22,387
-	-	-	-	60,623
(1,204,524)	(14,969)	(47,156)	2,385,985	192,565
(1,204,524)	(14,969)	149,246	(754,101)	721,360
1,204,524 	14,969 	112,550 (100,000)	11,579,473 100,000	25,496,200 
1,204,524	14,969	12,550	11,679,473	25,496,200
\$ -	\$ -	\$ 161,796	\$ 10,925,372	\$ 26,217,560

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

Amounts reported for governmental activities in the statement of activities are different because:		
Change in fund balances as reported in the governmental fund statement.		\$ 721,360
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.  Capital asset additions  Depreciation	\$ 9,627,578 (6,603,821)	3,023,757
In the statement of activities, only the gain from the sale of capital assets is reported, whereas in the governmental funds, the proceeds from the sale, including insurance recoveries increase financial resources. Thus, the change in net position differs from the change in fund balance by the cost of the capital assets sold.	(22, 207)	
Proceeds from the sale of capital assets Insurance recoveries	(22,387) (60,623)	
Gain on disposal of capital assets	53,553	(29,457)
Capital transfers reported in governmental activities not reported in governmental funds		(419,008)
Certain revenues are not recognized as current financial resources and, therefore, are not reported as revenues in governmental funds.		
Unavailable special assessments current year	193,091	
Unavailable special assessments prior year	(217,647)	
Unavailable grant revenue current year	167,481	
Unavailable grant revenue prior year	(35,827)	
Difference in unavailable property tax revenue current year Difference in unavailable property tax revenue prior year	7,749 (6,966)	107,881
Difference in unavailable property tax revenue prior year	(0,500)	107,001
The repayment of principal on long-term debt and leases consumes		
current financial resources of governmental funds while it is not		
recognized as an expense in the statement of activities.		203,460 (Continued)

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

Pension expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures governmental funds.		
Pension liability - prior year	\$ 14,199,288	
Pension liability - current year	(14,886,617)	
Deferred outflows - pension plan items - prior year	(5,107,827)	
Deferred outflows - pension plan items - current year	5,323,926	
Deferred inflows - pension plan items - prior year	6,189,878	
Deferred inflows - pension plan items - current year	(1,480,813)	\$ 4,237,835
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.  Compensated absences payable recognized in the funds - prior year  Compensated absences - current year	(26,703) (1,141,357) 1,208,247	40.18 <b>7</b>
Compensated absences - prior year	1,208,247	 40,187
Change in net position of governmental activities		\$ 7,886,015

# **Statement of Net Position - Proprietary Funds**

ASSETS		Solid Waste Fund		Water Fund		Sewer Fund	
		runu		runu		Fullu	
Current assets	¢	E 027 7EE	¢	6.042.506	¢	2.014.012	
Cash and investments Restricted cash and investments	\$	5,937,755	\$	6,942,596	\$	3,014,912	
		112,840		- 725 566		- 461.475	
Service receivables, net		883,597		725,566		461,475	
Due from other governments		66,068		1,558,501		189,827	
Due from component unit		-		3,359,710		-	
Prepaid items		-		11,211		-	
Inventory		-		71,437	. —	8,659	
Total current assets		7,000,260		12,669,021		3,674,873	
Capital assets, net of accumulated depreciation		8,042,588		64,737,242		12,591,692	
Total assets		15,042,848		77,406,263		16,266,565	
DEFERRED OUTFLOWS OF RESOURCES							
Pension plan items		373,542		153,866		125,027	
LIABILITIES							
Current liabilities							
Accounts payable		146,676		122,133		60,712	
Accrued liabilities		48,561		36,570		21,481	
Accrued interest payable		106,538		132,234		56,756	
Retainage payable		252,526		42,528		-	
Deposits due to others		-		164,124		-	
Due to other funds		-		-		-	
Due to component unit		-		83,145		-	
Advanced payments on grants		112,840		-		-	
Compensated absences payable, current portion		16,327		15,962		9,740	
Leases payable, current portion		299,378		16,217		-	
Notes payable, current portion		-		655,372		345,152	
Total current liabilities		982,846		1,268,285		493,841	
Long-term liabilities		302/01.0		.,_00,_00	-	15576 11	
Net pension liability		1,903,580		784,103		637,140	
Landfill closure and postclosure liability		12,652,305		-		-	
Compensated absences payable		138,102		134,883		97,443	
Leases payable		332,630		73,805		31, <del>44</del> 3	
Notes payable		4,185,443		9,917,983		4,644,468	
Total long-term liabilities		19,212,060		10,910,774		5,379,051	
DEFERRED INFLOWS OF RESOURCES		13,212,000		10,310,774	- —	3,313,031	
Pension plan items		12,067		4,971		4,039	
NET POSITION		12,007		4,371	- —	4,033	
		2 072 611		54,031,337		7 602 072	
Net investment in capital assets Restricted		2,972,611		34,031,337		7,602,072	
Landfill closure and post closure - W.S. 35-11-532		2,187,399		-		-	
Unrestricted (deficit)		(9,950,593)		11,344,762		2,912,589	
Total net position (deficit)	\$	(4,790,583)	\$	65,376,099	\$	10,514,661	

Golf Fund	Weed and Pest Fund		Totals		
\$ -	\$	21,759	\$	15,917,022	
-		-		112,840	
108,940		3,461		2,183,039	
-		59,926		1,874,322	
-		-		3,359,710	
3,608		-		14,819	
 				80,096	
112,548		85,146		23,541,848	
818,231		210,583		86,400,336	
930,779		295,729		109,942,184	
 		-		652,435	
5,717		4,949		340,187	
2,881		5,957		115,450	
750		-		296,278	
-		-	295,054		
-		-		164,124	
45,660		-		45,660	
-		-		83,145	
-		-		112,840	
-		231		42,260	
29,679		-		345,274	
-		_		1,000,524	
 84,687		11,137		2,840,796	
_		_		3,324,823	
_		_		12,652,305	
11,051		5,062		386,541	
-		-		406,435	
_		-		18,747,894	
11,051		5,062		35,517,998	
 				21,077	
788,552		210,583		65,605,155	
-		-		2,187,399	
 46,489		68,947		4,422,194	
\$ 835,041	\$	279,530	\$	72,214,748	

# Statement of Revenues, Expenses, and Changes in Net Position **Proprietary Funds**

	Solid Waste Fund	Water Fund	Sewer Fund
Operating revenues Service fees Other operating revenue Total operating revenues	\$ 6,111,088 7,849 6,118,937	\$ 4,437,585 23,712 4,461,297	\$ 3,198,528 454 3,198,982
Operating expenses Salaries and benefits Other operating expenses Landfill closure and postclosure costs Depreciation expense Total operating expenses	2,149,985 1,974,088 412,239 862,699 5,399,011	576,342 1,341,751 - 3,511,963 5,430,056	803,628 771,024 - 1,001,686 2,576,338
Operating income (loss)  Nonoperating revenues (expenses) Intergovernmental Investment income Interest expense Gain (loss) on sale of capital assets Total nonoperating revenues (expenses)	719,926 - 208,260 (100,416) - 107,844	(968,759)  - 323,014 (212,604) (5,623) 104,787	622,644 - 109,835 (107,218) (1,332) 1,285
Income (loss) before contributions and transfers	827,770	(863,972)	623,929
Capital grants and contributions Transfers in Transfers out Net contributions and transfers Change in net position	177,984 2,175,490 (1,619,300) 734,174 1,561,944	1,234,824 1,436,165 (1,418,234) 1,252,755 388,783	5,301 (707,958) (702,657) (78,728)
Net position (deficit) - beginning of year Net position (deficit) - end of year	(6,352,527) \$ (4,790,583)	64,987,316 \$ 65,376,099	10,593,389 \$ 10,514,661

	Weed	
Golf	and Pest	
Fund	Fund	 Totals
		 -
\$ 442,096	\$ 20,518	\$ 14,209,815
-		32,015
442,096	20,518	 14,241,830
225,609	56,442	3,812,006
296,247	45,245	4,428,355
-	-	412,239
151,462	23,405	5,551,215
673,318	 125,092	 14,203,815
(231,222)	(104,574)	38,015
-	237,559	237,559
-	5,104	646,213
(3,976)	-	(424,214)
96,106		 89,151
92,130	242,663	548,709
(139,092)	138,089	586,724
-	-	1,412,808
598,989	-	4,215,945
-	 (161,000)	 (3,906,492)
 598,989	 (161,000)	 1,722,261
459,897	(22,911)	2,308,985
375,144	302,441	69,905,763
\$ 835,041	\$ 279,530	\$ 72,214,748

# **Statement of Cash Flows - Proprietary Funds**

Cook Elever from Operation Activities	Solid Waste Fund	Water Fund	Sewer Fund
Cash Flows from Operating Activities Cash receipts from customers Cash paid to suppliers for goods and services Cash paid to employees for services	\$ 6,009,198 (3,459,785) (2,257,739)	\$ 4,285,921 (1,203,046) (1,661,285)	\$ 3,198,276 (752,577) (1,119,673)
Net cash provided by (used in) operating activities	291,674	1,421,590	1,326,026
Cash Flows from Noncapital Financing Activities Intergovernmental	-	-	-
Advance payment of grants	(87,160)	_	_
Transfers in	2,175,490	1,037,991	_
Transfers out	(1,619,300)	(1,410,406)	(707,958)
Net cash provided by (used in) noncapital	( ) = = ; = = ;	( )	( 1 /1 1 1 /
financing activities	469,030	(372,415)	(707,958)
Cash Flows from Capital and Related Financing Activities Capital grants from federal and state sources	177,984	(323,677)	(189,827)
Proceeds for notes payable and leases	1,232,915	1,446,618	189,827
Principal payments on notes payable to the State	1,232,913	1,440,010	103,027
Loan and Investments Board	_	(637,600)	(334,691)
	(174,247)	(15,761)	(334,031)
Principal payments on leases			(116 512)
Interest paid on debt	(26,599)	(223,494) 779	(116,513)
Proceeds from sale of property and equipment	- (1 C10 02 4)	_	-
Purchases of property and equipment	(1,618,824)	(1,022,840)	30,482
Net cash used in capital and related	(400.771)	(775.075)	(420.722)
financing activities	(408,771)	(775,975)	(420,722)
Cash Flows from Investing Activities	200.200	265 722	100.025
Interest on investments	208,260	265,722	109,835
Net cash provided by investing activities	208,260	265,722	109,835
Net increase (decrease) in cash and	FC0 103	F20.022	207.101
investments	560,193	538,922	307,181
Cash and investments - beginning of year	5,490,402	6,403,674	2,707,731
Cash and investments - end of year	\$ 6,050,595	\$ 6,942,596	\$ 3,014,912
•	-		
Reconciliation of ending cash			
Cash and investments	5,937,755	6,942,596	3,014,912
Restricted cash and investments	112,840	-,= -,= -	-,,
Total cash and restricted cash and investments	\$ 6,050,595	\$ 6,942,596	\$ 3,014,912

Golf Fund	Weed and Pest Fund	Totals
\$ 425,172 (318,890) (230,044)	\$ 8,843 (43,034) (109,895)	\$ 13,927,410 (5,777,332) (5,378,636)
(123,762)	(144,086)	2,771,442
- - 575,629 	237,559 - - (161,000)	237,559 (87,160) 3,789,110 (3,898,664)
575,629	76,559	40,845
-	-	(335,520) 2,869,360
- (58,354) (8,653) - (417,280)	- - - - (134,849)	(972,291) (248,362) (375,259) 779 (3,163,311)
(484,287)	(134,849)	(2,224,604)
	5,104 5,104	588,921 588,921
(32,420)	(197,272)	1,176,604
32,420 \$ -	219,031 \$ 21,759	14,853,258 \$ 16,029,862
- - \$ -	21,759 - \$ 21,759	15,917,022 112,840 \$ 16,029,862 (Continued)

# **Statement of Cash Flows - Proprietary Funds (Continued)**

	Solid Waste Fund	Water Fund		Sewer Fund
Reconciliation of operating income (loss) to net				
cash provided by (used in) operating activities				
Operating income (loss)	\$ 719,926	\$ (968,759)	\$	622,644
Adjustments to reconcile operating income (loss)				
to cash provided by (used in) operating activities				
Depreciation expense	862,699	3,511,963		1,001,686
Amortization of pension items	(883,987)	(535,920)		(389,683)
Landfill closure and postclosure costs	(991,301)	-		-
Increase (decrease) in cash resulting from changes in				
operating assets, deferred outflows and liabilities				
Service receivables, net	(43,671)	173,287		(706)
Due from other governments	(66,068)	-		-
Due from component unit	-	(357,214)		-
Prepaid items	-	(8,654)		-
Inventory	-	11,851		(385)
Deferred outflows - pension plan items	279	18,156		6,734
Accounts payable	(334,683)	9,835		18,832
Accrued liabilities	(44,266)	(38,126)		(24,091)
Retainage payable	252,526	42,528		-
Deposits due to others	-	8,551		-
Due to other funds	-	-		-
Due to component unit	-	83,145		-
Compensated absences payable	(16,455)	(9,151)		(28,359)
Net pension liability	836,675	(519,902)		119,354
Net cash provided by (used in) operating	 •			·
activities	\$ 291,674	\$ 1,421,590	\$	1,326,026
Noncash capital and related financing activities				
Construction in progress retainage payable	\$ 66,079	\$ -	\$	(1,332)
Contributions of capital assets	\$ -	\$ (7,828)	\$	5,301
Due from SAWS for water share liability	\$ -	\$ 57,292	\$	-
Lease payments forgiven on disposition				
of capital leases	\$ -	\$ -	\$	-

	Golf		Weed and Pest			
	Fund		Fund		Totals	
\$	(231,222)	\$	(104,574)	\$	38,015	
	151,462 - -		23,405 (31,947) -		5,551,215 (1,841,537) (991,301)	
	(62,584)  (22,643) (10,523)  - 45,660  - 6,088		(54) (11,621) - 500 - 2,737 1,711 (3,941) - - - (1,304) (18,998)		66,272 (77,689) (357,214) (8,154) 11,466 27,906 (326,948) (120,947) 295,054 8,551 45,660 83,145 (49,181) 417,129	
	(122.762)					
\$	(123,762)	\$	(144,086)	\$	2,771,442	
\$ \$ \$	- 23,360 -	\$ \$ \$	- - -	\$ \$ \$	64,747 20,833 57,292	
\$	(96,781)	\$	-	\$	(96,781)	

# **Statement of Fiduciary Net Position**

ASSETS	Custodial Funds	
Cash	\$ 271,753	
Total assets	 271,753	
NET POSITION		
Restricted for:		
Individuals, organizations, and		
other governments	 271,753	
Total net position	\$ 271,753	

# **Statement of Changes in Fiduciary Net Position**

	Custodial Funds			
ADDITIONS				
Contributions				
Members	\$ 3,565			
Seizures from suspected crime scenes	354			
Mandated collections from perpetrators	43,297			
Employees on behalf of others	788			
Voluntary contributions	730			
Total additions	48,734			
DEDUCTIONS				
Payments to other governments	3,046			
Court bond refunds	31,100			
Payments to employees	51			
Miscellaneous expense	627			
Total deductions	34,824			
Net increase in fiduciary net position	13,910			
Net position - beginning of year	257,843			
Net position - end of year	\$ 271,753			

# **Combining Statement of Net Position - Component Units**

		М	ajor		
	٧	heridan Area Vater Supply oint Powers Board	Sheridan Economic and Educational Development Authority Joint Powers Board		
ASSETS Cash	¢	2 210 452	¢	209 247	
Restricted cash	\$	3,218,453	\$	208,347	
Investments		723,055		250.001	
Restricted investments		4,136,346 2,170,925		259,991	
Accounts receivable, net		179,260		_	
Due from primary government		83,145		-	
Due from other governments		05,145		568,363	
Lease receivable, current		_		136,045	
Interest receivable		-		237,760	
		-		237,700	
Prepaid items Inventory		-		-	
Lease receivable		-		5,130,710	
Real estate held for sale		_		1,095,806	
Notes receivable, current portion - primary government		- 78,136		1,093,000	
Notes receivable, current portion - primary government  Notes receivable, noncurrent portion - primary government		604,164		_	
Capital assets, not being depreciated		2,337,770		_	
Capital assets, not being depreciated  Capital assets, net of depreciation		32,900,704		18,054,270	
Total assets		46,431,958		25,691,292	
Total assets		+0,+31,330		25,051,252	
LIABILITIES					
Accounts payable		164,374		129,653	
Accrued liabilities		-		-	
Accrued interest payable		50,668		-	
Due to other governments		55,870		-	
Due to primary government		3,359,710		-	
Advanced payments on grants		-		-	
Unearned rent revenue		-		2,963	
Long-term liabilities					
Due within one year		405,422		84,019	
Due in more than one year		3,547,518		1,677,780	
Total liabilities		7,583,562		1,894,415	
DEFERRED INFLOWS OF RESOURCES					
Lease related		_		5,087,855	
Total deferred inflows of resources		-		5,087,855	
NET POSITION					
Net investment in capital assets		31,285,534		16,292,471	
Restricted by		31,403,334		10,434,411	
City of Sheridan/Sheridan Area					
Water Supply JPB agreement		QEE 012			
Unrestricted		955,013 6,607,849		- 2 //16 EE1	
Total net position	<u>¢</u>	6,607,849	•	2,416,551 18,709,022	
rotal het position	Þ	38,848,396	\$	10,709,022	

	Noni	major						
		9	Sheridan					
She	eridan County	D	owntown					
	Travel and	De	velopment		Total			
To	ourism Joint		hority Joint	Component				
	owers Board		vers Board		Units			
\$	48,499	\$	3,572	\$	3,478,871			
Ψ	-	Ψ	-	Ψ.	723,055			
	555,915		_		4,952,252			
	188,282		_		2,359,207			
	9,969				189,229			
	3,303		_					
	210 500		-		83,145			
	210,589		-		778,952			
	-		-		136,045			
	- 0.627		-		237,760			
	9,627		-		9,627			
	15,583		-		15,583			
	-		-		5,130,710			
	-		-		1,095,806			
	-		-		78,136			
	-		-		604,164			
	-		-		2,337,770			
	84,647				51,039,621			
	1,123,111		3,572		73,249,933			
	66 245				260 272			
	66,245		-		360,272			
	14,231		-		14,231			
	-		-		50,668			
	-		-		55,870			
	63,699		-		3,423,409			
	188,282		-		188,282			
	-		-		2,963			
	2,081		-		491,522			
	28,103				5,253,401			
	362,641				9,840,618			
	_		_		5,087,855			
					5,087,855			
-					3,001,033			
	84,647		_		47,662,652			
	3 .,0				,00=,00=			
	_		_		955,013			
	675,823		3,572		9,703,795			
<b></b>		\$	3,572	\$	58,321,460			
ф	760,470	Þ	3,312	Þ	JU,JL 1,40U			

## **Combining Statement of Activities - Component Units**

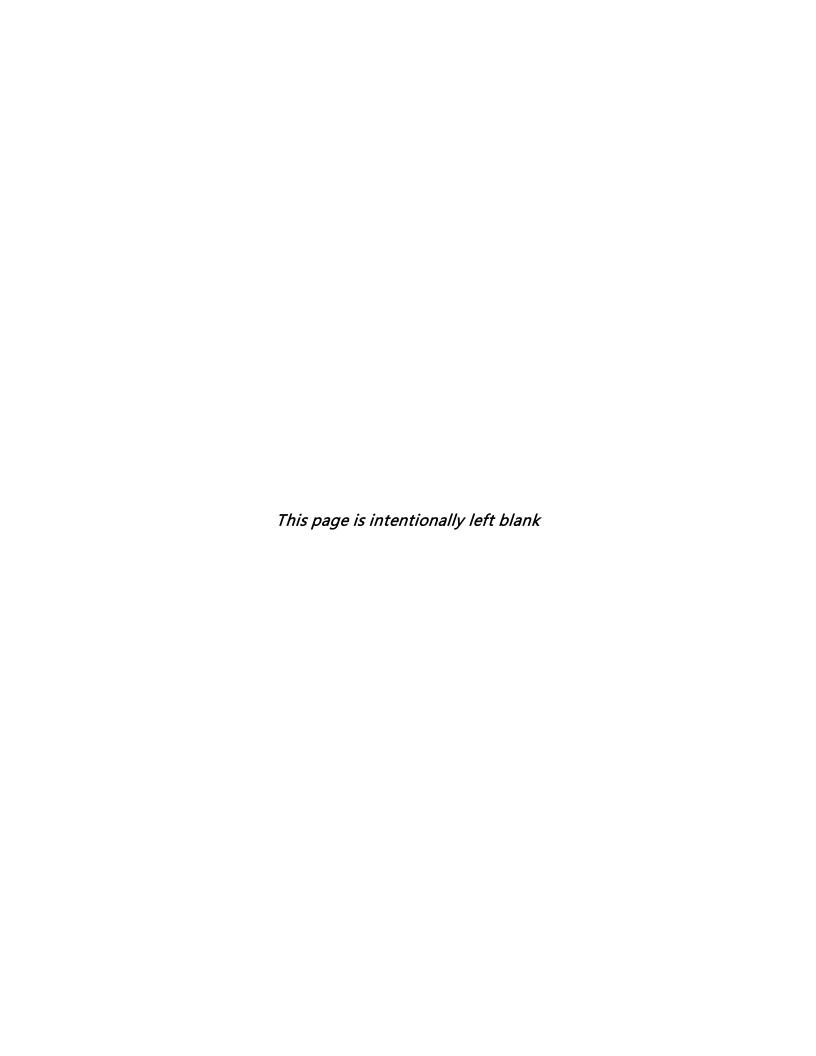
		Program Revenues							
	Expenses	(	Charges for Services	G	Operating Frants and ntributions	G	Capital rants and ntributions		
Major component units	•								
Sheridan Area Water Supply Joint Powers Board Sheridan Economic and Educational	\$ 2,225,089	\$	1,769,676	\$	260,908	\$	236,811		
Development Authority Joint									
Powers Board	711,739		177,632		150,000		106,477		
Nonmajor component units									
Sheridan County Travel and Tourism Joint Powers Board Sheridan Downtown	1,130,255		16,644		113,456		-		
Development Authority	_		-		-		-		
Total nonmajor component units	1,130,255		16,644		113,456		_		
Total component units	\$ 4,067,083	\$	1,963,952	\$	524,364	\$	343,288		

General revenues
Lodging tax
Investment income
Grants and contributions not restricted
to specific programs
Total general revenues

Change in net position

Net position - beginning of year, as previously stated Prior period adjustment Net position - beginning of year, as restated Net position - end of year

	Ma	ajor			Non			
٧	Sheridan Area Water Supply Joint Powers Board		ridan Economic d Educational Development uthority Joint owers Board	To	eridan County Fravel and Durism Joint Dwers Board	D De <sup>,</sup> Aut	Sheridan owntown velopment hority Joint wers Board	Total Component Units
\$	42,306	\$	-	\$	-	\$	-	\$ 42,306
	-		(277,630)		-		-	(277,630)
	-		-		(1,000,155)		-	(1,000,155)
	-		-		-		-	-
	42,306		(277,630)		(1,000,155)			 (1,235,479)
	- 262,431		- 150,171		939,835 33,419		- 64	939,835 446,085
	262,431		- 150,171		182 973,436		64	 182 1,386,102
	304,737		(127,459)		(26,719)		64	150,623
	38,543,659 -		18,627,165 209,316		787,189 -		3,508 -	57,961,521 209,316
	38,543,659		18,836,481		787,189		3,508	 58,170,837
\$	38,848,396	\$	18,709,022	\$	760,470	\$	3,572	\$ 58,321,460



### Nature of Operations

The City of Sheridan, Wyoming (the "City") provides a broad range of services to its citizens, including general government, public safety, streets, sanitation, health, cultural, social services, and park facilities. It also operates water, sewer and sanitation utilities, an emergency response system, and several recreational facilities.

## Reporting Entity

The City of Sheridan is a municipal corporation governed by an elected mayor and six-member council. As required by accounting principles generally accepted in the United States of America, these financial statements include all of the governmental activities and business-type activities relevant to the operations of the City. The accompanying financial statements of the City are to include those separately administered organizations for which the elected officials of the City are financially accountable or those that it would be misleading to exclude. Financial accountability is determined based on the appointment of a voting majority of the governing board and, either the City's ability to impose its will or the presence of a potential financial benefit or burden to the City. The City has determined that the following outside agencies meet the above criteria and, therefore, have been included as component units in the City's financial statements.

Discretely Presented Component Units. The component units' columns in the government-wide financial statements present the financial data of the City's discretely presented component units. They are reported in a separate column to emphasize that they are legally separate from the City. All of the component units described below issue their own financial statements, with the exception of Sheridan Downtown Development Authority.

The Sheridan Area Water Supply Joint Powers Board (SAWS) was created under Wyoming Statutes §16-1-101 through §16-1-109 under agreements with the City and Sheridan County. It is jointly funded by both governments for the purpose of providing water to Sheridan area residents, including the County and City governments. The Board consists of six members: three Sheridan County Commissioners, the City Mayor, and two City Council Members. Complete financial statements for the Sheridan Area Water Supply can be obtained from its administrative office in Sheridan, Wyoming.

The Sheridan Economic and Educational Development Authority Joint Powers Board (SEEDA) was created to foster collaboration in the construction and operation of facilities and programs furthering the educational and economic development of Sheridan County. The governing board of this component unit is appointed collectively by the City and Northern Wyoming Community College. Complete financial statements for the Sheridan Economic and Education Development Authority Joint Powers Board can be obtained from its administrative office in Sheridan, Wyoming.

The Sheridan County Travel and Tourism Joint Powers Board (Board) was created to promote travel and tourism within Sheridan County, Wyoming, the City of Sheridan, the Town of Dayton, the Town of Ranchester and the Town of Clearmont. The Board is governed by a nine-member board consisting of two Sheridan County-appointed members, four City of Sheridan-appointed members, one each for the Town of Dayton, Town of Ranchester and Town of Clearmont. Complete financial statements for the Sheridan County Travel and Tourism Joint Powers Board can be obtained from its administrative office in Sheridan, Wyoming.

### Reporting Entity (Continued)

The *Sheridan Downtown Development Authority* (Authority) was created to promote the health, safety, prosperity, security, and general welfare of Sheridan's downtown district, its property, business owners, and inhabitants. In addition, it is to assist in the development and redevelopment of the downtown district, including the overall planning to restore and provide for the economic viability of the district. The Authority is governed by a five-member board consisting of one City of Sheridan Council Member and four City of Sheridan-appointed members. The financial activity for the Sheridan Downtown Development Authority is included in the City of Sheridan's year-end financial and compliance report as a component unit of the City of Sheridan.

## **Related Organization**

The Sheridan Recreation District is a legally-separate related organization for which the City has no significant financial accountability. The Sheridan Recreation District is governed by a five-member board consisting of two City-appointed members, two Sheridan County School District #2-appointed members, and one at-large member appointed by the City and Sheridan County School District #2 in alternating years.

Sheridan County School District #2 imposes a one mill levy on its assessed valuation to be expended by the Sheridan Recreation District as outlined in Wyoming Statute §18-9-201 in addition to its other sources of revenue. This jointly established system of public recreation operates, maintains, and assists with improving parks located in the City of Sheridan, Wyoming, and surrounding areas in Sheridan County, Wyoming, as well as providing recreational services to youths and adults. For the year ended June 30, 2023, the City paid the Sheridan Recreation District \$223,200 for services associated with maintaining community parks and facilities and coordinating programs at these facilities. Further financial information is available from the Sheridan Recreation District.

## **Government-Wide and Fund Financial Statements**

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

The statement of activities demonstrates the degree to which the direct expenses of a given function or segments are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Indirect expenses such as depreciation and interest are allocated to specific functions when it is practicable. 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 and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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 after year-end and 90 days for the expenditure-driven grants. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service principal and interest expenditures on general long-term debt, including lease liabilities, as well as expenditures related to compensated absences, claims and judgments, and environmental obligations are recognized later based on specific accounting rules applicable to each, generally when payment is due. General capital asset acquisitions, including entering into contracts giving the City the right-to-use leased assets, are reported as expenditures in governmental funds. Issuance of long-term debt and financing through leases are reported as other financing sources.

Property taxes, 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. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The accounts of the City are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund net position, revenues, and expenditures, or expenses, as appropriate. Government resources are allocated to and accounted for in the individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

The government reports the following major governmental funds:

The *general fund* is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The *one cent fund* is a special revenue fund which accounts for the resources collected through the optional one cent sales and use tax and the expenditures of those funds.

The *capital tax fund* is a special revenue fund which accounts for the resources collected through the capital facilities tax and the expenditures of those funds. This governmental fund was closed in the current year to reduce the need for additional transfers.

The *direct distribution fund* is a special revenue fund which accounts for the resources derived specifically from State distributions and the expenditures of those funds. The State discourages the use of these funds for personnel costs such as salaries/wages and benefits.

### Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

The *debt service fund* is used to account for the resources and expenditures related to the City's general debt, not related to the Enterprise Funds. This fund accounts for the special assessment debt, lease purchase agreements, the E-911 phone system loan and other State loans of the general government.

The *public benefits fund* is a special revenue fund which accounts for the resources collected through the franchise tax and the expenditures of those funds. This governmental fund was closed in the current year to reduce the need for additional transfers.

The *special revenue fund* is used to account for proceeds from specific revenue sources, which are required to be accounted for separately and used for specific purposes.

The *capital projects fund* is used to account for the resources and expenditures related to the acquisition, construction, or renovation of capital facilities or other equipment that ultimately become City fixed assets. This fund was created this year and required a transfer of assets from specific funds where the assets had been previously held.

The government reports the following major proprietary funds:

The *solid waste fund* accounts for revenue and expenses of the department responsible for maintaining a dependable system for collecting and disposing of solid waste material in the City.

The *water fund* accounts for revenue and expenses of the departments responsible for providing a safe, potable water supply adequate for fire protection, domestic and industrial usage.

The *sewer fund* accounts for revenue and expenses of the departments responsible for maintaining a dependable system for collecting and treating wastewater in the City.

The *golf fund* accounts for revenue and expenses associated with the operation and maintenance of the Sheridan Municipal Golf Course. The golf fund does not meet the criteria for a major fund. However, the City reports this fund as major because it believes it is particularly important to the financial statement users.

The *weed and pest fund* accounts for revenue and expenses associated with services related to weed and pest control in the City.

The *fiduciary custodial funds* are used to account for cash and cash equivalents held by the City for other third-parties, specifically other governmental organizations.

The Northeast Wyoming Growth Alliance Fund is a partnership between the cities of Sheridan, Buffalo, and Gillette. The purpose is to provide resources and a common brand to market the northeast Wyoming region for outside business investment. These funds are used in professional service contracts for target industry assessments and recruitment strategies, as well as to develop branding, market materials, and business lead generation.

The Law Evidence Fund accounts for the cash that is collected in a case or from a crime scene and put into evidence. These funds are returned after the case is closed and the rightful owner requests their property.

The *Crime Victims Fund* accounts for the court ordered fine, which goes to the state that the judge specifies at judgement.

#### **Notes to the Financial Statements**

# Note 1. The Reporting Entity and Significant Accounting Policies (Continued)

### Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

The *Court Bond Fund* accounts for bonds held by the City for ongoing cases that will be returned to individuals who fulfill their responsibilities as ordered by law or courts. This also includes restitution and victims compensation payments received that will be sent to the individual affected by the case.

The *Employee Relief Fund* provides emergency funding for City employees experiencing a financial hardship. The program is funded through voluntary employee donations through payroll deductions.

The *Employee Relations Committee Fund* accounts for funds collected through raffles, bake sales, and other fundraising events held at City Hall. These funds are used to pay for the meal for an employee's quest and door prizes at the annual Employee Recognition Party.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the government's water and sewer function and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the water, sewer, solid waste, weed and pest and golf enterprise funds are charges to customers for sales and services. The City also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise 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.

#### **Cash and Investments**

The City considers all highly liquid investments with an original maturity date of three months or less when purchased to be cash equivalents. For the purposes of the statement of cash flows, the City's proprietary funds consider their demand deposits and all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents.

The City's cash and investments activity is accounted for in pooled cash and investments accounts. The accounting records for each applicable fund reflect its portion of the pooled cash. When a particular fund overdraws its share of the pooled cash, the deficit is recorded as a payable to the general fund and a corresponding entry is made in the general fund to reflect the receivable from the other fund.

The City follows the guidelines described in Wyoming Statute 9-4-831 as it relates to the investment of public funds. Wyoming Statutes authorize the types of investments in which the City may invest. Among these authorized investments are certificates of deposit, money market funds, commercial paper with maturities not more than 270 days, obligations of the U.S. Treasury, agencies and instrumentalities of the U.S. Government, mortgage backed securities, guaranteed investment contracts and repurchase agreements with banks with the underlying securities being obligations of the U.S. Treasury or agencies and instrumentalities of the U.S. Government.

#### Cash and Investments (Continued)

The City's investments consist of U.S. government agency mortgaged backed securities, government sponsored enterprise securities (GSEs) including mortgage backed securities, participation in WYO-STAR I, and participation in Wyoming CLASS.

WYO-STAR I is an authorized government investment pool established in 1987 offered exclusively to Wyoming governmental entities by the Wyoming State Treasurer's Office. The value of the City's investments in WYO-STAR I equals the value of the WYO-STAR I shares. Each participant's position in WYO-STAR I is calculated by the proportion of the cost of their share as a percentage of the total share invested in the pool. Income is distributed to participants based on each entity's average daily share balance in the pool. Interest is calculated and credited monthly. WYO-STAR I investments are carried at their fair value as determined at June 30 each year. WYO-STAR I's target asset allocation, as stated in its Master Investment Policy, comprises one hundred percent (100%) of short-term bonds and cash. The Pool does not have guaranteed rate of return, and Participants expose their investments to market losses as well as gains. There are no unfunded commitments, the redemption frequency is daily, and there is no redemption notice period or withdrawal penalty.

The Wyoming CLASS Indenture of Trust was adopted pursuant to the provisions of W.S. 17-23-101 *et seq.*, the Wyoming Statutory Trust Act. The Wyoming CLASS portfolio invests in U.S. Treasury securities, federal instrumentality securities, agency securities, repurchase agreements and triparty repurchase agreements, collateralized bank deposits commercial paper that, at the time of purchase is rated in its highest rating category by one or more nationally recognized statistical rating organizations that regularly rate such obligations, and government money market funds. The value of the City's investment in Wyoming CLASS equals the value of its Wyoming CLASS shares. There are no withdrawal penalties.

#### Restricted Cash and Investments

The City has restricted cash and investments of \$210,903 from the U.S. Department of Treasury for Coronavirus State and Local Fiscal Recovery Funds and for Performance Bonds held by the City. These funds are to be used for public health and economic impacts, premium pay, revenue loss and/or infrastructure.

SAWS has restricted cash by an agreement with the City for purchases of future water supply. This agreement states that SAWS is responsible for 33% of the cost of future water supply purchases and the City is responsible for 67%.

The Board has restricted investments of \$188,282 related to grants received in advanced.

## Receivables and Payables

Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

### Receivables and Payables (Continued)

Any advances between funds reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

Property taxes attach as an enforceable lien on property as of January 1. The current year property taxes were levied as of August 1, 2023 and were due in two installments. Installments are due on September 1 and March 1 and are collectible on November 10 and May 10. If the first installment payment is made after November 10, the entire amount is due by December 31. Delinquent taxes have been recognized as revenue to the extent they have been collected within 60 days after June 30, 2023. Property taxes receivable are included in "due from other governments" in the accompanying balance sheet. Property taxes are assessed, billed, collected, and distributed by the Sheridan County Treasurer and the Sheridan County Assessor. Property taxes which are not current receivables are offset by deferred revenues on the fund financials, but are reported on the government-wide financial statements as revenues and receivables, with no amount being deferred. Property taxes receivable are recognized as of the lien date; however, revenue is not recognized until the levy date.

#### **Inventories**

Water and Sewer Fund inventories are carried at the lower of cost or market (first-in, first-out method). Inventories of the governmental fund types are recorded as expenditures when purchased.

#### Capital Assets

Capital assets, which are acquired or constructed, are reported at historical cost or estimated historical cost (except for intangible right-to-use lease assets, the measurement of which is discussed below) in the applicable governmental or business-type activities' columns in the government-wide financial statements. Capital assets are defined by the government as a long-term piece of property that the City owns or leases that exceeds a certain dollar threshold (identified below). Donated capital assets are recorded at acquisition value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Land, water rights, and construction in progress are not depreciated. The other tangible and intangible property, plant, equipment, the right-of-use leased equipment, and infrastructure of the primary government are depreciated/amortized using the straight line method over the following estimated useful lives:

		Ca	pitalization
	Years	T	hreshold
Infrastructure	35-80	\$	100,000
Buildings	40		50,000
Improvements, other than buildings	35-80		25,000
Machinery and equipment	8		10,000
Right-of-use leased equipment	5		25,000

Expenditures for maintenance and repairs of proprietary fund type property and equipment are charged to expense, while renewals and betterments are capitalized.

### **Notes to the Financial Statements**

# Note 1. The Reporting Entity and Significant Accounting Policies (Continued)

## Capital Assets (Continued)

Major outlays for capital assets and improvements are capitalized as projects are constructed. The City capitalizes net interest costs and interest earned as part of constructing various enterprise fund projects when material. No interest was capitalized during the year ended June 30, 2023.

### Real Estate Held for Sale

As part of the City's commitment to economic development, SEEDA may receive donated land from the City to assist them in their mission. Below is detail of land donated and sold over the years:

Land received in year ended June 30, 2011	\$ 1,171,000
Land sold in year ended June 30, 2011	(152,079)
Land received in year ended June 30, 2014	1,628,641
Land sold in year ended June 30, 2016	(1,003,310)
Land sold in year ended June 30, 2017	(316,244)
Prior period adjustment for June 30, 2017	(121,380)
Land received in year ended June 30, 2018	587,444
Land sold in year ended June 30, 2021	(511,394)
Land sold in year ended June 30, 2022*	 (186,872)
Real estate held for sale by SEEDA	\$ 1,095,806

<sup>\*</sup>During the year ended June 30, 2023, SEEDA recorded a prior period adjustment related to the land sold in the year ended June 30, 2022 (See Note 13).

#### **Unearned Revenue**

Using both the accrual and modified accrual basis of accounting, unearned revenues arise when resources are received by the City before it has a legal claim to them or before eligibility requirements are met. In subsequent periods, when revenue recognition criteria are met, the liability for revenue is removed and the revenue is recognized. Advanced payments on grants represents cash received for grant expenditures that have not yet been used and do not meet the criteria for recognition as of year-end.

#### Deferred Outflows and Deferred Inflows of Resources

In addition to assets, the financial statements include a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents is a consumption of net assets that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. In addition to the liabilities, the financial statements include a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The City reports deferred outflows and deferred inflows of resources as follows:

*Unavailable Revenues* – Unavailable revenue is reported in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes, special assessments, and grants. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. In the government-wide statement of net position the City reports, property tax revenue which is reported as a deferred inflow of resources in the year the tax lien attaches to the property and deferred amounts related to leases.

Pension-Related Revenues – In the government-wide and proprietary funds statement of net position, a deferred outflow or deferred inflow of resources is reported for the unrecognized items not yet charged to pension expense related to the net pension liability. This includes the unamortized portion of the net difference between projected and actual earnings on pension plan investments and other differences between expected and actual experience. Deferred outflows for the net difference between projected and actual investment earnings are recognized over a period of five years, while the deferred inflows or deferred outflows for the differences between expected and actual experience for economic/demographic assumptions are recognized over the remaining service life for all active and inactive members.

## **Collections**

The City owns various works of art used to beautify its public spaces. These items are not considered to be held for financial gain. All works of art are protected, kept unencumbered and preserved. The City capitalizes these works of art.

#### **Compensated Absences**

It is the City's policy to permit employees to accumulate a limited amount of earned but unused vacation, sick and holiday leave benefits, which will be paid to the employees upon separation from the City. In governmental funds, the cost for these benefits is recognized when payments are made. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements. Unused sick or vacation pay is not recognized as a liability in the governmental funds because it does not meet the criteria for accrual. Proprietary funds accrue vacation and sick leave, and the related benefits, in the period they are earned. The full liability for accrued vacation and sick leave is reported in the statement of net position.

#### **Notes to the Financial Statements**

# Note 1. The Reporting Entity and Significant Accounting Policies (Continued)

#### **Pensions**

For purposes of measuring the net pension liability, 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") plans and additions to/deductions from WRS's fiduciary net position have been determined on the same basis as they are reported by WRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

## **Long-Term Obligations**

In the government-wide financial statements and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position.

In the fund financial statements, governmental fund types recognize proceeds from leases and other long-term debt as other financing sources. Repayment of long-term debt (leases) is reported as debt service expenditures.

#### Leases

Lessee: The City is a lessee for a noncancellable lease of equipment. The City recognized a lease liability and an intangible right-to-use lease asset (lease asset) in the government-wide financial statements. The City recognizes lease liabilities with an initial, individual value of \$25,000 or more.

At the commencement of a lease, the City initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of the lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to leases include how the City determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The City uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for the leases
- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the City is reasonably certain to exercise.

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

Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

#### Leases (Continued)

Lessor: SEEDA is a lessor for two noncancellable leases of a buildings. SEEDA recognizes a lease receivable and a deferred inflow of resources. At the commencement of a lease, SEEDA initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

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

- SEEDA uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease.
- Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

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

#### Interfund Transactions

Interfund transactions are treated and classified as revenues, expenditures, or expenses (the same as if these same transactions involved external organizations). These include billings from one fund to another for purchased goods or services. In the government-wide statement of activities, transactions, which constitute reimbursements, are eliminated in the reimbursed fund and accounted fund and accounted for as expenditures or expenses in the fund to which the transactions are applicable.

### Fund Balance/Net Position

Governmental fund equity is classified as fund balance. Fund balance is further classified as nonspendable, restricted, committed, assigned or unassigned. Nonspendable fund balance cannot be spent because of its form. Restricted fund balance has limitations imposed by creditors, grantors, or contributors or by enabling legislation or constitutional provisions. Committed fund balance is a limitation imposed by the City Council through approval of resolutions, the Council's highest level of decision-making authority. Assigned fund balance is a limitation imposed by the City Council through measures less than a resolution or by their designee. Unassigned fund balance in the general fund is the net resources in excess of what can be properly classified in one of the above four categories.

Negative unassigned fund balance in governmental funds represents excess expenditures incurred over the amounts restricted, committed, or assigned to those purposes. Proprietary fund equity is classified the same as in the government-wide statements.

#### Fund Balance/Net Position (Continued)

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted fund balance. Furthermore, committed fund balances are reduced first, followed by assigned amounts, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of those unrestricted fund balance classifications can be used.

For the government-wide financial statements, net position is reported as restricted when constraints placed on net position are either: (1) externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of the governments or (2) imposed by law through constitutional provision or enabling legislation.

## Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the state of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. The estimate of pension liabilities is especially significant to the City. It is reasonably possible that this estimate will change within one year of the date of the financial statements due to one or more future events. The effect of the change could be material to the financial statements and could result in a loss.

#### Standards Issued and Implemented

As of July 1, 2022, the City adopted GASB Statement No. 96 Subscription-Based Information Technology Arrangements (SBITAs). The implementation of this standard establishes that a SBITA results in a right to use subscription IT asset, an intangible asset, and a corresponding liability. The standard provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA. The Statement requires recognition of certain SBITA assets and liabilities for SBITAs that previously were recognized as outflows of resources based on the payment provisions of the contract. The implementation of this standard did not have an impact on the current subscription IT contracts reported as expenditures and excluded from the balance sheet.

# Note 2. Stewardship, Compliance, and Accountability

## **Budgetary Accounting and Control**

Appropriated budgets are established for all funds of the City except custodial funds, which do not measure the results of operations. The City's procedures for establishing the budget each year are as follows:

- Operational budgets are submitted to the department heads in March of each year.
- From April through May of each year, these budgets are reviewed and refined as necessary by the City Administrator, department heads and the Treasurer's Office.
- The City Administrator and department heads present their proposed budget to the City Council around the middle of May of each year. The overall budget includes proposed expenditures and the means of financing them.
- A public hearing is conducted at City Hall to obtain taxpayer comments during June of each year.
- Prior to June 30, the budget is legally enacted through passage of a resolution for the fiscal year beginning July 1 of each year.

### **Budgetary Basis**

Budgets for governmental and propriety funds are adopted on a modified accrual basis. Such budgets exclude depreciation, gains and losses on sales, contribution of capital assets, and bad debt, which are not recorded as revenues or expenditures.

No budget is established for custodial funds.

## Legal Level of Control

Budgeted amounts are as originally adopted, or as amended by the City Council. For all funds, expenditures cannot exceed budgeted amounts on a fund level basis based upon original and/or supplemental appropriations as approved by the City Council.

# Note 3. Deposits and Investments

## Custodial Credit Risk - Deposits

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository institution, the City will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. Wyoming state statutes require that the City's deposits in excess of the Federal depository insurance amount be collateralized. Deposits held in the City's bank accounts are insured by federal depository insurance or are collateralized with securities held by the pledging institution's trust department or agent, in joint custody of the bank and the City. All deposits were covered by insurance or collateral held in joint custody with the financial institution.

## **Primary Government**

At June 30, 2023, the City's petty cash was \$1,275 and the City's bank balance was \$9,784,204 and the carrying amount of the deposits was reported in the financial statements as follows:

	<u></u>	Statement of Net Position						
			Custodial					
Cash and investments		Government						
Deposits with financial institutions	\$	9,433,674	\$	271,753				
Certificates of deposit		5,107,072		-				
GNMA		14,075		-				
FNMA		1,733		-				
Money market funds		11,406		-				
WYO-STAR I		5,919		-				
Wyoming CLASS		27,968,920						
	\$	42,542,799	\$	271,753				

## **Component Units**

At June 30, 2023, the component units' bank balance was \$4,424,450 and the carrying amount of the deposits was reported in the financial statements as follows:

	Statement of Net Position									
	Governmental-Type Component Units									
	Sł	neridan Area	Sherio	lan Economic and	Sher	idan County	Sheridan Downtow			
	W	ater Supply	Educati	onal Development	Trave	l and Tourism		Development		
Cash and investments		JPB		Authority JPB		JPB	Authority			
Deposits with financial										
institutions	\$	3,941,508	\$	208,347	\$	48,499	\$	3,572		
WYO-STAR I		6,307,271		259,991		-		-		
Wyoming CLASS		-		-		744,197		-		
	\$	10,248,779	\$	468,338	\$	792,696	\$	3,572		

The difference between the carrying amount and the bank balance is the result of transactions in transit and investments included in the carrying amount of cash.

# Note 3. Deposits and Investments (Continued)

# Investments

At June 30, 2023, the primary government of the City had the following investments:

As of June 30, 2023, the City's component units had the following investments:

			Investment Maturities (In Years)								Moody's
Investment Type		Total		1 year	1-5	years 5-10 years		10 y	ears +	Rating	
Sheridan Area Water Supply	Joil	nt Powers Boa	rd								
WYO-STAR I, interest rate											
of 1.62%	\$	6,307,271	\$	6,307,271	\$	-	\$	-	\$	-	Not rated
Sheridan Economic and Educ	catio	onal Developr	nent	Authority Jo	int Po	wers Bo	oard				
WYO-STAR I, interest rate											
of 1.62%		259,991		259,991		-		-		-	Not rated
Sheridan County Travel and	Tou	rism Joint Pov	vers	Board							
Wyoming CLASS, interest											
rate of 5.08%		744,197		744,197				_		-	AAAm
	\$	7,311,459	\$	7,311,459	\$	-	\$	-	\$	-	

#### **Notes to the Financial Statements**

## Note 3. Deposits and Investments (Continued)

### Investments (Continued)

#### Credit Risk

Generally, credit risk is the risk that an issuer of investments will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The City has adopted Wyoming State statute 9-4-31 as their investment policy which limits investments to those with highest credit rating from nationally recognized credit rating organizations.

#### Custodial Credit Risk – Investments

Custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities held in the possession of an outside party. Custodial credit risk is for those investment securities that are uninsured, are not registered in the name of the government, and are held by either (a) the counterparty or (b) the counterparty's trust department or agent but not in the government's name. This City does not have a formal policy to address custodial credit risk. The City does not have any investments that are not registered in the name of the City. Custodial credit risk does not apply to a local government's indirect investments in securities through the use of government investment pools.

### Concentration of Credit Risk

The concentration of credit risk is the risk of loss that may be caused by the City's investments in a single issuer. GASB 40 requires disclosure by issuer and amount of investments in any one issuer that represents five percent (5%) or more of total investments for the City. The information presented is based on concentrations of investments in the City's portfolio. Concentration risk does not arise in connection with U.S. government obligation and obligations explicitly guaranteed by the U.S. government. Likewise, concentration risk does not apply to position in external investment pools, and similar pooled investments, which are designed, in part to provide diversification. The City does not have a formal policy for concentration of credit risk.

At June 30, 2023, the City had 85% of its investments in Wyoming CLASS, 15% in certificates of deposits, and less than 1% in U.S. agency mortgage backed securities, government sponsored enterprise obligations, money market funds, and WYO-STAR I, combined.

#### **Notes to the Financial Statements**

# Note 3. Deposits and Investments (Continued)

#### Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The City does not have a formal policy for interest rate risk.

The City's investments are held in external investment pools with a focus on liquidity as a means of limiting its exposure to fair value losses arising from interest rates.

Wyoming CLASS pool seeks to maintain a stable net asset value of \$1.00. The funds' weighted average maturity is limited to a maximum of 60 days and a weighted average life of 120 days. In our view, a portfolio's weighted-average maturity is a key measure of a fund's tolerance and sensitivity to rising interest rates.

The WYO-STAR I investment portfolio, as stated in its Master Investment Policy, maintains funds in a cash portfolio and the rest in an extended cash portfolio, which may not exceed 35% of the market value of the portfolio at the time of purchase. The cash portfolio seeks to maintain weighted average maturity not to exceed 90 days and all securities must have a maximum maturity of 365 days. The market value of the portfolio must remain within +/-0.5% to 1% of amortized cost. The extended portfolio seeks to maintain maximum average cash flow weighted duration not to exceed three years and individual securities must not exceed a cash flow weighted duration of 5 years. Participants acknowledge there is a risk associated with investing in the pool and there is no guaranteed rate of return.

As a means of limiting its exposure to fair value losses arising from interest rates, the City attempts to match its investment maturities with is expected cash flow needs. With this investment focus, investments are expected to reach maturity with limited gains and losses.

As of June 30, 2023, the City's investment portfolio included mortgage backed securities that have fair values highly sensitive to interest rate changes. When interest rates fall, mortgages are refinanced and paid off early. The reduced stream of future interest payments diminishes the value of the investment.

## Fair Value Measurements

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on valuation inputs used to measure the fair value of the assets. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The following is a description of the valuation methodologies used for investments measured at fair value. There have been no changes in the methodologies used at June 30, 2023:

*U.S. government agency mortgage backed securities* – Valued using quoted prices for identical or similar assets in active markets.

*U.S. sponsored enterprise obligations and* – Valued using quoted prices for identical or similar assets in active markets.

### Note 3. Deposits and Investments (Continued)

#### Fair Value Measurements (Continued)

The following categorizes the fair value measurements within the fair value hierarchy established by generally accepted accounting principles:

	Investments at Fair Value as of June 30, 2023						
	Le	vel 1	Level 2	Level 3			Total
Government sponsored enterprise obligations	\$	-	\$ 1,733	\$	-	\$	1,733
U.S. agency mortgage backed securities	•	-	14,075		-		14,075
Total investments at fair value	\$	-	\$ 15,808	\$	-		15,808
Other investments not reported in classifications:							
Certificates of deposit							5,107,072
Money market funds							11,406
WYO-STAR I							5,919
Wyoming CLASS							27,968,920
Total primary government investments						\$	33,109,125

#### Note 4. Allowance for Uncollectible Service Receivables

The City's policy for estimating an allowance for uncollectible service receivables is based on the average write-off as a percentage of net fund revenues in the proprietary fund types. The City has determined that uncollectible accounts for delinquent special assessments are immaterial and, therefore, no allowance has been required since June 30, 2000. Allowances for uncollectible receivables are as follows:

Water Fund	\$ 173
Sewer Fund	136
Solid Waste Fund	393
Weed and Pest Fund	 4
Total	\$ 706

#### Note 5. Individual Fund Interfund Receivables, Payables, Transfers and Capital Transfers

Individual funds' interfund receivable and payable balances at June 30, 2023 are as follows:

	_	Due from			Due to		
General fund	_	\$	45,660	\$	-		
Golf fund	_				45,660		
		\$	45,660	\$	45,660		

The outstanding balances between funds results mainly from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

Interfund transfers during the year ended June 30, 2023 were as follows:

	Transfers in			ransfers out
Primary Government				
Governmental Activities				
Governmental Funds				
General Fund	\$	1,968,500	\$	738,735
One Cent Fund		-		2,327,118
Debt Service Fund		101,072		-
Direct Distribution Fund		-		13,500
Capital Tax Fund		-		1,204,524
Public Benefits Fund		-		14,969
Special Revenue Fund		2,844		50,000
Capital Projects Fund		5,539,008		3,153,023
Total governmental funds		7,611,424		7,501,869
Other capital asset transfers reported in				
governmental activities				419,008
Total governmental activities		7,611,424		7,920,877
Business-type Activities				
Solid Waste Fund		2,175,490		1,619,300
Water Fund		1,436,165		1,418,234
Sewer Fund		5,301		707,958
Golf Fund		598,989		-
Weed and Pest Fund				161,000
Total business-type activities		4,215,945		3,906,492
Total primary government	\$	11,827,369	\$	11,827,369

## Note 6. Capital Assets

## **Primary Government**

Capital asset activity for the year ended June 30, 2023 was as follows:

	Balance June 30, 2022	Increases	Decreases	Transfers In (Out)	Balance June 30, 2023
Governmental activities					
Capital assets, not being					
depreciated					
Land	\$ 6,462,421	\$ 279,417	\$ -	\$ (398,173)	\$ 6,343,665
Works of art	1,628,311	-	-	-	1,628,311
Construction in progress	23,522,972	9,574,204	(16,448,275)		16,648,901
Total capital assets, not being					
depreciated	31,613,704	9,853,621	(16,448,275)	(398,173)	24,620,877
Capital assets, being depreciated					
Infrastructure	102,328,695	2,004,227	-	-	104,332,922
Buildings	29,137,622	977,691	(20,465)	-	30,094,848
Improvements,					
other than buildings	14,880,915	12,016,559	(8,331)	-	26,889,143
Machinery and equipment	17,455,649	1,223,755	(609,299)	(30)	18,070,075
Right-of-use leased equipment	611,542				611,542
Total capital assets, being					
depreciated	164,414,423	16,222,232	(638,095)	(30)	179,998,530
Less accumulated depreciation for					
Infrastructure	59,347,333	3,375,272	-	-	62,722,605
Buildings	11,523,485	1,112,749	(19,330)	-	12,616,904
Improvements,					
other than buildings	8,629,603	1,091,900	(8,331)	-	9,713,172
Machinery and equipment	12,511,613	961,471	(580,977)	20,805	12,912,912
Right-of-use leased equipment	347,387	62,429		_	409,816
Total accumulated depreciation	92,359,421	6,603,821	(608,638)	20,805	98,375,409
Total capital assets being					
depreciated, net	72,055,002	9,618,411	(29,457)	(20,835)	81,623,121
Governmental activities capital					
assets, net	\$103,668,706	\$ 19,472,032	\$ (16,477,732)	\$ (419,008)	\$ 106,243,998

## Note 6. Capital Assets (Continued)

## Primary Government (Continued)

	Balance June 30, 2022	Increases	Decreases	Transfers In (Out)	Balance June 30, 2023
Business-type activities	-				
Capital assets, not being					
depreciated					
Land	\$ 1,246,284	\$ -	\$ -	\$ 398,174	\$ 1,644,458
Water rights	576,678	-	-	-	576,678
Construction in progress	2,589,585	3,305,707	(1,797,252)		4,098,040
Total capital assets not being					
depreciated	4,412,547	3,305,707	(1,797,252)	398,174	6,319,176
Capital assets, being depreciated					
Infrastructure	13,266,395	-	-	-	13,266,395
Buildings	24,171,005	303,065	(9,048)	-	24,465,022
Improvements,					
other than buildings	100,200,900	-	(31,911)	-	100,168,989
Machinery and equipment	21,957,589	1,351,791	(151,577)	(151,577) 30	
Right-of-use leased equipment	2,061,710		(214,830)	-	1,846,880
Total capital assets, being					
depreciated	161,657,599	1,654,856	(407,366)	30	162,905,119
Less accumulated depreciation for					
Infrastructure	1,426,613	507,679	-	-	1,934,292
Buildings	17,227,622	411,649	(8,726)	-	17,630,545
Improvements,					
other than buildings	43,346,223	2,856,383	(24,055)	-	46,178,551
Machinery and equipment	14,578,365	1,495,974	(151,345)	(20,804)	15,902,190
Right-of-use leased equipment	1,113,681	279,530	(214,830)		1,178,381
Total accumulated depreciation	77,692,504	5,551,215	(398,956)	(20,804)	82,823,959
Total capital assets, being					
depreciated, net	83,965,095	(3,896,359)	(8,410)	20,834	80,081,160
Business-type activities capital					
assets, net	\$ 88,377,642	\$ (590,652)	\$ (1,805,662)	\$ 419,008	\$ 86,400,336

## Note 6. Capital Assets (Continued)

#### Primary Government (Continued)

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

Governmental activities	
General government	\$ 710,694
Public safety	536,929
Public works	4,403,983
Parks and recreation	952,215
Total depreciation expense - governmental activities	\$ 6,603,821
Business-type activities	
Solid Waste Fund	\$ 862,699
Water Fund	3,511,963
Sewer Fund	1,001,686
Golf Fund	151,462
Weed and Pest Fund	23,405
Total depreciation expense - business-type activities	\$ 5,551,215

All applicable amortization expense is reported with depreciation expense.

#### **Components Units**

Capital asset activity for the Sheridan Area Water Supply Joint Powers Board for the year ended June 30, 2023, was as follows:

	Balance June 30, Increases 2022 Transfers In		Decreases Transfers Out	Balance June 30, 2023
Capital assets, not being depreciated				
Land	\$ 548,155	\$ -	\$ -	\$ 548,155
Reservoir water shares	1,488,605	-	-	1,488,605
Construction in progress		301,010		301,010
Total capital assets, not being depreciated	2,036,760	301,010	_	2,337,770
Capital assets, being depreciated				
Infrastructure - water system	47,116,438	294,297		47,410,735
Total capital assets, being depreciated	47,116,438	294,297		47,410,735
Total accumulated depreciation	13,743,393	766,638		14,510,031
Total capital assets being depreciated, net	33,373,045	(472,341)		32,900,704
Total capital assets, net	\$ 35,409,805	\$ (171,331)	\$ -	\$ 35,238,474

## Note 6. Capital Assets (Continued)

#### Component Units (Continued)

Capital asset activity for the Sheridan Economic and Educational Development Authority Joint Powers Board for the year ended June 30, 2023, was as follows:

	Balance June 30, 2022	Increases Transfers In	Decreases Transfers Out	Balance June 30, 2023
Capital assets not being depreciated				
Construction in progress	\$ 6,418,865	\$ 58,683	\$ (6,477,548)	\$ -
Total capital assets not being depreciated	6,418,865	58,683	(6,477,548)	
Capital assets being depreciated				
Buildings	12,909,442	6,477,548	-	19,386,990
Improvements	72,312			72,312
Total capital assets being depreciated	12,981,754	6,477,548		19,459,302
Less accumulated depreciation for				
Buildings	954,327	444,553	-	1,398,880
Improvements	3,254	2,898		6,152
Total accumulated depreciation	957,581	447,451		1,405,032
Total capital assets being depreciated, net	12,024,173	6,030,097		18,054,270
Total capital assets, net	\$ 18,443,038	\$ 6,088,780	\$ (6,477,548)	\$ 18,054,270

Capital asset activity for the Sheridan County Travel and Tourism Joint Powers Board for the year ended June 30, 2023, was as follows:

	Balance June 30, 2022		Increases Transfers In		Decreases Transfers Out		Balance June 30, 2023	
Capital assets being depreciated								
Machinery and equipment	\$	100,009	\$	23,291	\$	-	\$	123,300
Total capital assets being depreciated		100,009		23,291		-		123,300
Less accumulated depreciation for								
Machinery and equipment		13,827		24,826		-		38,653
Total accumulated depreciation		13,827		24,826		-		38,653
Total capital assets being depreciated, net	\$	86,182	\$	(1,535)	\$	-	\$	84,647

#### Note 7. Leases

#### Lease Receivable - Component Unit

In the fiscal year ended June 30, 2019, SEEDA leased a building to a third party. The lease is a 20 year lease with an interest rate of 3.27%. SEEDA received monthly payments of \$0 for lease years 1-4. In lease years 5-20, monthly payments will increase based on a rate per square foot schedule determined in the lease agreement. SEEDA recognized \$0 in lease revenue and \$61,133 in interest revenue during the current fiscal year related to this lease. As of June 30, 2023, SEEDA's receivable for lease payments and interest was \$1,656,885 and \$237,760, respectively. Also, SEEDA has a deferred inflow of resources associated with this lease that will be recognized as revenue over the lease term. As of June 30, 2023, the balance of the deferred inflow of resources was \$1,477,985. During the year ended June 30, 2023, the amount of rent revenue recognized was \$44,278.

As a result of no payments being received in lease years 1-4, a lease receivable was not recorded during the year ended June 30, 2019. A restatement has been made to the current year beginning balance of net position/fund balance to reflect the lease receivable. The restatement of the lease receivable is offset by an equal deferred inflow of resources in the governmental fund. The governmental activities recognizes revenue in a systematic and rational manner over the term of the lease, regardless of the availability of monies from the lease. A prior period adjustment in the government-wide financial statements has been reported to reflect this adjustment (see Note 13).

In the fiscal year ended June 30, 2022, SEEDA leased a building to a third party. The lease is a 21 year lease with an interest rate of 2%. SEEDA will receive monthly payments of \$17,250 for lease years 1-7. In lease years 8-21, monthly payments will increase annually based on a rate per square foot schedule determined in the lease agreement. SEEDA recognized \$133,354 in lease revenue and \$72,646 in interest revenue during the current fiscal year related to this lease. As of June 30, 2023, SEEDA's receivable for lease payments was \$3,609,870. Also, SEEDA has a deferred inflow of resources associated with this lease that will be recognized as revenue over the lease term. As of June 30, 2023, the balance of the deferred inflow of resources was \$3,609,870.

	Beginning Balance					Ending		Current
	(Restatement)	Additions R		Reductions		Balance	Portion	
Governmental activities								
Lease receivable A	\$ 1,656,885	\$	-	\$	-	\$ 1,656,885	\$	-
Lease receivable B	3,743,224		-		(133,354)	3,609,870		136,045
Total lease receivable	\$ 5,400,109	\$		\$	(133,354)	\$ 5,266,755	\$	136,045

#### Note 7. Leases (Continued)

#### Lease Payable

#### **Governmental Activities**

On March 12, 2015, the City entered into a 10 year lease agreement as lessee for the acquisition and use of equipment. An initial lease liability was recorded in the amount of \$200,360 at the start of the lease. As of June 30, 2023, the value of the lease liability was \$116,091. The City is required to make monthly principal and interest payments of \$15,798. The lease has an interest rate of 3.2%. The equipment has a 10 year estimated useful life. The value of the right-of-use asset as of the end of the current fiscal year was \$200,360 and had accumulated amortization of \$167,613.

On October 22, 2015, the City entered into a 10 year lease agreement as lessee for the acquisition and use of equipment. An initial lease liability was recorded in the amount of \$164,487 at the start of the lease. As of June 30, 2023, the value of the lease liability was \$83,434. The City is required to make monthly principal and interest payments of \$16,150. The lease has an interest rate of 3.50%. The equipment has a 10 year estimated useful life. The value of the right-to-use asset as of the end of the current fiscal year was \$164,487 and had accumulated amortization of \$132,060.

On March 12, 2019, the City entered into a 9 year lease agreement as lessee for the acquisition and use of equipment. An initial lease liability was recorded in the amount of \$246,695 at the start of the lease. As of June 30, 2023, the value of the lease liability was \$186,535. The City is required to make monthly principal and interest payments of \$27,005. The lease has an interest rate of 5.35%. The equipment has a 10 year estimated useful life. The value of the right-to-use asset as of the end of the current fiscal year was \$246,695 and had accumulated amortization of \$110,143.

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

Fiscal Year Ending June 30,	F	Principal		Principal		Interest		Total	
2024	\$	\$ 42,341		16,611	\$	58,952			
2025		135,644		15,069		150,713			
2026		75,396		10,319		85,715			
2027		19,907		7,098		27,005			
2028		112,772		6,474		119,246			
Total	\$	386,060	\$	55,571	\$	441,631			

#### **Business-Type Activities**

#### Water Fund

On October 14, 2015, the City entered into a 10 year lease agreement as lessee for the acquisition and use of equipment. An initial lease liability was recorded in the amount of \$187,872 at the start of the lease. As of June 30, 2023, the value of the lease liability was \$90,022. The City is required to make monthly principal and interest payments of \$19,734. The lease has an interest rate of 3.90%. The equipment has a 10 year estimated useful life. The value of the right-to-use asset as of the end of the current fiscal year was \$211,872 and had accumulated amortization of \$168,321.

#### **Notes to the Financial Statements**

#### Note 7. Leases (Continued)

Lease Payable (Continued)

**Business-Type Activities (Continued)** 

#### Solid Waste Fund

On August 26, 2016, the City entered into an 8 year lease agreement as lessee for the acquisition and use of equipment. An initial lease liability was recorded in the amount of \$263,851 at the start of the lease. As of June 30, 2023, the value of the lease liability was \$58,032. The City is required to make monthly principal and interest payments of \$30,238. The lease has an interest rate of 3.2%. The equipment has a 10 year estimated useful life. The value of the right-to-use asset as of the end of the current fiscal year was \$209,625 and had accumulated amortization of \$150,697.

On December 2, 2016, the City entered into a 7 year lease agreement as lessee for the acquisition and use of equipment. An initial lease liability was recorded in the amount of \$497,343 at the start of the lease. As of June 30, 2023, the value of the lease liability was \$140,660. The City is required to make monthly principal and interest payments of \$55,232. The lease has an interest rate of 3.2%. The equipment has a 10 year estimated useful life. The value of the right-to-use asset as of the end of the current fiscal year was \$435,204 and had accumulated amortization of \$267,818.

On April 22, 2019, the City entered into an 8 year lease agreement as lessee for the acquisition and use of equipment. An initial lease liability was recorded in the amount of \$804,113 at the start of the lease. As of June 30, 2023, the value of the lease liability was \$433,316. The City is required to make monthly principal and interest payments of \$115,375. The lease has an interest rate of 3.39%. The equipment has a 7 year estimated useful life. The value of the right-to-use asset as of the end of the current fiscal year was \$825,464 and had accumulated amortization of \$468,009.

#### **Golf Fund**

On October 5, 2019, the City entered into a 5 year lease agreement as lessee for the acquisition and use of equipment. An initial lease liability was recorded in the amount of \$164,715 at the start of the lease. As of June 30, 2023, the value of the lease liability was \$29,679. The City is required to make monthly principal and interest payments of \$36,368. The lease has an imputed interest rate of 3.39%. The equipment has a 5 year estimated useful life. The value of the right-to-use asset as of the end of the current fiscal year was \$164,715 and had accumulated amortization of \$123,536.

#### Note 7. Leases (Continued)

#### Lease Payable (Continued)

#### **Business-Type Activities (Continued)**

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

Fiscal Year Ending June 30,	Principal			Interest	Total		
2024	\$	\$ 345,274		\$ 25,768		371,042	
2025		120,950		14,160		135,110	
2026		164,585		10,126		174,711	
2027		120,900		4,099		124,999	
Total	\$	751,709	\$	54,153	\$	805,862	

#### Note 8. Long-Term Debt

The following is a summary of the changes in the long-term liabilities of the City for the year ended June 30, 2023:

	Beginning					Ending	D	ue Within	
	Balance	Additions		Reductions		Balance		One Year	
Governmental activities									
Special assessment bonds	\$ 105,000	\$ -	\$	(15,000)	\$	90,000	\$	10,000	
Notes payable	304,789	-		(60,749)		244,040		62,272	
Loan payable									
Firemen's Pension Plan A	1,725,490	-		-		1,725,490		172,550	
Leases	427,496	-		(41,436)		386,060		42,341	
Compensated absences	1,208,247	1,141,357		(1,208,247)		1,141,357		111,089	
Net pension liability	14,199,288	687,329		-		14,886,617			
Governmental activity long-term liabilities	\$ 17,970,310	\$ 1,828,686	\$	(1,325,432)	\$	18,473,564	\$	398,252	

For the governmental activities, special assessment bonds, notes payable, Firemen's Pension Plan A and leases, are generally liquidated by the debt service fund. Compensated absences and net pension liability are generally liquidated by the fund that is responsible for those applicable employees.

#### **Notes to the Financial Statements**

#### Note 8. Long-Term Debt (Continued)

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Business-type activities					
Landfill postclosure liability	\$ 13,643,606	\$ 412,239	\$ (1,403,540)	\$ 12,652,305	\$ -
Notes payable	17,851,349	2,869,360	(972,291)	19,748,418	1,000,524
Leases	1,096,852	-	(345,143)	751,709	345,274
Compensated absences	477,982	428,801	(477,982)	428,801	42,260
Net pension liability	2,907,694	417,129	_	3,324,823	
Business-type activity					
long-term liabilities	\$ 35,977,483	\$ 4,127,529	\$ (3,198,956)	\$ 36,906,056	\$ 1,388,058

The City can issue general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds are direct obligations and pledge the full faith and credit of the City.

#### **Governmental Activities**

#### **Special Assessment Bonds**

Bonds were issued to finance the following specific construction projects. Special assessments were levied on property owners to fund the retirement of the bonds.

Special Assessment Bonds	Project	Component
Special Improvement District 78	Street Paving/Utility Replacement	Comm. Park

The City is required to establish a debt retirement revolving fund as guarantee for payment at 2% of the principal issued, but not to exceed 20% (\$18,000 as of June 30, 2023) of the outstanding bond obligation of the districts. Gas and cigarette taxes are pledged to fund the debt retirement revolving fund.

#### Governmental Activities (Continued)

## Special Assessment Bonds (Continued)

Special improvement district bonds outstanding as of June 30, 2023, were as follows:

	Balance June 30, 2022		Add	Additions		Reductions		Balance June 30, 2023	
Special Improvement District 78, issued September 15, 2012, interest at 0.75% to 4.15%; matures September 1, 2026, redeemable to the extent of assessment collections in direct numerical order on any interest date	\$	105,000	\$	-	\$	(15,000)	\$	90,000	
Special assessment bonds total Less current portion Long-term portion special assessment bonds	\$	105,000	\$	-	\$	(15,000)	\$	90,000 10,000 80,000	

The debt service requirement for the special assessment bonds as of June 30, 2023 is as follows:

Year ended June 30,	Principal			nterest	Total		
2024	\$	\$ 10,000		3,443	\$	13,443	
2025		30,000		3,108		33,108	
2026		25,000		2,013		27,013	
2027		25,000		1,038		26,038	
	\$	\$ 90,000		9,602	\$	99,602	

#### Governmental Activities (Continued)

#### Notes Payable

The City has the following notes payable:

	Balance June 30, 2022		Ado	Additions Reductions			Balance June 30, 2023		
Note with a bank issued November 1, 2019 for the purchase of equipment, due in annual installments of \$57,118, including interest of 3%, due November 15, 2025	\$	212,289	\$	-	\$	(50,749)	\$	161,540	
WAM/WCCA Joint Oversight Board loan, City Hall Improvements - Windows 0% interest, term of 10 years, due August									
2031		92,500		-		(10,000)		82,500	
Total notes payable	\$	304,789	\$	-	\$	(60,749)		244,040	
Less current portion								62,272	
Total							\$	181,768	

The debt service requirements for the governmental notes payable as of June 30, 2023 are as follows:

Year ended June 30,	Principal			Interest	Total		
2024	\$	\$ 62,272		9,895	\$	72,167	
2025		63,831		7,406		71,237	
2026		65,437		4,812		70,249	
2027		10,000		2,199		12,199	
2028		10,000		-		10,000	
2029-2033		32,500		-		32,500	
	\$	244,040	\$	24,312	\$	268,352	

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 requires annual principal payments of \$86,275. No payment was made during the fiscal year ended June 30, 2023. The loan balance as of June 30, 2023 was \$1,725,490.

#### Governmental Activities (Continued)

#### Notes Payable (Continued)

The debt service requirements for the Fire Pension Plan A Legislative Reserve Account loan as of June 30, 2023 are as follows:

Year ended June 30,	Principal	Interest	Total
2024	\$ 172,550	\$ -	\$ 172,550
2025	86,275	-	86,275
2026	86,275	-	86,275
2027	86,275	-	86,275
2028	86,275	-	86,275
2029-2033	431,372	-	431,372
2034-2038	431,372	-	431,372
2039-2042	345,096		345,096
	\$ 1,725,490	\$ -	\$ 1,725,490

#### **Business-Type Activities**

The City's business-type activities have active amortizing notes payable on equipment and finished construction, and non-amortizing notes on construction-in-progress. Some of the terms of the notes payable require the City to be responsible for construction then transfer the asset to another entity who will be responsible for the payment of the debt.

## **Business-Type Activities (Continued)**

The City has the following notes payable, all of which are collateralized by a pledge and assignment of revenues from the City's user fees, in the Water Fund, Sewer Fund, and Solid Waste Fund:

	Balance June 30, 2022		٨٨	ditions	D	eductions	Balance June 30, 2023	
Water Fund State Loan and Investment Board loan, South Hill Waterline Replacement, Drinking Water SRF #37, due in annual installments of \$39,094, including interest				uitions				
of 2.5%, due August 2024  State Loan and Investment Board loan, North Main Project Street Reconstruction, Drinking Water SRF #101, due in annual installments of \$11,695, with 0% interest, due October 2031	\$	109,834 116,943	\$	-	\$	(36,288)	\$	73,546 105,248
State Loan and Investment Board loan, North Main Project Street Reconstruction, Drinking Water SRF #101, due in annual installments of \$10,002, including interest of 2.5%, due October 2031		86,974		-		(7,916)		79,058
State Loan and Investment Board loan, Sugarland Utilities Project, Drinking Water SRF #110, due in annual installments of \$111,191, including interest of 2.5%, due October 2030		880,986		-		(89,529)		791,457
State Loan and Investment Board loan, Wyoming Park Improvements Phase 2 Drinking Water SRF #135, granted 50% principal forgiveness, due in annual installments of \$25,382, including interest of 2.5%, due November 2033		256,040		_		(19,242)		236,798
State Loan and Investment Board loan, Wyoming Park Improvement Phase III Drinking Water SRF #148, granted 50% principal forgiveness, due in annual installments of \$18,052,								
including interest of 2.5%, due September 2035		210,164		-		(13,013)	(	197,151 Continued)

## **Business-Type Activities (Continued)**

	Balance						Balance	
	June 30, 2022		Ad	ditions	Re	eductions	June 30, 2023	
Water Fund (Continued) State Loan and Investment Board loan, 5th Street Water Main Project, Drinking Water SRF #166, granted 50% principal forgiveness, due in								
annual installments of \$24,043, including interest of 2.5%, due September 2036 State Loan and Investment Board loan, Water Meter Replacement Project, Clean Water SRF #154, granted	\$	286,232	\$	-	\$	(17,259)	\$	268,973
50% principal forgiveness, due in annual installments of \$34,977, with 0% interest, due September 2038 State Loan and Investment Board loan, Water Meter Replacement Project,		594,620		-		(34,978)		559,642
Drinking Water SRF #155, granted 50% principal forgiveness, due in annual installments of \$54,095, with 0% interest, due September 2038 State Loan and Investment Board loan, Hydropower Project, Drinking		919,617		-		(54,095)		865,522
Water SRF #156, granted 50% principal forgiveness, due in annual installments of \$31,120, with 0% interest, due May 2038 State Loan and Investment Board loan, Rehab 4 MG Water Tank Project,		497,923		-		(31,121)		466,802
Drinking Water SRF #165, granted 50% principal forgiveness, due in annual installments of \$29,832, including interest of 2.5%, due November 2038 State Loan and Investment Board loan, Loucks Street Phase II Project, Drinking Water SRF #199, granted		405,962		-		(20,211)		385,751
24.5% principal forgiveness, due in annual installments of \$29,056, including interest of 2.5%, due September 2038		397,235		-		(19,289)	((	377,946 Continued)

## **Business-Type Activities (Continued)**

	Balance June 30, 2022	Additions	Reductions	Balance June 30, 2023
Water Fund (Continued) State Loan and Investment Board loan, Upgrades at Water Treatment Plants, Drinking Water SRF #123, granted 50% principal forgiveness, due in annual installments of \$154,323, including interest of 2.5%, due June 2038	\$ 1,998,067	\$ -	\$ (95,338)	\$ 1,902,729
State Loan and Investment Board loan, Leopard Street Waterline Project, Drinking Water SRF #157, granted 50% principal forgiveness, due in annual installments of \$30,277, including interest of 2.5%, due September 2038	414,101	_	(20,464)	393,637
State Loan and Investment Board loan, North End Utilities Project, Drinking Water SRF #208 due in annual installments of \$48,597, including interest of 2.5%, due September 2039	695,860	_	(32,106)	663,754
State Loan and Investment Board loan, Construction of New Utilities Center, Loan #JPA-15584 Sh of \$900,000, due in annual installments of \$69,910, including interest of 4.62%, due December 2034	667,972	_	(39,134)	628,838
State Loan and Investment Board loan, North Sheridan Interchange Project, Drinking Water SRF #187, granted 50% principal forgiveness due in annual installments of \$29,187, including interest of 2.5%, due October 2040	436,351	_	(19,683)	416,668
Water fund amortizing debt	8,974,881		(561,361)	8,413,520
				<u> </u>

(Continued)

#### **Business-Type Activities (Continued)**

The following are notes for projects currently in construction. Amortization will be finalized one year after completion of construction. The entire amount is considered long-term debt. The terms of the notes will be for 20 years.

	Balance			Balance	
_	June 30, 2022	Additions	Reductions	June 30, 2023	
Water Fund (Continued) State Loan and Investment Board loan, North					
Heights Waterline Project, Drinking Water SRF #243, granted 25% forgiveness, 2.5% interest		\$ 279,548	\$ -	\$ 310,467	
State Loan and Investment Board Ioan, Airport Transmission Main Project, Drinking Water SRF #238, granted 25% forgiveness, 2.5% interest	-	93,238	_	93,238	
State Loan and Investment Board loan, Sheridan Main Street Dow to Burkitt Project, Drinking Water SRF #250, 1.25% interest	-	1,071,537	-	1,071,537	
State Loan and Investment Board loan, Terra Turner Water Main Replacement Project, Drinking Water SRF #252, 1.25% interest		2,295		2,295	
Projects currently in construction	30,919	1,446,618	-	1,477,537	

## The following are notes with the City's component unit, Sheridan Area Water Supply Joint Powers Board (SAWS):

Water Fund (Continued) Sheridan Area Water Supply Joint Powers Board, repayment of Big Goose Water Pipeline Loan, due in					
annual installments of \$69,320, including interest of 2.5%, due October 2028	\$ 440,142	\$ -	\$ (58,319)	\$	381,823
Sheridan Area Water Supply Joint Powers Board, repayment for construction loan, due in annual installments of \$25,771, including					
interest of 2.5%, due December 2036	318,395	 -	(17,920)		300,475
Amortizing debt with SAWS	758,537	-	(76,239)		682,298
				10	ontinued)

Since the portion payable by the primary government and SAWS is mandated by the grant and loan agreement, the related receivable from the primary government is recorded as a notes receivable, primary government to distinguish it from operational amounts due to and due from the primary government.

## **Business-Type Activities (Continued)**

	Balance			Balance
	June 30, 2022	Additions	Reductions	June 30, 2023
Sewer Fund State Loan and Investment Board loan, Water Replacement Project, Clean Water SRF #47, due in annual installments of \$70,513, including interest of 2.5%, due September 2024	\$ 199,601	\$ -	\$ (65,728)	\$ 133,873
State Loan and Investment Board Ioan, Sheridan North Main Project, Clean Water SRF #109, due in annual installments of \$61,961, with 0% interest, due October 2031	619,609	-	(61,961)	557,648
State Loan and Investment Board loan, WWTP Biosolids Project, Clean Water SRF #152, due in annual installments of \$202,008, including interest of 2.5%, due April 2038	2,621,312	-	(129,114)	2,492,198
State Loan and Investment Board Ioan, Loucks Street Phase II Project, Clean Water SRF #166, granted 50% principal forgiveness, due in annual installments of \$9,617, including interest of 2.5%, due September 2038	131,475	_	(6,501)	124,974
State Loan and Investment Board loan, North End Utilities Project, Clean Water SRF #168, granted 25% principal forgiveness, due in annual installments of \$61,400, including interest of 2.5%, due September 2039	879,179	-	(40,564)	838,615
State Loan and Investment Board loan, North Sheridan Interchange Project, Clean Water SRF #164, granted 10% principal forgiveness, including interest of 2.5%, due October 2040	683,308		(30,823)	652,485
Sewer fund amortizing debt	5,134,484	-	(334,691)	4,799,793
-				(Continued)

(Continued)

#### **Business-Type Activities (Continued)**

The following are notes for projects currently in construction. Amortization will be finalized one year after completion of construction. The entire amount is considered long-term debt. The terms of the notes will be for 20 years.

	Ju	Balance ne 30, 2022	 Additions	R	deductions_	Ju	Balance ine 30, 2023
Sewer Fund (Continued) State Loan and Investment Board loan, Sheridan Main Street Dow to Burkitt Project,	<b>.</b>		 400.007				100.027
Clean Water SRF #196, 1.25% interest	\$		\$ 189,827	\$		\$	189,827
Projects currently in construction			189,827				189,827
Solid Waste Fund State Loan and Investment Board loan, Landfill Cell Closure and Permanent Cap, Clean Water SRF #181, granted 25% principal forgiveness, including interest of 2.5% State Loan and Investment Board loan	\$	2,952,528	\$ 272,472	\$	-	\$	3,225,000
State Loan and Investment Board loan, Landfill Cell Closure and Permanent Cap, Clean Water SRF #181ADD, including interest of 1.25%	t	-	950,065		-		950,065
State Loan and Investment Board loan, Sheridan Landfill Remediation Corrective Measures Construction Project, Clean Water SRF #198, including interest of 1.25%		-	10,378		<u>-</u>		10,378
Projects currently in construction		2,952,528	1,232,915		_		4,185,443
Total for all business-type activities Less current portion	\$	17,851,349	\$ 2,869,360	\$	(972,291)	\$	19,748,418 1,000,524 18,747,894

The debt service for projects in construction considers the eventual 20 year amortization of the debt. All debt related to projects in construction is included in these schedules regardless of contract provisions for some of the debt.

#### **Business-Type Activities (Continued)**

The debt service requirements for business-type activities as of June 30, 2023 are as follows:

Year ended June 30,	Principal	Interest	Total
2024	\$ 1,000,524	\$ 296,604	\$ 1,297,128
2025	1,323,622	398,137	1,721,759
2026	1,181,860	366,344	1,548,204
2027	1,206,173	341,962	1,548,135
2028	1,231,121	316,946	1,548,067
2029-2033	5,948,337	1,207,582	7,155,919
2034-2038	5,371,004	598,678	5,969,682
2039-2043	2,252,841	149,852	2,402,693
2044-2048	232,936	4,500	237,436
Total debt	\$ 19,748,418	\$ 3,680,605	\$ 23,429,023

#### **Proprietary Fund Revenues Pledged**

The City has pledged future water fund, sewer fund, and solid waste fund customer revenues to meet the annual debt requirements in the respective proprietary funds. Proceeds from the debt have been used to improve, expand and replace the distribution system, source of supply, and treatment facilities. Pledged revenues recognized during the year ended June 30, 2023 exceeded the principal and interest requirements for the debt collateralized by those revenues. Proceeds from the debt were used to fund various projects, and the debt is payable solely from customer net revenues. The following table presents information on future revenues pledged to service this debt:

		Revenue	Principal and			
		Pledged	Interest as			
		Through	Percentage	Principal	Principal and	Net
		Fiscal	of Net	and Interest	Interest Paid in	Revenues in
Fund	Debt	Year	Revenues	Remaining	Current Year	Current Year
Water	\$ 10,573,355	2044	19%	\$ 12,300,569	\$ 850,214	\$ 4,437,585
Sewer	4,989,620	2044	14%	5,935,211	444,526	3,198,528
Solid Waste	4,185,443	2044	0%	5,193,243	-	6,111,088

#### Note 9. Fund Equity

In order to meet future needs, the City Council has committed \$6,222,037 of fund balance within the general fund for reserves and emergency needs.

The Solid Waste Fund had a deficit unrestricted net position at June 30, 2023 of \$11,280,564. The City plans to eliminate the deficit balance through the receipt of grant and local matching revenues and future rate increases.

#### **Notes to the Financial Statements**

#### Note 10. Pension Plans

#### **Pension Plan Fiduciary Net Position**

The Wyoming Retirement System issues a publicly available financial report which includes audited financial statements and required supplementary information for each plan. Detailed information about the pension plans' fiduciary net position is available in separately issued Wyoming Retirement System financial report. The report may be obtained from the Wyoming Retirement System website at http://retirement.state.wy.us.

All eligible City employees are covered under one of the four following retirement plans:

#### Public Employees' Pension Plan (PEPP)

The City participates in the Public Employees' Pension Plan ("PEPP"), a cost sharing multiple employer defined benefit, contributory retirement plan covering substantially all employees of the State and of the Public School Systems of Wyoming. The Plan also covers employees of those political subdivisions and other statutorily allowed entities, which have elected to participate in the Plan. Substantially all City full-time employees are eligible to participate.

PEPP members are required to contribute 9.25% of their annual covered salary and the employer is statutorily required to contribute 9.37% of the annual covered payroll for a total of 18.62%. Legislation enacted in 1979 allows the employer to subsidize all or part of the employee contribution. The City has elected to contribute an additional 2.25% on behalf of eligible employees. Although paid by the City, for purposes of recording the net pension liability these additional contributions are considered to be employee contributions. The City currently pays 11.62% of covered payroll and the employees contribute the remaining portion, 7.00% of covered payroll. The City's contributions to the PEPP plan for the years ended June 30, 2023, 2022, and 2021, were \$880,876, \$788,240, and \$706,445, respectively, while the employees' portion was \$530,648, \$475,808, and \$445,608, respectively.

For the years ended June 30, 2023, 2022 and 2021, the City's statutorily required contributions to the PEPP pension plan were \$710,311, \$636,097, and \$579,841, respectively. As of July 1, 2023, the statutorily required employer contribution rate will not increase for the employer or the employee.

The amount of contributions designated as employee contributions represents the portion of total contributions that a participant retains ownership of and can elect to receive as a refund upon termination of employment. Employers can elect to cover all or a portion of the employee's contribution at their discretion. Through legislation passed during the 2014 legislative session, two tiers of benefits were established for participants of this plan.

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

All employees may also retire upon normal retirement when the sum of the member's age and service is at least 85.

#### Public Employees' Pension Plan (PEPP) (Continued)

Benefits are established by Title 9, Chapter 3 of the Wyoming Statutes. The PEPP provides retirement, disability, and death benefits according to predetermined formulas and allows retirees to select one of seven optional methods for receiving benefits, including two joint and survivor forms of benefits: a 100% joint and survivor annuity, and a 50% joint and survivor annuity. The benefit amounts under these options are determined on an actuarially equivalent basis. The State Legislature must grant any cost of living adjustment provided to retirees. In addition, a cost of living adjustment will not be approved by the legislature unless the plan is 100% funded after the COLA is awarded.

Employees terminating prior to normal retirement can elect to withdraw all employee contributions and accumulated interest through date of termination or, if they are vested, they may elect to remain in the Plan and be eligible for unreduced retirement benefits at age 60 (Tier 1 employee) or 65 (Tier 2 employee).

#### Law Enforcement Pension Plan

The City participates in the Law Enforcement Retirement Plan ("LEPP") a cost sharing, multiple employer defined benefit, contributory plan covering any county sheriff, deputy county sheriff, municipal police officer, Wyoming correctional officer, Wyoming law enforcement academy instructor, University of Wyoming campus police officer, detention officer or dispatcher for law enforcement agencies and certain investigators of the Wyoming Livestock Board, Wyoming Gaming Commission and Wyoming Board of Outfitters.

LEPP members are statutorily required to contribute 8.60% of their annual covered salary and the employer is statutorily required to contribute 8.60% of the annual covered payroll for a total of 17.2%. Legislation enacted in 1979 allows the employer to subsidize all or part of the employee contribution. The City has elected to contribute an additional 3.02% on behalf of eligible employees. Although paid by the City, for purposes of recording the net pension liability these additional contributions are considered to be employee contributions. The City currently pays 11.62% of covered payroll and the police officers contribute the remaining portion, 5.58% of covered payroll. The City's contributions to the LEPP plan for the years ended June 30, 2023, 2022, and 2021, were \$280,432, \$254,803, and \$233,426, respectively, while the employees' portion was \$139,797, \$122,358, and \$112,093, respectively.

For the years ended June 30, 2023, 2022, and 2021, the City's statutorily required contributions to the LEPP pension plan were \$210,115, \$188,581, and \$172,760, respectively. As of July 1, 2023, there will be no increase in employer or employee statutorily required contribution rates.

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

#### Paid Fire A Pension Plan

The City participated in the Paid Fire A Pension Plan, a cost sharing multiple employer defined benefit, contributory retirement plan covering paid firefighters who were employed prior to July 1, 1981 and who elected to participate.

#### Paid Fire A Pension Plan (Continued)

The Plan statutorily required participants to contribute 8% of their salary to a maximum not to exceed the salary of a Firefighter First Class. Employers were required to contribute 21% of their salary. Effective April 1, 1997, required contributions were suspended as the Plan was determined to be actuarially over-funded. Due to increased benefits and the lack of contributions, the Paid Fire A Pension Plan assets steadily decreased. In January 2021, the Wyoming Retirement System Board decided to invest the assets in a more conservative fixed income strategy. The decreasing Plan assets prompted the 2022 State of Wyoming legislature to pass a bill (Senate Enrolled Act 6) providing additional funding to the Plan. This bill created a new Fire A legislative reserve account which received two one-time contributions, an employer contribution in the amount of \$20 million and a contribution from the State of Wyoming's general fund in the amount of \$55 million. In addition, starting in the second quarter of 2022, 40% of the annual fire insurance premium tax was transferred to the Fire A legislative reserve account and will continue to be transferred until there are no remaining members receiving benefits. The bill also removed the 3% annual benefit increase (COLA) after April 1, 2022 and benefits to surviving spouses will only be paid for marriages occurring before April 1, 2022. These changes prompted the Plan's assets to be reinvested with the existing investment pool of the defined benefit plans in April 2022.

The figures shown in this report for the Paid Fire A Pension Plan include the original Paid Fire A Pension Plan account combined with the newly created Fire A legislative reserve account. The Fire A legislative reserve account will only be used to pay for Fire A pension plan benefits once the funds in the original Paid Fire A Pension Plan account are exhausted. Any remaining funds in the Fire A legislative reserve account will revert to the general fund when there are no longer any obligations.

The Plan statutorily provides retirement, disability and death benefits according to a percentage of a firefighter first class salary. Participants may withdraw from the Plan at any time and receive refunds of participant contributions without interest.

#### Paid Fire B Pension Plan

The City participates in the Paid Fire B Pension Plan, a cost sharing multiple employer defined benefit, contributory retirement plan covering paid firefighters who were employed after July 1, 1981.

Starting on July 1, 2022, the Plan statutorily requires participants to contribute 11.245% of their salary to the Plan and the employer is required to contribute 16% of each participant's salary. Legislation enacted in 1979 allows the employer to subsidize all or part of the employee contribution. The City's contributions to the Fire B plan for the years ended June 30, 2023, 2022, and 2021, were \$223,134, \$181,433, and \$152,473, respectively, while the employees' portion was \$156,952, \$130,033, and \$111,644, respectively.

The City's statutorily required and actual contributions to Plan B for the years ended June 30, 2023, 2022, and 2021 were \$223,211, \$181,433, and \$152,473, respectively, while the employees' portion was \$156,952, \$130,033, and \$111,644. As of July 1, 2023, there will be no increase in employer or employee statutorily required contributions rates.

The Plan provides retirement, disability and death benefits according to predetermined formulas. The State Legislature grants any cost of living adjustment provided to retirees. In addition, a cost of living adjustment will not be approved by the legislature unless the plan is 100% funded after the COLA is awarded. Participants may withdraw from the plan at any time and receive refunds of participant contributions without interest.

# 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 total liability of \$18,211,440 for its proportionate share of the net pension liability. The net pension liability was determined by an actuarial valuation as of January 1, 2022, applied to all prior periods included in the measurement. Actuarial valuation involves estimates of the reported amounts and assumptions about the probability of occurrence of events far into the future. Amounts determined regarding the net pension liability are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. An experience study was conducted covering the five-year period ending December 31, 2020. The net pension liability as of December 31, 2022 is based on the results of an actuarial valuation as of January 1, 2022, rolled forward to a measurement date of December 31, 2022.

The schedule below shows the City's proportionate share of the net pension liability (asset) as of June 30, 2023, the proportionate portion at the measurement date of December 31, 2022, and the change in the proportion from the previous measurement date.

	ension liability (asset) at une 30, 2023	Proportion at December 31, 2022	Increase (decrease) from December 31, 2021
Public Employees' Pension Plan	\$ 10,252,095	0.375147900%	0.015154149%
Law Enforcement Pension Plan	4,516,177	1.325734800%	0.037133017%
Paid Fire A Pension Plan	3,023,278	8.175757200%	(0.526902554%)
Paid Fire B Pension Plan	 419,890	3.827605700%	0.145076436%
	\$ 18,211,440		

For the year ended June 30, 2023, the City recaptured pension expense of \$(6,444,850).

At June 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources						
PEPP	LEPP	Fire A	Fire B	Outflows			
\$ 1,019,877	\$ 347,430	\$ 724,407	\$ 270,836	\$ 2,362,550			
48,929	102,929	-	6,918	158,776			
264,027	1,817,939	-	364,857	2,446,823			
329,555	68,631		57,856	456,042			
1,662,388	2,336,929	724,407	700,467	5,424,191			
349,396	93,250		109,524	552,170			
\$ 2,011,784	\$ 2,430,179	\$ 724,407	\$ 809,991	\$ 5,976,361			
	PEPP  \$ 1,019,877  48,929 264,027 329,555 1,662,388  349,396	PEPP       LEPP         \$ 1,019,877       \$ 347,430         48,929       102,929         264,027       1,817,939         329,555       68,631         1,662,388       2,336,929         349,396       93,250	PEPP       LEPP       Fire A         \$ 1,019,877       \$ 347,430       \$ 724,407         48,929       102,929       -         264,027       1,817,939       -         329,555       68,631       -         1,662,388       2,336,929       724,407         349,396       93,250       -	PEPP         LEPP         Fire A         Fire B           \$ 1,019,877         \$ 347,430         \$ 724,407         \$ 270,836           48,929         102,929         -         6,918           264,027         1,817,939         -         364,857           329,555         68,631         -         57,856           1,662,388         2,336,929         724,407         700,467           349,396         93,250         -         109,524			

# Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

	Deferred Inflows of Resources						To	tal	
	PEPP	LEPP		Fire A		Fire B		Inflows	
Net difference between projected and actual earnings on pension plan investments	\$ -	\$	-	\$	-	\$	-	\$	-
Difference between actual and									
expected experience rate	(64,989)		(142,419)		-	(212	,993)	(42	20,401)
Changes in assumptions	-		(694,059)		-	(365	,107)	(1,05	59,166)
Change in employer's proportion	-		(6,690)		-	(15	,633)	(2	22,323)
Amortizing deferred inflows	\$ (64,989)	\$	(843,168)	\$	-	\$ (593	,733)	\$ (1,50	)1,890)

The City reported \$552,170 as deferred outflows of resources related to contributions subsequent to the measurement date, which will be recognized as a reduction of the net pension liability in the year ended June 30, 2024. Other amounts reported as deferred outflows and inflows related to pensions will be recognized in pension expense as follows:

Year ended June 30:	<b>Deferred Outflows</b>		<b>Deferred Outflows</b>		Defe	erred (Inflows)
2024	\$	924,675	\$	(634,996)		
2025		1,656,617		(495,320)		
2026		1,023,517		(333,165)		
2027		1,776,143		(24,453)		
2028		36,935		(9,159)		
Thereafter		6,304		(4,797)		
	\$	5,424,191	\$	(1,501,890)		

### **Actuarial Assumptions**

The total pension liability in the December 31, 2022 measurement date was determined using the following actuarial assumptions, applied to all periods included in the measurement:

	Actuarial Assumptions and Methods
Valuation date	January 1, 2022
Actuarial cost method	Entry Age Normal
Amortization method	
PEPP, LEPP, Fire B	Level Percentage of Payroll, Closed
Fire A	Level Dollar, Open
Remaining amortization period	
PEPP	25 years
LEPP	23 years
Fire A	10 years
Fire B	24 years
Asset valuation method	5 year smoothed market
Assumed inflation rate	2.25%
Projected salary increases	
PEPP	2.5% to 6.5%, including inflation
LEPP	5.25% to 9.25%, including inflation
Fire A	4.50%, including inflation
Fire B	4.50% to 7.50%, including inflation
Payroll growth rate	
PEPP, LEPP, Fire B	2.50%
Fire A	0.00%
Cost of living increase	0.00%
Investment rate of return	6.80%
Retirement Age	
PEPP, LEPP, Fire B	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2022 valuation persuant to an experience study of the period 2016-2020.
Fire A	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2018 valuation persuant to an experience study of the period 2012-2016.

#### **Actuarial Assumptions (Continued)**

	Actuarial Assumptions and Methods (Continued)
Post-Retirement Mortality	
PEPP	Pub-2010 General Healthy Annuitant Mortality Table, amount weighted, fully generational, projected with MP-2020 Ultimate Scale
Fire A	RP-2014 Healthy Annuitant Mortality Table, fully generational, projected with Scale MP-2017
LEPP, Fire B	Pub-2010 Safety Healthy Annuitant Mortality Table, amount weighted, fully generational, projected with the MP-2020 Ultimate Scale
PEPP, LEPP, Fire A, Fire B	Males: No set back with a multiplier of 100%
PEPP	Females: No set back with a multiplier of 103%
LEPP, Fire B	Females: No set back with a multiplier of 100%
Fire A	Females: No set back with a multiplier of 88%
Pre-Retirement Mortality	
PEPP	Pub-2010 General Employee Annuitant Mortality Table, amount weighted, fully generational, projected with MP-2020 Ultimate Scale
Fire A	RP-2014 Employee Mortality Table, fully generational, projected with Scale MP-2017
LEPP, Fire B	Pub-2010 Safety Safety Employee Mortality Table, amount weighted, fully generational, projected with the MP-2020 Ultimate Scale
PEPP, LEPP, Fire A, Fire B	Males: No set back with a multiplier of 100% Females: No set back with a multiplier of 100%

The plan's trustees adopted the assumed rate of investment return after considering input from the plan's investment consultant(s) and actuary(s). Additional information about the assumed rate of investment return is included in the WRS actuarial valuation report as of January 1, 2022. In addition, a five-year experience study was completed as of December 31, 2020 and this study provides a detailed analysis regarding recommendations on the long-term rates for inflation and the real rate of return. The assumed rate of investment return of 6.80% (real return net of inflation of 4.55%) falls within a reasonable range of the long-term expected rate of return.

#### Actuarial Assumptions (Continued)

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

		Long-Term Expected Geometric Real Rate of	Long-Term Expected Arithmetic Real Rate of
Asset Class	Target Allocation	Return	Return
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	100.00%	5.86%	7.23%

#### Discount Rate

The discount rate used to measure the Public Employees Plan, the Paid Firemen's Retirement Fund Plan A, and the Paid Firemen's Retirement Fund Plan B total pension liability was 6.80%. The discount rate for the Law Enforcement Plan total pension liability was 5.53%. Projected benefit payments are required to be discounted to their actuarial present values using a single discount rate that reflects 1) a long-term expected rate of return on pension plan investments (to the extent that the plan's fiduciary net position is projected to be sufficient to pay benefits using a 100 year analysis) and 2) tax-exempt municipal bond rate based on an index of 20 year general obligation bonds with an average AA credit rating (which is published by the Federal Reserve) as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

For purposes of this valuation, the expected rate of return on pension plan investments is 6.80%, the municipal bond rate is 4.05% (based on the daily rate closest to but not later than the measurement date of the Fidelity "20-Year Municipal GO AA Index"); and the resulting single discount rates listed above.

# Sensitivity of the City's Proportionate Share of the Net Pension Liability (Asset) to Changes in the Discount Rate

The following table represents the City's proportionate share of the net unfunded pension liability (asset) for each plan calculated using the discount rate as previously discussed as well as what the City's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the rate used:

	Current Discount								
	1% Decrease			Rate	1	% Increase			
Primary government pension plans		5.80%	80% 6.80% 7.8		7.80%				
Public Employees' Pension Plan	\$	15,138,663	\$	10,252,095	\$	6,202,455			
Paid Fire A Pension Plan		4,180,507		3,023,278		2,025,008			
Paid Fire B Pension Plan		1,552,963		419,890		(520,047)			
		4.53%	5.53%			6.53%			
Law Enforcement Pension Plan	\$	6,797,104	\$	4,516,177	\$	2,682,786			

Payables to the Pension Plan – At June 30, 2023, the City reported no payables to the pension plans.

#### Note 11. Landfill Post Closure and Monitoring Costs

State and Federal laws and regulations require the City to place a final cover on its landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. Although closure and post closure care costs will be paid only near or after the date that the landfill stops accepting waste, the City reports the estimated liability for these closure and post closure costs in the Solid Waste Fund (an enterprise fund) based on landfill capacity used as of each balance sheet date.

The current operating costs of the landfill are accounted for within the Solid Waste Fund of the City using the accrual basis of accounting. The \$12,652,305 reported as landfill closure and post closure care liability at June 30, 2023, represents the cumulative amount estimated to date based on the use of 100% of the estimated capacity of cells T1-6 and T678 on the site, as well as 93% of cell 9. The City will recognize the remaining estimated cost of closure of \$198,143 as the remaining estimated capacity is filled. The post closure costs are updated each year to reflect the change in present value. The calculation of the estimated liability has been based on what it would cost to perform all closure and post closure care in 2023.

The estimate of this liability may change based on a change in inflation or deflation, technology, or applicable laws or regulations. At last year's rate of usage, the landfill cell 9 would have an estimated remaining life of 0.79 years. The current year expenditure for landfill closure and post closure are reflected in the Solid Waste Fund was \$412,239.

The City has restricted fund balance for \$2,187,399. It is anticipated that future inflation costs will be financed in part from investment earnings and grant awards. The remaining portion of anticipated future inflation costs and additional costs that may arise from changes in post closure requirements (due to changes in technology or more rigorous environmental regulations, for example) may need to be covered by charges to future landfill users, taxpayers, or both.

#### Note 12. **Primary Government and Component Units Transactions**

The City has business transactions with its component units throughout the year which are recorded as arm's length transactions. A summary of these transactions is presented below:

#### Payments to SAWS

Big Goose Treated Water Pipeline Loan

The City owes \$497,034 to SAWS for the City's portion of a construction note. In the current year, the City made its required annual payments of \$69,320 towards the payment of the loan.

69,320

Big Goose Water Treatment Plant Loan

The City owes \$335,885 to SAWS for the City's portion of a construction note. In the current year, the City made its required annual payments of \$25,771 towards the payment of the loan.

25,771

These balances are recorded as notes receivable - long-term on the Statement of Net Position for SAWS and as long-term liabilities on the Statement of Net Position for the City.

#### Payments from SAWS

Shared Overhead Costs

SAWS reimburses the City for shared overhead costs related to utility billings and collections as well as equipment maintenance.

819,097

#### **Due from Component Units**

In prior years, the City contributed to funds held by SAWS to be used to purchase additional water should it ever become necessary. These funds have continued to be held for such a contingency

have continued to be held for such a contingency.		
City funds held by SAWS for additional water purchases	\$ 1,938,967	
Water shares purchased	807,345	\$ 2,746,312
Payments due to the City for reimbursement of shared SAWS overhead costs		613,398
Payments due to the City for reimbursement of payroll and overhead costs		
for Sheridan County Travel and Tourism Joint Powers Board		63,699
Total due from component units		\$ 3,423,409
Due from Primary Government		

#### Due from Primary Government

Payments due from the City for user fees to SAWS	\$ 83,145
Total due to primary government	\$ 83,145

#### **Notes to the Financial Statements**

#### Note 13. Prior Period Adjustment

During the fiscal year ended, June 30, 2023 a prior period adjustment was necessary due to an incorrect fund balance identified in the conversion to the Munis financial system. Upon reviewing the conversion data, it was discovered that certain fund balances were not accurately carried over from the previous accounting system. This discrepancy resulted in an overstatement/understatement of the beginning fund balance.

The adjustment has been made to reflect the correct fund balance as of the beginning of the year.

The effect of this adjustment on the financial statements is as follows:

Special Revenue Fund Fund balances - beginning of year, as previously stated Munis financial system conversion - PPA	\$ 112,550 (100,000)
Fund balances - beginning of year, as restated	\$ 12,550
Capital Projects Fund Fund balances - beginning of year, as previously stated Munis financial system conversion - PPA	\$ 11,579,473 100,000
Fund balances - beginning of year, as restated	\$ 11,679,473

#### Component Unit

During the year ended June 30, 2023, SEEDA reported the following prior period adjustments:

SEEDA	
Interest receivable adjustment	\$ 185,516
Gain on land held for sale adjustment	(110,822)
Lease receicable adjustment	1,656,885
Deferred inflow of resources - lease related adjustment	 (1,522,263)
Total prior period adjustment	209,316
Net position - beginning of year, as previously stated	18,627,165
Net position - beginning of year, as restated	\$ 18,836,481

SEEDA reported a prior period adjustment related to a building lease with a "rent holiday" that affected the balances in the lease receivable, deferred inflow of resources – lease related, and interest receivable accounts. The periods affected by this error related to years 2019 through 2022. Additionally, SEEDA reported a prior period adjustment related to the sale of land held for sale in the prior year 2022. These have been properly adjusted to reflect this change in the financial statements.

#### **Notes to the Financial Statements**

#### Note 14. Risk Management

The City is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets and natural disasters. The City manages their comprehensive property risk management and cyber coverage through Nationwide. The City's general liability insurance is provided by participation in the Local Government Liability Pool (LGLP). The LGLP manages the risk of the pool consuming its reserves by receiving an annual actuarial assessment of funding needs. The LGLP has never requested a reserve call on its members. All risk management activities are accounted for in each fund as appropriate. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

All heavy equipment owned by the City is covered by a blanket equipment policy. This blanket policy has coverage limits, which could be exceeded in the unlikely event that the City and the other jurisdictions were subject to a major disaster. In an effort to control potential losses, the City has implemented a risk containment policy, which provides for mandatory use of seat belts and hard hats, extraordinary caution on the part of employees and other preventive measures.

The City also participates in two other risk management programs: Workers' Compensation Act and Unemployment Compensation Act.

Wyoming Statute 27-14-101 created the Wyoming Workers' Compensation Act, which is administered as an enterprise fund by the State of Wyoming. All employers within the State of Wyoming are participants of this plan unless the employer elects not to be covered under the plan. This Act requires the City to obtain liability coverage for payment of benefits to employees for job-related injuries and diseases through the Workers' Compensation Fund. This Act provides general protection from suits filed by employees against the City. The City makes monthly payments to the Department of Employment, State of Wyoming. This amount is based on salaries and a split rate between hazardous and non-hazardous positions. Amounts paid by the City to the State for Workers' Compensation during fiscal year 2023 were \$285,274.

#### Note 14. Risk Management (Continued)

Wyoming Statute 27-3-101 created the Unemployment Compensation Act. This Act requires the City to pay the cost of actual claims incurred. Changes in the balances of claims liabilities during fiscal year 2023 and 2022 were as follows for the City's participation in the Unemployment Compensation Act Program:

	Fiscal Year Ended 2023			Fiscal Year Ended 2022			
Unpaid claims, beginning of year	\$	-	\$	-			
Incurred claims		1,185		21,554			
Claim payments		(1,185)		(21,554)			
Unpaid claims, end of year	\$	-	\$	-			

#### Note 15. Wyoming Educator Benefit Trust

The City participates in health care coverage through the Wyoming Educator Benefit Trust (WEBT). WEBT sets health care premium rates each year based on projected medical costs. In the year ended June 30, 2023, the City paid \$2,519,991 in premiums to WEBT. Were the City to withdraw from coverage through WEBT, the City would not be responsible for any specific liabilities nor is it entitled to any of the reserves. As a participating employer, if the trust is dissolved the City may be entitled to a residual portion of the plan reserves.

#### Note 16. Commitments and Contingencies

The City is required by the Department of Environmental Quality to monitor a landfill site for possible contamination (Note 11). Should contamination be detected in the future, the City may be responsible for some or all of the cleanup costs.

## Note 16. Commitments and Contingencies (Continued)

As of the fiscal year ended June 30, 2023, the City has committed \$59.2 million to fund various projects from future appropriations.

Project Name         Contract Amount         To Date         Commitment           Governmental activities         General Fund         S         S         2         4         6.729         6.729         6.729         82.851         99.679         82.851         8         182.530         99.679         82.851         8         182.530         99.679         82.851         8         182.530         99.679         82.851         8         182.535         182.530         99.679         82.851         8         182.535         388.075         345.875         345.875         Sheridan Multi-Use Pathway Connection         25.000         20.814         48.650         180.000         170.420         466.580         Rotary Park         154.585         57.658         96.927         Hume Draw         48.500         15.315         33.185         Residence Hill         14,000,000         48         13.999.952         North Sheridan Interchange         11,000,000         9.651.861         1,348,139         13.999.952         North Sheridan Interchange         3,457,100         2,107.817         1,349,283         35 th St & Brooks Bridge Repairs         3,500,000         41,766         3,458,234         44 th St & S			Original	Expended	R	temaining
Primary government   Governmental activities   General Fund   ERP Financial Software   \$ 533,403   \$ 526,674   \$ 6,729   \$ SFR Decontamination Remodel   182,530   99,679   82,851   \$ 82,851   \$ 818cktooth Park   743,950   398,075   345,875   \$ Sheridan Multi-Use Pathway Connection   25,000   20,814   4,186   \$ Kendrick Pool   637,000   170,420   466,580   \$ Kendrick Pool   637,000   170,420   466,580   \$ Kendrick Pool   647,000   15,315   33,185   \$ 86,927   \$ Hume Draw   48,500   15,315   33,185   \$ 86,927   \$ Hume Draw   48,500   15,315   33,185   \$ 86,927   \$ Hume Draw   48,500   15,315   33,185   \$ 86,926,70   \$ Kendrick Pool   64,999,9952   \$ Kendrick Pool   64,998,44   \$	Project Name	Cor	-	•		•
Governmental activities           General Fund         \$533,403         \$526,674         \$6,729           SFR Decontamination Remodel         182,530         99,679         82,851           Blacktooth Park         743,950         398,075         345,875           Sheridan Multi-Use Pathway Connection         25,000         20,814         4,186           Kendrick Pool         637,000         170,420         466,580           Rotary Park         154,585         57,658         96,927           Hume Draw         48,500         15,315         33,185           Residence Hill         14,000,000         48         13,999,952           North Sheridan Interchange         11,000,000         9,651,861         1,348,139           East Downtown Improvements         500,000         156         499,844           East St St Corridor         3,457,100         2,107,817         1,349,283           5t St & Brooks Bridge Repairs         3,500,000         41,766         3,458,234           Main St Reconstruction - Jr High         11,156,900         3,558,618         7,598,282           Total governmental activities         45,938,968         16,648,901         29,290,067           Busices-type activities         750,000 <td< td=""><td></td><td></td><td></td><td></td><td></td><td></td></td<>						
ERP Financial Software         \$ 533,403         \$ 526,674         \$ 6,729           SFR Decontamination Remodel         182,530         99,679         82,851           Blacktooth Park         743,950         398,075         345,875           Sheridan Multi-Use Pathway Connection         25,000         20,814         4,186           Kendrick Pool         637,000         170,420         466,580           Rotary Park         154,585         57,658         96,927           Hume Draw         48,500         15,315         33,185           Residence Hill         14,000,000         48         13,999,952           North Sheridan Interchange         11,000,000         9,651,861         1,348,139           East Downtown Improvements         500,000         156         499,844           East Sth St Corridor         3,457,100         2,107,817         1,349,283           5th St & Brooks Bridge Repairs         3,500,000         41,766         3,458,234           Main St Reconstruction - Jr High         11,156,900         3,558,618         7,598,282           Total governmental activities         45,938,968         16,648,901         29,290,067           Business-type activities         750,000         750,000         -	• •					
SFR Decontamination Remodel         182,530         99,679         82,851           Blacktooth Park         743,950         398,075         345,875           Sheridan Multi-Use Pathway Connection         25,000         20,814         4,186           Kendrick Pool         637,000         170,420         466,580           Rotary Park         154,585         57,658         96,927           Hume Draw         48,500         15,315         33,185           Residence Hill         14,000,000         48         13,999,952           North Sheridan Interchange         11,000,000         9,651,861         1,348,139           East Downtown Improvements         500,000         156         499,844           East Sth St Corridor         3,457,100         2,107,817         1,349,283           5th St & Brooks Bridge Repairs         3,500,000         41,766         3,458,234           Main St Reconstruction - Jr High         11,156,900         3,558,618         7,598,282           Total governmental activities         45,938,968         16,648,901         29,290,067           Business-type activities         3         5         5         26,000         -         -           Total sewer fund         750,000         750,000	General Fund					
SFR Decontamination Remodel         182,530         99,679         82,851           Blacktooth Park         743,950         398,075         345,875           Sheridan Multi-Use Pathway Connection         25,000         20,814         4,186           Kendrick Pool         637,000         170,420         466,580           Rotary Park         154,585         57,658         96,927           Hume Draw         48,500         15,315         33,185           Residence Hill         14,000,000         48         13,999,952           North Sheridan Interchange         11,000,000         9,651,861         1,348,139           East Downtown Improvements         500,000         156         499,844           East Sth St Corridor         3,457,100         2,107,817         1,349,283           5th St & Brooks Bridge Repairs         3,500,000         41,766         3,458,234           Main St Reconstruction - Jr High         11,156,900         3,558,618         7,598,282           Total governmental activities         45,938,968         16,648,901         29,290,067           Business-type activities         3         5         5         26,000         -         -           Total sewer fund         750,000         750,000	ERP Financial Software	\$	533,403	\$ 526,674	\$	6,729
Blacktooth Park         743,950         398,075         345,875           Sheridan Multi-Use Pathway Connection         25,000         20,814         4,186           Kendrick Pool         637,000         170,420         466,580           Rotary Park         154,585         57,658         96,927           Hume Draw         48,500         15,315         33,185           Residence Hill         14,000,000         9,651,861         13,999,952           North Sheridan Interchange         11,000,000         9,651,861         13,989,952           North Sheridan Interchange         3,457,100         2,107,817         1,349,283           5th St & Brooks Bridge Repairs         3,500,000         417,66         34,58,234           Main St Reconstruction - Jr High         11,156,900         3,558,618         7,598,282           Total governmental activities         45,938,968         16,648,901         29,290,067           Business-type activities         5         5         5           Sewer Fund         750,000         750,000         -           North Sheridan Interchange         750,000         750,000         -           Terra, Turner, Riverside         1,775,951         52,619         1,723,332           North Sherid	SFR Decontamination Remodel	•			•	
Sheridan Multi-Use Pathway Connection         25,000         20,814         4,186           Kendrick Pool         637,000         170,420         466,580           Rotary Park         154,585         57,658         96,927           Hume Draw         48,500         15,315         33,185           Residence Hill         14,000,000         48         13,999,952           North Sheridan Interchange         11,000,000         9,651,861         1,348,139           East Downtown Improvements         500,000         156         499,844           East Sth St Corridor         3,457,100         2,107,817         1,349,283           5th St & Brooks Bridge Repairs         3,500,000         41,766         3,458,234           Main St Reconstruction - Jr High         11,156,900         3,558,618         7,598,282           Total governmental activities         45,938,968         16,648,901         29,290,067           Business-type activities         5         50,000         750,000         -           Total governmental activities         750,000         750,000         -           Business-type activities         750,000         750,000         -           Total sewer fund         750,000         750,000         -	Blacktooth Park					
Kendrick Pool         637,000         170,420         466,580           Rotary Park         154,585         57,688         96,927           Hume Draw         48,500         15,315         33,185           Residence Hill         14,000,000         48         13,999,952           North Sheridan Interchange         11,000,000         9,651,861         1,348,139           East Downtown Improvements         500,000         156         499,844           East 5th St Corridor         3,457,100         2,107,817         1,349,283           5th St & Brooks Bridge Repairs         3,500,000         41,766         3,458,234           Main St Reconstruction - Jr High         11,156,900         3,558,618         7,598,282           Total governmental activities         45,938,968         16,648,901         29,290,067           Business-type activities         5         750,000         750,000         -           Total sewer fund         750,000         750,000         -         -           North Sheridan Interchange         750,000         750,000         -         -           Terra, Turner, Riverside         1,775,951         52,619         1,723,332           North Sheridan Interchange         1,258,000         1,258,000	Sheridan Multi-Use Pathway Connection			20,814		
Rotary Park         154,585         57,658         96,927           Hume Draw         48,500         15,315         33,185           Residence Hill         14,000,000         48         13,999,952           North Sheridan Interchange         11,000,000         9,651,861         1,348,139           East Downtown Improvements         500,000         156         499,844           East Sth St Corridor         3,457,100         2,107,817         1,349,283           5th St & Brooks Bridge Repairs         3,500,000         41,766         3,458,234           Main St Reconstruction - Jr High         11,156,900         3,558,618         7,598,282           Total governmental activities         45,938,968         16,648,901         29,290,067           Business-type activities         45,938,968         16,648,901         29,290,067           Business-type activities         750,000         750,000         -           Total governmental activities         45,938,968         16,648,901         29,290,067           Business-type activities         45,938,968         16,648,901         29,290,067           Business-type activities         45,938,968         16,648,901         29,290,067           Business-type activities         52,000         750,000	· · · · · · · · · · · · · · · · · · ·		637,000	170,420		
Hume Draw         48,500         15,315         33,185           Residence Hill         14,000,000         48         13,999,952           North Sheridan Interchange         11,000,000         9,651,861         1,348,139           East Downtown Improvements         500,000         156         499,844           East 5th St Corridor         3,457,100         2,107,817         1,349,283           5th St & Brooks Bridge Repairs         3,500,000         41,766         3,458,234           Main St Reconstruction - Jr High         11,156,900         3,558,618         7,598,282           Total governmental activities         45,938,968         16,648,901         29,290,067           Business-type activities         50,000         750,000         -           Sewer Fund         750,000         750,000         -           North Sheridan Interchange         750,000         750,000         -           Total sewer fund         1,775,951         52,619         1,723,332           North Sheridan Interchange         1,775,951         52,619         1,723,332           North Sheridan Interchange         1,258,000         1,258,000         -           BGWTP Utilidor         260,000         259,285         715           North Sh	Rotary Park		154,585	57,658		
North Sheridan Interchange         11,000,000         9,651,861         1,348,139           East Downtown Improvements         500,000         156         499,844           East Sth St Corridor         3,457,100         2,107,817         1,349,283           5th St & Brooks Bridge Repairs         3,500,000         41,766         3,458,234           Main St Reconstruction - Jr High         11,156,900         3,558,618         7,598,282           Total governmental activities         45,938,968         16,648,901         29,290,067           Business-type activities         58         16,648,901         29,290,067           Business-type activities         59,989,8968         16,648,901         29,290,067           Business-type activities         45,938,968         16,648,901         29,290,067           Business-type activities         50,000         750,000         -           Business-type activities         45,938,968         16,648,901         29,290,067           Business-type activitie	•		48,500	15,315		33,185
East Downtown Improvements         500,000         156         499,844           East 5th St Corridor         3,457,100         2,107,817         1,349,283           5th St & Brooks Bridge Repairs         3,500,000         41,766         3,458,234           Main St Reconstruction - Jr High         11,156,900         3,558,618         7,598,282           Total governmental activities         45,938,968         16,648,901         29,290,067           Business-type activities         5         750,000         750,000         -           Sewer Fund         750,000         750,000         -         -           North Sheridan Interchange         750,000         750,000         -           Terra, Turner, Riverside         1,775,951         52,619         1,723,332           North Sheridan Interchange         1,258,000         1,258,000         -           BGWTP Utilidor         260,000         259,285         715           North Swaterline Replacement         1,068,702         872,186         196,516           North Swater Fund         8,617,653         2,442,196         6,175,457           Solid Waste Fund         2,273,680         359,191         2,378,489           Solid Waste Fund         2,737,680         359,191         <	Residence Hill		14,000,000	48	•	13,999,952
East 5th St & Brooks Bridge Repairs         3,457,100         2,107,817         1,349,283           5th St & Brooks Bridge Repairs         3,500,000         41,766         3,458,234           Main St Reconstruction - Jr High         11,156,900         3,558,618         7,598,282           Total governmental activities         45,938,968         16,648,901         29,290,067           Business-type activities         Sewer Fund         750,000         750,000         -           North Sheridan Interchange         750,000         750,000         -           Total sewer fund         750,000         750,000         -           Water Fund         1,775,951         52,619         1,723,332           North Sheridan Interchange         1,258,000         1,258,000         -           BGWTP Utilidor         260,000         259,285         715           North Heights Waterline Replacement         1,068,702         872,186         196,516           Northeast Transmission Main         4,000,000         51         3,999,949           SWTP Floor Project         255,000         55         254,945           Total water fund         8,617,653         2,442,196         6,175,457           Solid Waste Fund         16,000,000         174,463	North Sheridan Interchange		11,000,000	9,651,861		1,348,139
5th St & Brooks Bridge Repairs         3,500,000         41,766         3,458,234           Main St Reconstruction - Jr High         11,156,900         3,558,618         7,598,282           Total governmental activities         45,938,968         16,648,901         29,290,067           Business-type activities         5         3,500,000         750,000         -           North Sheridan Interchange         750,000         750,000         -           Total sewer fund         750,000         750,000         -           Water Fund         1,775,951         52,619         1,723,332           North Sheridan Interchange         1,258,000         1,258,000         -           BGWTP Utilidor         260,000         259,285         715           North Heights Waterline Replacement         1,068,702         872,186         196,516           Northeast Transmission Main         4,000,000         51         3,999,949           SWTP Floor Project         255,000         55         254,945           Total water fund         8,617,653         2,442,196         6,175,457           Solid Waste Fund         16,000,000         174,463         15,825,537           Landfill Remediation         16,000,000         174,463         15,825,537	East Downtown Improvements		500,000	156		499,844
Main St Reconstruction - Jr High         11,156,900         3,558,618         7,598,282           Total governmental activities         45,938,968         16,648,901         29,290,067           Business-type activities         5         3         5         6,648,901         29,290,067           North Sheridan Interchange         750,000         750,000         -         -           Total sewer fund         750,000         750,000         -           Water Fund         1,775,951         52,619         1,723,332           North Sheridan Interchange         1,258,000         1,258,000         -           BGWTP Utilidor         260,000         259,285         715           North Heights Waterline Replacement         1,068,702         872,186         196,516           Northeast Transmission Main         4,000,000         51         3,999,949           SWTP Floor Project         255,000         55         254,945           Total water fund         8,617,653         2,442,196         6,175,457           Solid Waste Fund         5,249,599         191,816         5,057,783           Landfill Remediation         16,000,000         174,463         15,825,537           Landfill Cell 10         2,737,680         359,191	East 5th St Corridor		3,457,100	2,107,817		1,349,283
Total governmental activities         45,938,968         16,648,901         29,290,067           Business-type activities         Sewer Fund         750,000         750,000         -           North Sheridan Interchange         750,000         750,000         -           Total sewer fund         750,000         750,000         -           Water Fund         1,775,951         52,619         1,723,332           North Sheridan Interchange         1,258,000         1,258,000         -           BGWTP Utilidor         260,000         259,285         715           North Heights Waterline Replacement         1,068,702         872,186         196,516           Northeast Transmission Main         4,000,000         51         3,999,949           SWTP Floor Project         255,000         55         254,945           Total water fund         8,617,653         2,442,196         6,175,457           Solid Waste Fund         Landfill T678 Closure         5,249,599         191,816         5,057,783           Landfill Remediation         16,000,000         174,463         15,825,537           Landfill Cell 10         2,737,680         359,191         2,378,489           Solid Waste/Recycling Locker Rooms         476,670         89,556	5th St & Brooks Bridge Repairs		3,500,000	41,766		3,458,234
Business-type activities         Sewer Fund         750,000         750,000         -           North Sheridan Interchange         750,000         750,000         -           Total sewer fund         750,000         750,000         -           Water Fund         1,775,951         52,619         1,723,332           North Sheridan Interchange         1,258,000         1,258,000         -           BGWTP Utilidor         260,000         259,285         715           North Heights Waterline Replacement         1,068,702         872,186         196,516           Northeast Transmission Main         4,000,000         51         3,999,949           SWTP Floor Project         255,000         55         254,945           Total water fund         8,617,653         2,442,196         6,175,457           Solid Waste Fund         1         2,249,599         191,816         5,057,783           Landfill T678 Closure         5,249,599         191,816         5,057,783           Landfill Cell 10         2,737,680         359,191         2,378,489           Solid Waste/Recycling Locker Rooms         476,670         89,556         387,114           Landfill Scale Replacement         128,180         44,943         83,237	Main St Reconstruction - Jr High		11,156,900	 3,558,618		7,598,282
Business-type activities         Sewer Fund         750,000         750,000         -           North Sheridan Interchange         750,000         750,000         -           Total sewer fund         750,000         750,000         -           Water Fund         1,775,951         52,619         1,723,332           North Sheridan Interchange         1,258,000         1,258,000         -           BGWTP Utilidor         260,000         259,285         715           North Heights Waterline Replacement         1,068,702         872,186         196,516           Northeast Transmission Main         4,000,000         51         3,999,949           SWTP Floor Project         255,000         55         254,945           Total water fund         8,617,653         2,442,196         6,175,457           Solid Waste Fund         1         2,249,599         191,816         5,057,783           Landfill T678 Closure         5,249,599         191,816         5,057,783           Landfill Cell 10         2,737,680         359,191         2,378,489           Solid Waste/Recycling Locker Rooms         476,670         89,556         387,114           Landfill Scale Replacement         128,180         44,943         83,237	Total governmental activities		45,938,968	16,648,901	2	29,290,067
Sewer Fund         750,000         750,000         -           Total sewer fund         750,000         750,000         -           Water Fund         1,775,951         52,619         1,723,332           North Sheridan Interchange         1,258,000         1,258,000         -           BGWTP Utilidor         260,000         259,285         715           North Heights Waterline Replacement         1,068,702         872,186         196,516           Northeast Transmission Main         4,000,000         51         3,999,949           SWTP Floor Project         255,000         55         254,945           Total water fund         8,617,653         2,442,196         6,175,457           Solid Waste Fund         16,000,000         174,463         15,825,537           Landfill Remediation         16,000,000         174,463         15,825,537           Landfill Cell 10         2,737,680         359,191         2,378,489           Solid Waste/Recycling Locker Rooms         476,670         89,556         387,114           Landfill Scale Replacement         128,180         44,943         83,237           Welding Shop         48,334         45,875         2,459           Total solid waste fund         24,640,463<	<del>-</del>					
Total sewer fund         750,000         750,000         -           Water Fund         1,775,951         52,619         1,723,332           North Sheridan Interchange         1,258,000         1,258,000         -           BGWTP Utilidor         260,000         259,285         715           North Heights Waterline Replacement         1,068,702         872,186         196,516           Northeast Transmission Main         4,000,000         51         3,999,949           SWTP Floor Project         255,000         55         254,945           Total water fund         8,617,653         2,442,196         6,175,457           Solid Waste Fund         16,000,000         174,463         15,825,537           Landfill Remediation         16,000,000         174,463         15,825,537           Landfill Cell 10         2,737,680         359,191         2,378,489           Solid Waste/Recycling Locker Rooms         476,670         89,556         387,114           Landfill Scale Replacement         128,180         44,943         83,237           Welding Shop         48,334         45,875         2,459           Total solid waste fund         24,640,463         905,844         23,734,619           Total business-type activit	• •					
Water Fund         1,775,951         52,619         1,723,332           North Sheridan Interchange         1,258,000         1,258,000         -           BGWTP Utilidor         260,000         259,285         715           North Heights Waterline Replacement         1,068,702         872,186         196,516           Northeast Transmission Main         4,000,000         51         3,999,949           SWTP Floor Project         255,000         55         254,945           Total water fund         8,617,653         2,442,196         6,175,457           Solid Waste Fund         1         2,249,599         191,816         5,057,783           Landfill T678 Closure         5,249,599         191,816         5,057,783           Landfill Remediation         16,000,000         174,463         15,825,537           Landfill Cell 10         2,737,680         359,191         2,378,489           Solid Waste/Recycling Locker Rooms         476,670         89,556         387,114           Landfill Scale Replacement         128,180         44,943         83,237           Welding Shop         48,334         45,875         2,459           Total solid waste fund         24,640,463         905,844         23,734,619	North Sheridan Interchange		750,000	750,000		-
Terra, Turner, Riverside         1,775,951         52,619         1,723,332           North Sheridan Interchange         1,258,000         1,258,000         -           BGWTP Utilidor         260,000         259,285         715           North Heights Waterline Replacement         1,068,702         872,186         196,516           Northeast Transmission Main         4,000,000         51         3,999,949           SWTP Floor Project         255,000         55         254,945           Total water fund         8,617,653         2,442,196         6,175,457           Solid Waste Fund         Landfill T678 Closure         5,249,599         191,816         5,057,783           Landfill Remediation         16,000,000         174,463         15,825,537           Landfill Cell 10         2,737,680         359,191         2,378,489           Solid Waste/Recycling Locker Rooms         476,670         89,556         387,114           Landfill Scale Replacement         128,180         44,943         83,237           Welding Shop         48,334         45,875         2,459           Total solid waste fund         24,640,463         905,844         23,734,619           Total business-type activities         34,008,116         4,098,040	Total sewer fund		750,000	750,000		_
North Sheridan Interchange         1,258,000         1,258,000         -           BGWTP Utilidor         260,000         259,285         715           North Heights Waterline Replacement         1,068,702         872,186         196,516           Northeast Transmission Main         4,000,000         51         3,999,949           SWTP Floor Project         255,000         55         254,945           Total water fund         8,617,653         2,442,196         6,175,457           Solid Waste Fund         1         2,249,599         191,816         5,057,783           Landfill Remediation         16,000,000         174,463         15,825,537           Landfill Cell 10         2,737,680         359,191         2,378,489           Solid Waste/Recycling Locker Rooms         476,670         89,556         387,114           Landfill Scale Replacement         128,180         44,943         83,237           Welding Shop         48,334         45,875         2,459           Total solid waste fund         24,640,463         905,844         23,734,619           Total business-type activities         34,008,116         4,098,040         29,910,076	Water Fund					
BGWTP Utilidor         260,000         259,285         715           North Heights Waterline Replacement         1,068,702         872,186         196,516           Northeast Transmission Main         4,000,000         51         3,999,949           SWTP Floor Project         255,000         55         254,945           Total water fund         8,617,653         2,442,196         6,175,457           Solid Waste Fund         16,000,000         174,463         15,825,537           Landfill Remediation         16,000,000         174,463         15,825,537           Landfill Cell 10         2,737,680         359,191         2,378,489           Solid Waste/Recycling Locker Rooms         476,670         89,556         387,114           Landfill Scale Replacement         128,180         44,943         83,237           Welding Shop         48,334         45,875         2,459           Total solid waste fund         24,640,463         905,844         23,734,619           Total business-type activities         34,008,116         4,098,040         29,910,076	Terra, Turner, Riverside		1,775,951	52,619		1,723,332
North Heights Waterline Replacement         1,068,702         872,186         196,516           Northeast Transmission Main         4,000,000         51         3,999,949           SWTP Floor Project         255,000         55         254,945           Total water fund         8,617,653         2,442,196         6,175,457           Solid Waste Fund         16,000,000         174,463         15,825,537           Landfill Remediation         16,000,000         174,463         15,825,537           Landfill Cell 10         2,737,680         359,191         2,378,489           Solid Waste/Recycling Locker Rooms         476,670         89,556         387,114           Landfill Scale Replacement         128,180         44,943         83,237           Welding Shop         48,334         45,875         2,459           Total solid waste fund         24,640,463         905,844         23,734,619           Total business-type activities         34,008,116         4,098,040         29,910,076	North Sheridan Interchange		1,258,000	1,258,000		-
Northeast Transmission Main         4,000,000         51         3,999,949           SWTP Floor Project         255,000         55         254,945           Total water fund         8,617,653         2,442,196         6,175,457           Solid Waste Fund         Landfill T678 Closure         5,249,599         191,816         5,057,783           Landfill Remediation         16,000,000         174,463         15,825,537           Landfill Cell 10         2,737,680         359,191         2,378,489           Solid Waste/Recycling Locker Rooms         476,670         89,556         387,114           Landfill Scale Replacement         128,180         44,943         83,237           Welding Shop         48,334         45,875         2,459           Total solid waste fund         24,640,463         905,844         23,734,619           Total business-type activities         34,008,116         4,098,040         29,910,076	BGWTP Utilidor		260,000	259,285		715
SWTP Floor Project         255,000         55         254,945           Total water fund         8,617,653         2,442,196         6,175,457           Solid Waste Fund	North Heights Waterline Replacement		1,068,702	872,186		196,516
Total water fund         8,617,653         2,442,196         6,175,457           Solid Waste Fund	Northeast Transmission Main		4,000,000			3,999,949
Solid Waste Fund         Landfill T678 Closure       5,249,599       191,816       5,057,783         Landfill Remediation       16,000,000       174,463       15,825,537         Landfill Cell 10       2,737,680       359,191       2,378,489         Solid Waste/Recycling Locker Rooms       476,670       89,556       387,114         Landfill Scale Replacement       128,180       44,943       83,237         Welding Shop       48,334       45,875       2,459         Total solid waste fund       24,640,463       905,844       23,734,619         Total business-type activities       34,008,116       4,098,040       29,910,076	SWTP Floor Project		255,000	55		254,945
Landfill T678 Closure5,249,599191,8165,057,783Landfill Remediation16,000,000174,46315,825,537Landfill Cell 102,737,680359,1912,378,489Solid Waste/Recycling Locker Rooms476,67089,556387,114Landfill Scale Replacement128,18044,94383,237Welding Shop48,33445,8752,459Total solid waste fund24,640,463905,84423,734,619Total business-type activities34,008,1164,098,04029,910,076	Total water fund		8,617,653	2,442,196		6,175,457
Landfill T678 Closure5,249,599191,8165,057,783Landfill Remediation16,000,000174,46315,825,537Landfill Cell 102,737,680359,1912,378,489Solid Waste/Recycling Locker Rooms476,67089,556387,114Landfill Scale Replacement128,18044,94383,237Welding Shop48,33445,8752,459Total solid waste fund24,640,463905,84423,734,619Total business-type activities34,008,1164,098,04029,910,076	Solid Waste Fund					
Landfill Remediation       16,000,000       174,463       15,825,537         Landfill Cell 10       2,737,680       359,191       2,378,489         Solid Waste/Recycling Locker Rooms       476,670       89,556       387,114         Landfill Scale Replacement       128,180       44,943       83,237         Welding Shop       48,334       45,875       2,459         Total solid waste fund       24,640,463       905,844       23,734,619         Total business-type activities       34,008,116       4,098,040       29,910,076			5,249,599	191,816		5.057.783
Landfill Cell 10       2,737,680       359,191       2,378,489         Solid Waste/Recycling Locker Rooms       476,670       89,556       387,114         Landfill Scale Replacement       128,180       44,943       83,237         Welding Shop       48,334       45,875       2,459         Total solid waste fund       24,640,463       905,844       23,734,619         Total business-type activities       34,008,116       4,098,040       29,910,076						
Solid Waste/Recycling Locker Rooms       476,670       89,556       387,114         Landfill Scale Replacement       128,180       44,943       83,237         Welding Shop       48,334       45,875       2,459         Total solid waste fund       24,640,463       905,844       23,734,619         Total business-type activities       34,008,116       4,098,040       29,910,076						
Landfill Scale Replacement       128,180       44,943       83,237         Welding Shop       48,334       45,875       2,459         Total solid waste fund       24,640,463       905,844       23,734,619         Total business-type activities       34,008,116       4,098,040       29,910,076	Solid Waste/Recycling Locker Rooms					
Total solid waste fund         24,640,463         905,844         23,734,619           Total business-type activities         34,008,116         4,098,040         29,910,076			128,180	44,943		83,237
Total business-type activities 34,008,116 4,098,040 29,910,076	Welding Shop		48,334	45,875		2,459
·· ———————————————————————————————————	Total solid waste fund		24,640,463	905,844		23,734,619
Total primary government \$\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\	Total business-type activities		34,008,116	 4,098,040		29,910,076
	Total primary government	\$	79,947,084	\$ 20,746,941	\$ 5	59,200,143

#### **Notes to the Financial Statements**

#### Note 16. Commitments and Contingencies (Continued)

#### **Contingencies**

At any time there may be several lawsuits pending against the City for various reasons. The outcome and eventual liability to the City, if any, in these cases is not known at this time; however, management and legal counsel estimate the potential claims against the City, not covered by insurance, resulting from such litigation would not materially affect the financial statements of the City.

#### Note 17. Accounting Standards Issued, But Not Implemented

As of June 30, 2023, the Governmental Accounting Standards Board has issued the following standards, which the City may implement in its next fiscal year.

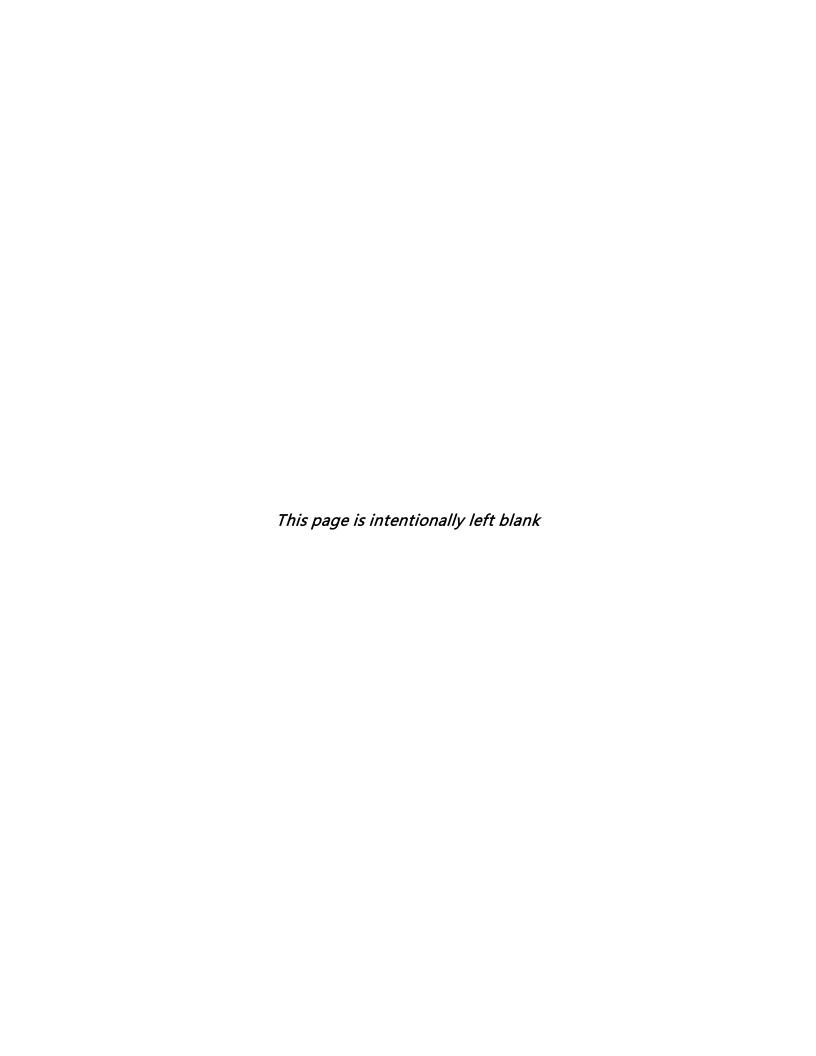
Statement No. 100, *Accounting Changes and Error Corrections*, prescribes accounting and financial reporting for (1) each category of accounting change and (2) error corrections. Statement 101 also addresses how accounting changes and error corrections should be displayed in financial statements, disclosed in notes, and presented in required supplementary information and supplementary information. The requirements of this statement are effective for fiscal years beginning after June 15, 2023. Management has not completed its assessment of the effects of implementing this standard.

Governmental Accounting Standards Board Statement No. 101, *Compensated Absences*, aligns recognition and measurement guidance for all types of compensated absences under a unified model which will result in governments recognizing a liability that more appropriately reflects when they incur an obligation for compensated absences. The model also will lead to greater consistency in application and improved comparability across governments. The requirements of the Statement are effective for reporting periods beginning after December 15, 2023.

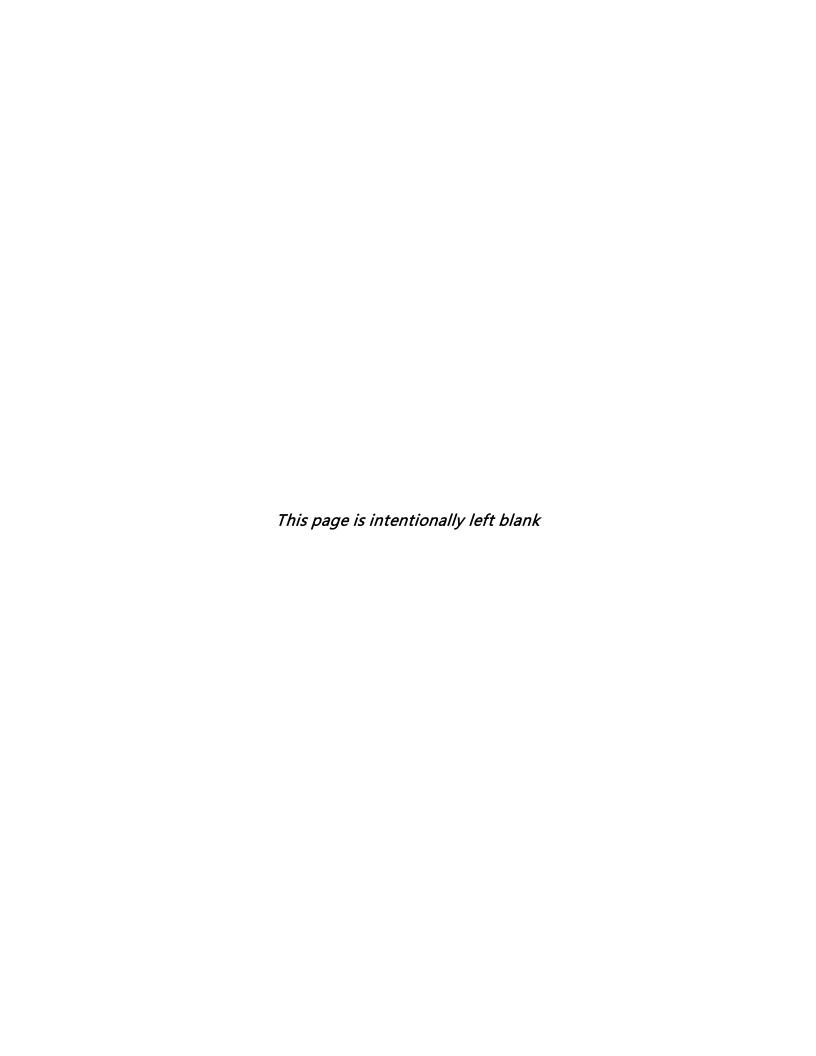
Management has not completed its assessment of the effects of implementing these standards.

#### Note 18. Subsequent Events

In August 2023 and March 2023, the City was awarded two Clean Water State Revolving Fund grants from the State of Wyoming Office of State Land and Investments (OSLI) for \$1,200,000 and \$3,696,500, respectively.







# Schedule of Revenues, Expenses and Changes in Fund Balance - Budget and Actual - General Fund (Unaudited)

	Budgeted	d Amounts		Variance with Final Budget Positive
	Original	Final	Actual Amounts	(Negative)
Revenues				
Taxes	\$ 10,357,100	\$ 10,821,004	\$ 11,300,538	\$ 479,534
Licenses and permits	825,500	825,500	1,071,814	246,314
Intergovernmental	123,000	120,000	135,957	15,957
Fines, forfeitures, and penalties	265,000	265,000	290,933	25,933
Charges for services	73,000	73,000	130,390	57,390
Pari-mutuel and lottery	404,000	404,000	712,069	308,069
Net investment income	24,000	24,000	228,386	204,386
Contributions	160,000	160,000	190,519	30,519
Miscellaneous revenues	78,000	81,000	85,758	4,758
Total revenues	12,309,600	14,146,364	1,372,860	
Expenditures				
Current				
General government	3,744,493	4,173,769	3,880,400	293,369
Public safety	6,655,700	6,858,926	6,286,926	572,000
Public works	2,354,650	2,515,630	2,508,043	7,587
Parks and recreation	614,150	624,017	692,070	(68,053)
Conservation and development	219,000	221,885	211,299	10,586
Capital outlay	-	432,767	67,468	365,299
Total expenditures	13,587,993	14,826,994	13,646,206	1,180,788
Excess (deficiency) of				
revenues over expenditures	(1,278,393)	(2,053,490)	500,158	2,553,648
Other financing sources (uses)				
Transfers in	1,968,500	1,968,500	1,968,500	-
Transfers out	(690,107)	(738,973)	(738,735)	238
Sale of capital assets	-	-	22,387	22,387
Insurance recoveries	-	-	60,623	60,623
Total other financing				
sources (uses)	1,278,393	1,229,527	1,312,775	83,248
Net change in fund balances	-	(823,963)	1,812,933	\$ 2,636,896
Fund balance - beginning of year	9,343,971	9,343,971	9,343,971	
Fund balance - end of year	\$ 9,343,971	\$ 8,520,008	\$ 11,156,904	

# Schedule of Revenues, Expenses and Changes in Fund Balance - Budget and Actual - One Cent Fund (Unaudited)

		Amounts		Variance with Final Budget Positive	
5	Original	Final	Actual Amounts	(Negative)	
Revenues Taxes Net investment income	\$ 4,752,000 -	\$ 5,148,000 -	\$ 5,179,663 72,927	\$ 31,663 72,927	
Total revenues	4,752,000	5,148,000	5,252,590	104,590	
Expenditures Current					
General government	24,107	567,382	-	567,382	
Health and welfare	52,500	52,500	52,500	-	
Public safety	742,575	756,300	654,751	101,549	
Public works	400,000	831,192	253,602	577,590	
Parks and recreation	324,700	423,700	441,407	(17,707)	
Conservation and development	150,000	150,000	150,000	-	
Capital outlay	891,000	953,192	768,897	184,295	
Debt service - principal		86,275		86,275	
Total expenditures	2,584,882	3,820,541	2,321,157	1,499,384	
Excess of revenues over expenditures	2,167,118	1,327,459	2,931,433	1,603,974	
Other financing uses					
Transfers out	(2,167,118)	(2,337,118)	(2,327,118)	10,000	
Total other financing uses	(2,167,118)	(2,337,118)	(2,327,118)	10,000	
Net change in fund balance	-	(1,009,659)	604,315	\$ 1,613,974	
Fund balance - beginning of year	2,209,338	2,209,338	2,209,338		
Fund balance - end of year	\$ 2,209,338	\$ 1,199,679	\$ 2,813,653		

# Schedule of Revenues, Expenses and Changes in Fund Balance - Budget and Actual - Direct Distribution Fund

(Unaudited)

		l Amounts		Variance with Final Budget Positive		
	Original	Final	Actual Amounts	(Negative)		
Revenues						
Intergovernmental	\$ 1,947,501	\$ 1,947,501	\$ 1,947,501	\$ -		
Charges for services	-	-	24,000	24,000		
Net investment income	_		38,959	38,959		
Total revenues	1,947,501	1,947,501	2,010,460	62,959		
Expenditures						
Current						
General government	355,551	800,013	269,384	530,629		
Public safety	193,550	192,842	194,307	(1,465)		
Public works	474,400	641,400	703,088	(61,688)		
Parks and recreation	188,000	188,000	173,259	14,741		
Conservation and development	416,000	416,000	239,461	176,539		
Capital outlay	320,000	437,788	213,984	223,804		
Total expenditures	1,947,501	2,676,043	1,793,483	882,560		
Excess (deficiency) of						
revenues over expenditures		(728,542)	216,977	945,519		
Other financing uses						
Transfers out		(13,500)	(13,500)			
Total other financing		(12.500)	(12.500)			
uses		(13,500)	(13,500)			
Net change in fund balances	-	(742,042)	203,477	\$ 945,519		
Fund balance - beginning of year	742,041	742,041	742,041			
Fund balance - end of year	\$ 742,041	\$ (1)	\$ 945,518			

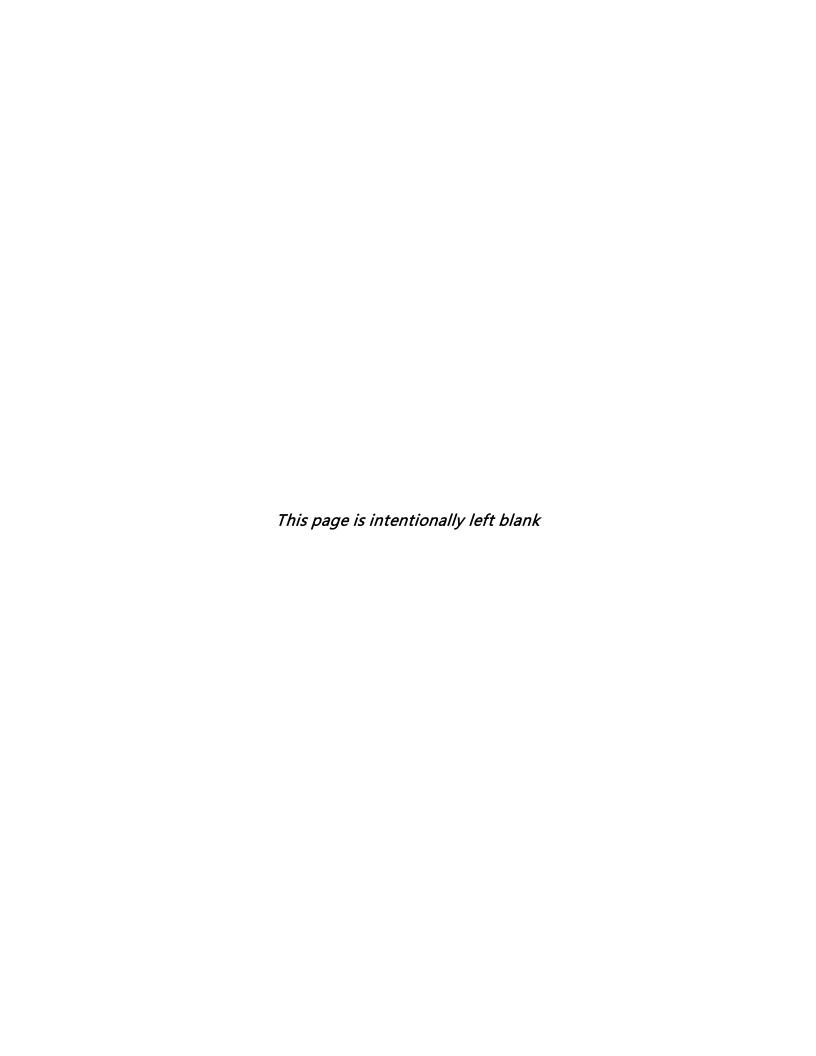
# Schedule of Revenues, Expenses and Changes in Fund Balance - Budget and Actual - Capital Tax Fund (Unaudited)

	 Budgeted	l Amo	ounts Final	۸	tual Amounts	Variance with Final Budget Positive		
Revenues	 Original		FIIIdi	AC	tual Amounts		(Negative)	
Taxes	\$ -	\$		\$		\$		
Total revenues	-		-		_			
Other financing uses Transfers out	_		_		(1,204,524)		(1,204,524)	
Total other financing uses	-		-		(1,204,524)		(1,204,524)	
					(4.004.504)	4	(4.004.504)	
Net change in fund balance	-		-		(1,204,524)	\$	(1,204,524)	
Fund balance - beginning of year	1,204,524		1,204,524		1,204,524			
Fund balance - end of year	\$ 1,204,524	\$	1,204,524	\$	_			

# Schedule of Revenues, Expenses and Changes in Fund Balance - Budget and Actual - Public Benefits Fund

(Unaudited)

	 Budgeted Original	Amou	ınts Final	_Actu	ual Amounts	Variance with Final Budget Positive (Negative)		
Revenues	_		_		_		_	
Taxes	\$ _	\$		\$	_	\$	_	
Total revenues			-		-			
Other financing uses Transfers out	_		_		(14,969)		(14,969)	
Total other financing uses	-		-		(14,969)		(14,969)	
Net change in fund balance	-		-		(14,969)	\$	(14,969)	
Fund balance - beginning of year	14,969		14,969		14,969			
Fund balance - end of year	\$ 14,969	\$	14,969	\$	-			



# Schedule of Revenues, Expenses and Changes in Fund Balance - Budget and Actual - Special Revenue Fund

(Unaudited)

	 Budgeted Original	l Amo	ounts Final	Act	cual Amounts	Variance with Final Budget Positive (Negative)		
Revenues						-	<u>, , , , , , , , , , , , , , , , , , , </u>	
Intergovernmental	\$ 517,730	\$	369,609	\$	3,008,063	\$	2,638,454	
Net investment income	-		-		86,653		86,653	
Contributions	99,900		122,410		119,700		(2,710)	
Miscellaneous revenues	224,500		204,769		25,460		(179,309)	
Total revenues	842,130		696,788		3,239,876		2,543,088	
Expenditures								
Current								
General government	-		403,612		171,044		232,568	
Health and welfare	-		8,500		3,400		5,100	
Public safety	415,400		406,186		178,238		227,948	
Parks and recreation	2,400		14,240		4,781		9,459	
Conservation and development	-		60,353		185		60,168	
Capital outlay	 85,000		2,722,054		2,685,826		36,228	
Total expenditures	 502,800		3,614,945		3,043,474		571,471	
Excess (deficiency) of								
revenues over expenditures	339,330		(2,918,157)		196,402		1,971,617	
Other financing sources (uses)								
Transfers in	358,607		3,082		2,844		238	
Transfers out	-		(100,000)		(50,000)		(50,000)	
Total other financing			(100,000)		(0.070.00)	-	(0.070.007)	
sources (uses)	358,607		(96,918)		(47,156)		(49,762)	
Net change in fund balance	697,937		(3,015,075)		149,246	\$	1,921,855	
Fund balance - beginning of year	12,550		12,550		12,550			
Fund balance (deficit) - end of year	\$ 710,487	\$	(3,002,525)	\$	161,796			

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

	2023	2022	2021	2020
Primary Government				
Public Employees Pension Plan				
Proportion of the net pension liability	0.375147900%	0.359993751%	0.356808894%	0.350154006%
Proportionate share of the net pension liability	\$ 10,252,095	\$ 5,488,902	\$ 7,754,741	\$ 8,228,359
Covered payroll	\$ 6,773,418	\$ 6,551,627	\$ 6,352,866	\$ 6,086,422
Proportionate share of the net pension liability				
as a percentage of its covered payroll	151.36%	83.78%	122.07%	135.19%
Plan fiduciary net position as a percentage of				
the total pension liability	75.47%	86.03%	79.24%	76.83%
Wyoming Law Enforcement Retirement Plan				
Proportion of the net pension liability	1.325734800%	1.288601783%	1.262762177%	1.281365398%
Proportionate share of the net pension liability	\$ 4,516,177	\$ 3,666,569	\$ 860,221	\$ 1,104,521
Covered payroll	\$ 2,139,807	\$ 2,140,770	\$ 2,029,757	\$ 1,997,027
Proportionate share of the net pension liability				
as a percentage of its covered payroll	211.06%	171.27%	42.38%	55.31%
Plan fiduciary net position as a percentage of				
the total pension liability	70.30%	75.62%	91.82%	89.05%
Paid Firemen's Pension Plan A				
Proportion of the net pension liability	8.175757200%	8.702659754%	8.394891128%	8.185487213%
Proportionate share of the net pension liability	\$ 3,023,278	\$ 8,508,696	\$ 27,181,667	\$ 21,329,365
Covered payroll	\$ -	\$ 5,711	\$ 5,509	\$ 5,371
Proportionate share of the net pension liability				
as a percentage of its covered payroll	N/A	148,993.79%	493,421.65%	397,091.47%
Plan fiduciary net position as a percentage of				
the total pension liability	77.49%	42.90%	21.77%	27.32%
Paid Firemen's Pension Plan B				
Proportion of the net pension liability (asset)	3.827605700%	3.682529264%	3.716260594%	3.730254406%
Proportionate share of the net pension				
liability (asset)	\$ 419,890	\$ (557,185)	\$ (86,590)	\$ 265,126
Covered payroll	\$ 1,196,189	\$ 1,103,781	\$ 1,061,289	\$ 1,045,530
Proportionate share of the net pension liability				
(asset) as a percentage of its covered payroll	35.10%	-50.48%	-8.16%	25.36%
Plan fiduciary net position as a percentage of				
the total pension liability	94.92%	107.43%	101.27%	95.93%

The amounts presented for each fiscal year were determined as of 12/31.

<sup>\*</sup> Information for years prior to 2015 is not available; the schedule will be completed as information becomes available.

2019	2018	2017	2016	2015	2014
0.335674335%	0.322448996%	0.309558400%	0.294162808%	0.293415604%	*
\$ 10,222,260	\$ 7,349,711	\$ 7,483,575	\$ 6,852,075	\$ 5,177,882	*
\$ 5,845,281	\$ 5,727,912	\$ 5,519,133	\$ 5,130,417	\$ 5,015,683	*
174.88%	128.31%	135.59%	133.56%	103.23%	*
69.17%	76.35%	73.42%	73.40%	79.08%	*
1.252586654%	1.270164757%	1.329358600%	1.327450060%	1.263715835%	*
\$ 3,032,165	\$ 1,092,906	\$ 1,003,558	\$ 997,180	\$ 372,337	*
\$ 1,902,663	\$ 1,950,301	\$ 2,057,571	\$ 1,996,481	\$ 1,867,656	*
159.36%	56.04%	48.77%	49.95%	19.94%	*
71.22%	87.99%	88.11%	87.49%	94.76%	*
8.161158962%		8.056056600%	7.953947175%	7.594531813%	*
\$ 18,525,850 \$ 10,949	\$ 18,160,929	\$ 14,780,670	\$ 14,750,947	\$ 12,499,661	*
\$ 10,949	\$ 15,847	\$ 15,727	\$ 14,276	\$ 15,068	^
169,207.44%	114,602.87%	93,982.30%	103,325.29%	82,955.81%	*
29.99%	34.28%	38.91%	40.05%	45.95%	*
3.705987039%	3.831061969%	3.699170000%	3.816322995%	3.831260855%	*
\$ 777,635	\$ 1,579,732	\$ 1,167,507	\$ 1,166,826	\$ (43,087)	*
\$ 993,615	\$ 1,080,731	\$ 976,229	\$ 991,727	\$ 940,673	*
,-	. ,, -	-, -	•	,	
78.26%	146.17%	119.59%	117.66%	-4.58%	*
87.07%	77.98%	80.16%	79.33%	100.98%	*

## **Schedule of Pension Contributions** (Unaudited)

		2023	2022	2021		2020
Primary Government						
Public Employees Pension Plan						
Statutorily required contribution  Contributions in relation to the statutorily	\$	710,311	\$ 636,097	\$ 579,841	\$	554,273
required contribution		(710,311)	(636,097)	(579,841)		(554,273)
Contribution deficiency (excess)	\$	-	\$ -	\$ -	\$	-
Covered payroll	\$	7,580,694	\$ 6,788,655	\$ 6,357,906	\$	6,248,850
Contributions as a percentage of covered		9.37%	9.37%	9.12%		8.87%
Wyoming Law Enforcement Retirement Plan						
Statutorily required contribution	\$	210,115	\$ 188,581	\$ 172,760	\$	176,915
Contributions in relation to the statutorily required contribution		(210,115)	(188,581)	(172,760)		(176,915)
Contribution deficiency (excess)	\$	-	\$ -	\$ -	\$	-
,						
Covered payroll	\$	2,443,198	\$ 2,192,802	\$ 2,008,837	\$	2,057,151
Contributions as a percentage of covered		8.60%	8.60%	8.60%		8.60%
Paid Firemen's Pension Plan A						
Statutorily required contribution	\$	-	\$ -	\$ -	\$	-
Contributions in relation to the statutorily						
required contribution	<u>_</u>		 -	 -	<u>_</u>	
Contribution deficiency (excess)	\$		\$ 	\$ 	\$	
Covered payroll	\$	-	\$ -	\$ -	\$	-
Contributions as a percentage of covered		0.00%	0.00%	0.00%		0.00%
Paid Firemen's Pension Plan B						
Statutorily required contribution	\$	223,211	\$ 181,433	\$ 152,473	\$	137,879
Contributions in relation to the statutorily required contribution		(223,211)	(181,433)	(152,473)		(137,879)
Contribution deficiency (excess)	\$	(223,211)	\$ (101,433)	\$ (132,473)	\$	(137,073)
· · · · · · · · · · · · · · · · · · ·						
Covered payroll	\$	1,395,069	\$ 1,209,553	\$ 1,089,093	\$	1,060,608
Contributions as a percentage of covered		16.00%	15.00%	14.00%		13.00%

<sup>\*</sup> Information for years prior to 2015 is not available; the schedule will be completed as information becomes available.

 2019	2018	2017	2016	2015	2014
\$ 519,012	\$ 475,714	\$ 471,545	\$ 454,004	\$ 393,236	*
(519,012)	(475,714)	(471,545)	(454,004)	(393,236)	*
\$ -	\$ -	\$ -	\$ 	\$ 	*
\$ 6,021,021	\$ 5,683,560	\$ 5,633,751	\$ 5,424,182	\$ 5,160,577	*
8.62%	8.37%	8.37%	8.37%	7.62%	*
\$ 173,412	\$ 170,593	\$ 170,196	\$ 183,992	\$ 174,155	*
(173,412)	(170,593)	(170,196)	(183,992)	(174,155)	*
\$ -	\$ -	\$ -	\$ -	\$ -	*
\$ 2,016,419	\$ 1,983,640	\$ 1,979,023	\$ 2,139,442	\$ 2,025,058	*
8.60%	8.60%	8.60%	8.60%	8.60%	*
\$ -	\$ -	\$ -	\$ -	\$ -	*
_	_	_	-	_	*
\$ -	\$ -	\$ -	\$ -	\$ -	*
\$ -	\$ -	\$ -	\$ -	\$ -	*
0.00%	0.00%	0.00%	0.00%	0.00%	*
\$ 125,523	\$ 122,560	\$ 124,294	\$ 125,777	\$ 127,446	*
 (125,523)	(122,560)	(124,294)	(125,777)	(127,446)	*
\$ -	\$ -	\$ -	\$ -	\$ -	*
\$ 1,046,025	\$ 1,021,333	\$ 1,035,783	\$ 1,048,142	\$ 1,062,050	*
12.00%	12.00%	12.00%	12.00%	12.00%	*

## Note 1. Basis of Budgeting

## **Budgets**

Annual budgets are adopted on the modified accrual basis for all governmental funds. Encumbered appropriations are re-appropriated in the ensuing year's budget.

Legal spending control for City monies is at the fund level. The City Council may amend the budget at the fund level after it is appropriated using the same procedures necessary to approve the original budget at the fund level. Management monitors expenditures at budgetary line item levels within each fund to enhance the accounting control system and may amend the budget at this level as long as the fund level budget is maintained.

## **Budget Amendments**

During the 2023 fiscal year, it was necessary to amend the originally adopted budget. The expenditure budgets for the following funds were amended through transfers between funds, unspent funds form prior years, and unanticipated revenues and grants and unanticipated expenditures.

	 Expenditures
General Fund	\$ 1,287,867
One Cent Fund	1,405,659
Direct Distribution Fund	742,042
Special Revenue Fund	3,212,145
Capital Projects Fund	44,174,837

## **Excess of Expenditures over Appropriations**

	 Budget	E	Expenditure	Over Expenditure	
Debt Service Fund	\$ 161,072	\$	228,335	\$	(67,263)
Capital Tax Fund	-		1,204,524		(1,204,524)
Public Benefits Fund	-		14,969		(14,969)

## Note 2. Explanation of Changes to Pension Plans

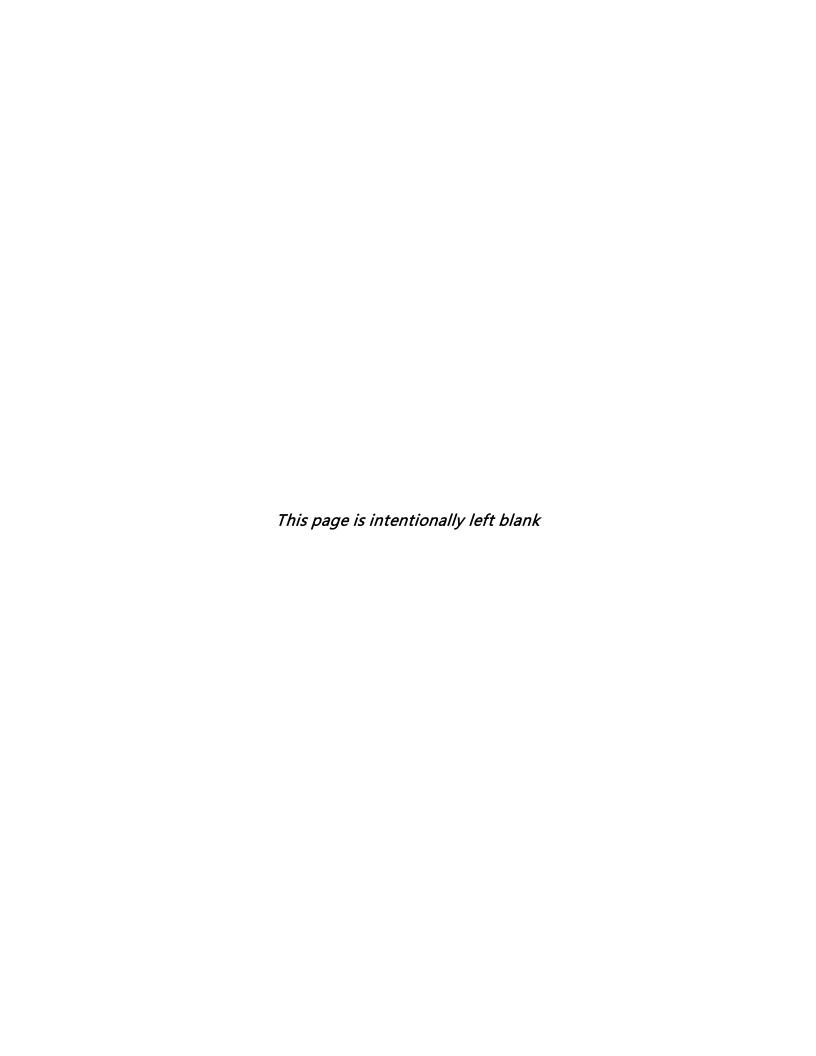
## Changes in Benefits Terms

There were no changes in benefit terms between the initial measurement date reflected below and the December 31, 2022 measurement date.

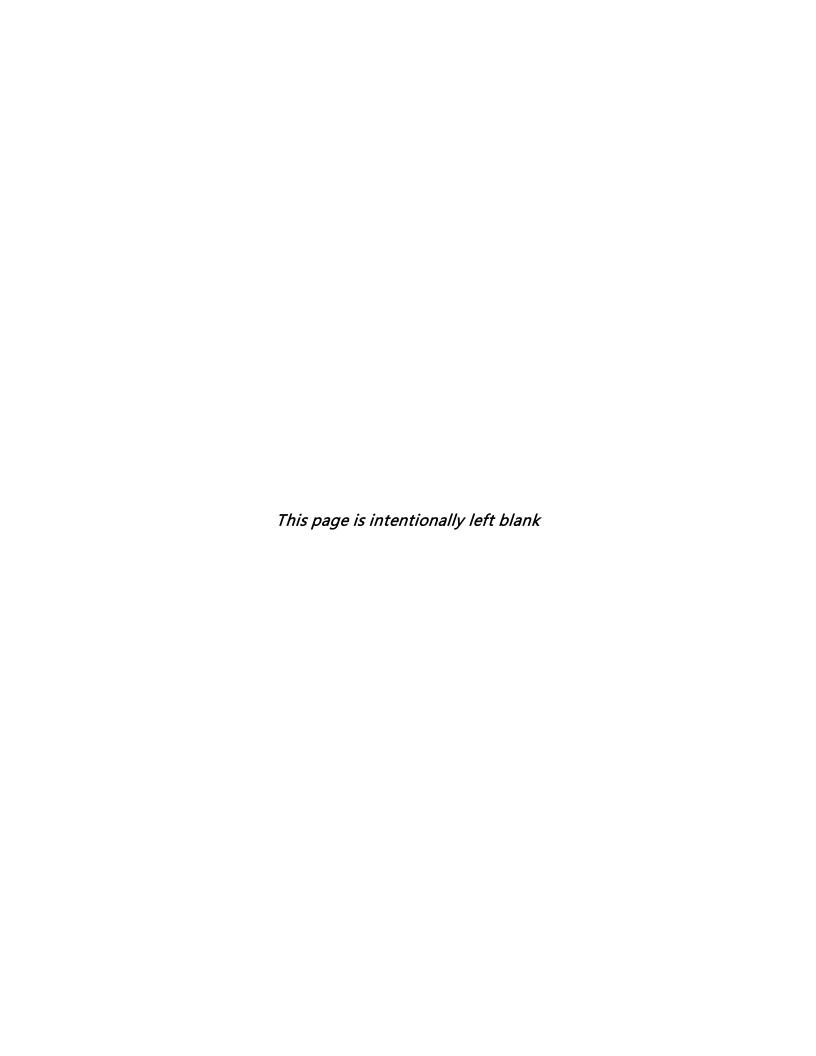
## **Changes of Assumptions**

In general, the new assumptions reflect an update to the mortality tables, adjustments to the demographic and salary sale, as well as lower long-term investment return. The expected rate of return on assets for LEPP was increased from 5.17% to 6.80% and for Fire B was decreased from 6.80% to 5.53%. Other than the changes mentioned above, there have been no actuarial assumptions changes or methods since the prior valuation of all plans. Further, there have been various assumption changes from the initial measurement date reflected below through the December 31, 2022 measurement date. See the table below:

	2022	2021	2020	2019	2018	2017	2016
Measurement Date (Plan Yea	ar End)						
Discount rate	6.80%	6.80%	7.00%	7.00%	7.00%	7.00%	7.75%
LEPP	6.80%	5.17%	7.00%	7.00%	5.92%	7.00%	7.75%
Fire A	6.80%	6.80%	1.95%	3.09%	4.01%	3.75%	4.38%
Fire B	5.53%	6.80%	7.00%	7.00%	7.00%	5.65%	6.59%
Investment rate of return	6.80%	6.80%	7.00%	7.00%	7.00%	7.75%	7.75%
Fire A	6.80%	6.80%	1.00%	7.00%	7.00%	7.75%	7.75%
Real return net of inflation	4.55%	4.55%	4.75%	4.75%	3.52%	4.75%	4.50%
Inflation	2.25%	2.25%	2.25%	2.25%	2.25%	3.25%	3.25%
Salary increases	2.50% -	2.50% -	2.50% -	2.50% -	4.75% -	4.25% -	4.25% -
	6.50%	6.50%	6.50%	6.50%	8.75%	6.00%	6.00%
LEPP	5.25% -	3.00% -	4.75% -	4.75% -	4.75% -	4.25% -	4.25% -
	9.25%	7.00%	8.75%	8.75%	8.75%	8.00%	8.00%
Fire A	4.50%	4.50%	4.50%	4.50%	4.50%	4.25%	4.25%
Fire B	4.50% -	4.50% -	4.50% -	4.50% -	4.50% -	4.25% -	4.25% -
	7.50%	7.50%	7.50%	7.50%	7.50%	7.00%	7.00%
Payroll growth rate	2.50%	2.50%	2.50%	2.50%	2.50%	4.25%	4.25%
Fire A	N/A	N/A	N/A	N/A	N/A	3.25%	3.25%

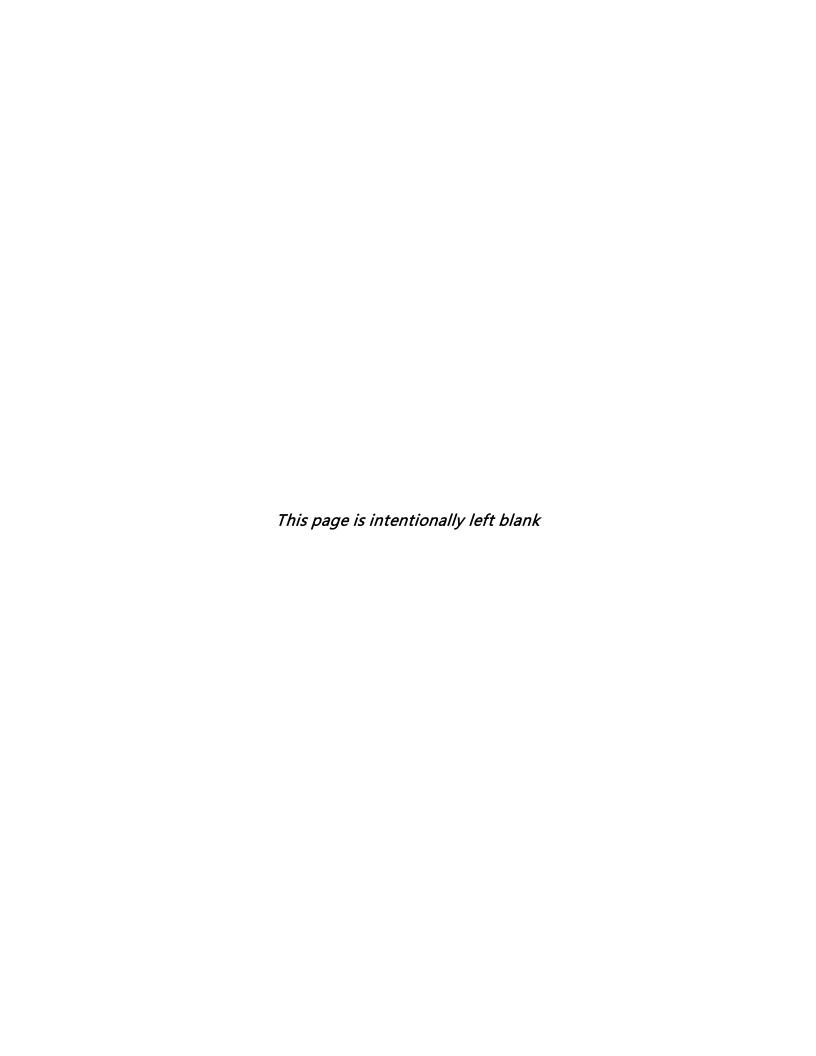






## Schedule of Revenues, Expenses and Changes in Fund Balance - Budget and Actual - Debt Service Fund

Revenues	Budgeted Original	l Amounts Final	Actual Amounts	Variance with Final Budget Positive (Negative)
Intergovernmental	\$ 25,000	\$ 25,000	\$ 25,000	\$ -
Special assessments	35,000	35,000	27,246	(7,754)
Total revenues	60,000	60,000	52,246	(7,754)
Expenditures				
Current				
General government	1,000	-	-	-
Public works	-	1,000	1,000	-
Debt service - principal	131,371	131,371	203,460	(72,089)
interest	28,701	28,701	23,875	4,826
Total expenditures	161,072	161,072	228,335	(67,263)
Deficiency of revenues over expenditures	(101,072)	(101,072)	(176,089)	(75,017)
Other financing sources				
Transfers in	101,072	101,072	101,072	-
Total other financing				
sources	101,072	101,072	101,072	
Net change in fund balance	-	-	(75,017)	\$ (75,017)
Fund balance - beginning of year	289,334	289,334	289,334	
Fund balance - end of year	\$ 289,334	\$ 289,334	\$ 214,317	



City of Sheridan, Wyoming Year Ended June 30, 2023

# Schedule of Revenues, Expenses and Changes in Fund Balance - Budget and Actual - Capital Projects Fund

Revenues	Budgeted Original	Final	Actual Amounts	Variance with Final Budget Positive (Negative)
Taxes	\$ 5,956,000	\$ 5,956,000	\$ 6,016,493	\$ 60,493
Intergovernmental	1,470,650	6,587,171	1,470,650	(5,116,521)
Net investment income	450,600	877,525	450,600	(426,925)
Total revenues	7,877,250	13,420,696	7,937,743	(5,482,953)
Expenditures Current				
General government	-	4,424,453	-	4,424,453
Public works	-	2,081,204	1,254,901	826,303
Parks and recreation	-	48,500	15,315	33,185
Capital outlay	14,756,000	52,376,680	9,807,613	42,569,067
Total expenditures	14,756,000	58,930,837	11,077,829	47,853,008
Deficiency of revenues over expenditures	(6,878,750)	(45,510,141)	(3,140,086)	42,370,055
Other financing sources (uses) Transfers in Transfers out	4,316,753	4,319,515 	5,539,008 (3,153,023)	1,219,493 (3,153,023)
Total other financing sources (uses)	4,316,753	4,319,515	2,385,985	(1,933,530)
Net change in fund balance	(2,561,997)	(41,190,626)	(754,101)	\$ 40,436,525
Fund balance - beginning of year	11,679,473	11,679,473	11,679,473	
Fund balance (deficit) - end of year	\$ 9,117,476	\$ (29,511,153)	\$ 10,925,372	

## **Combining Statement of Net Position - Custodial Funds**

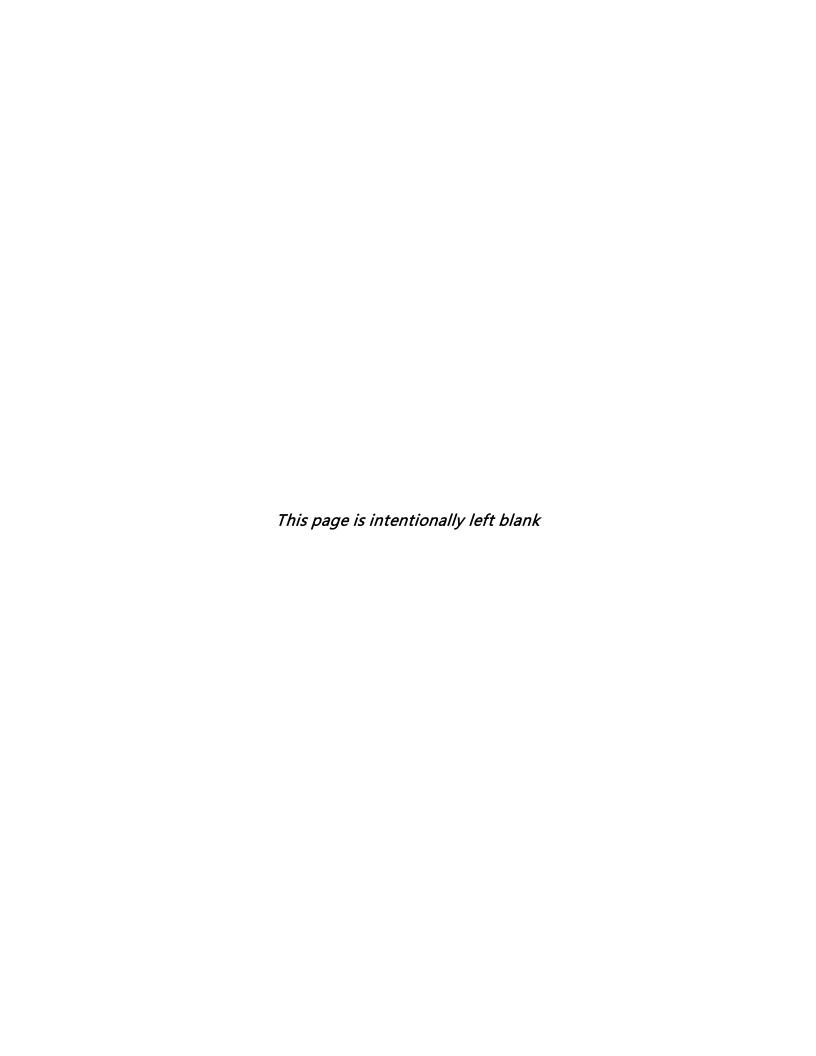
	Northeast Wyoming Growth Alliance Fund		Law Evidence Fund		Crime Victims Fund		Court Bond Fund	
<b>ASSETS</b> Cash	\$	210,286	\$	27,648	\$	400	\$	28,736
Total assets		210,286		27,648		400		28,736
NET POSITION  Restricted for: Individuals, organizations, and other governments		210,286		27,648		400		28,736
Total net position	\$	210,286	\$	27,648	\$	400	\$	28,736

Empl	oyee Relief Fund	R	mployee elations ommittee Fund	Total
\$	3,331 3,331	\$	1,352 1,352	\$ 271,753 271,753
	3,331		1,352	271,753
\$	3,331	\$	1,352	\$ 271,753

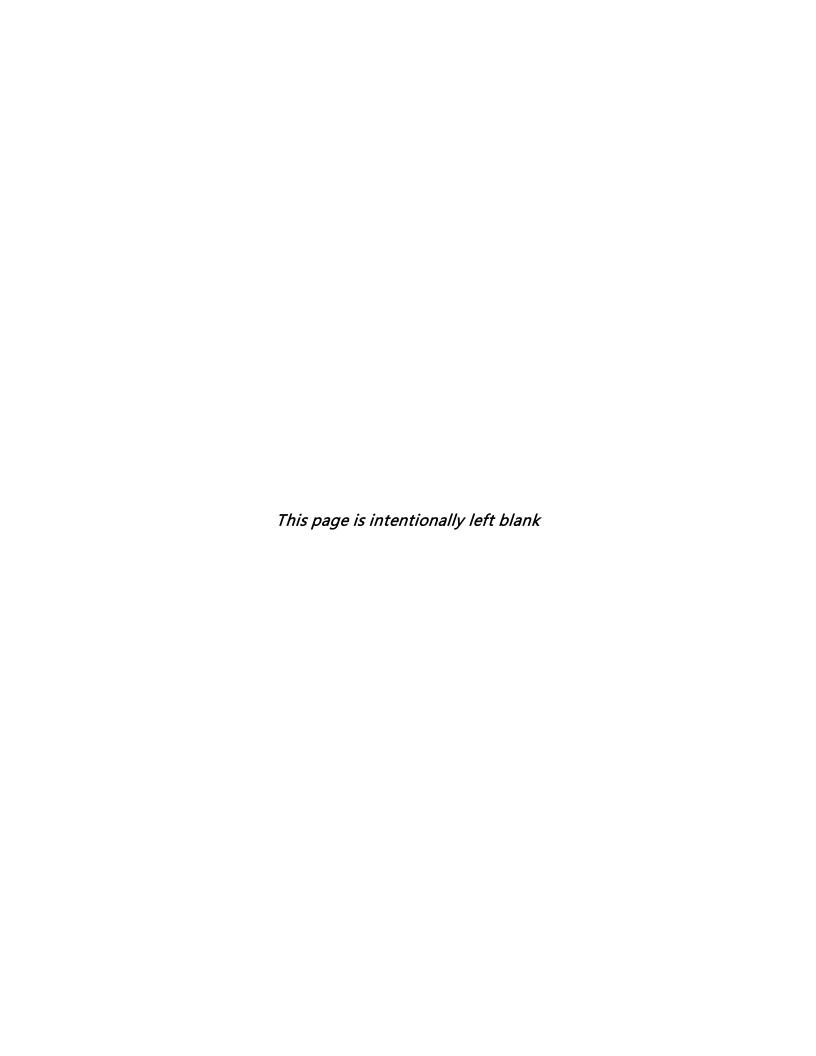
## **Combining Statement of Changes in Custodial Funds Net Position**

ADDITIONS           Contributions         \$ 3,565         \$ - \$ - \$ - \$ - \$           Members         \$ 3,565         \$ - \$ - \$ - \$           Seizures from suspected crime scenes         - 354		Northeast Wyoming Growth Alliance Fund		Law Evidence Fund		Crime Victims Fund		Court Bond Fund	
Members         \$ 3,565         -         \$ -         \$ -           Seizures from suspected crime scenes         -         354         -         -           Mandated collections from perpetrators         -         -         -         3,246         40,051           Employees on behalf of others         -									
Seizures from suspected crime scenes         -         354         -         -           Mandated collections from perpetrators         -         -         3,246         40,051           Employees on behalf of others         -         -         -         -         -           Voluntary contributions         -		¢	2 505	đ		¢		¢	
Mandated collections from perpetrators         -         -         3,246         40,051           Employees on behalf of others         -		<b>&gt;</b>	3,505	<b>&gt;</b>	- 25 <i>1</i>	<b>&gt;</b>	-	<b>&gt;</b>	-
Employees on behalf of others         -	•		-		-		3 246		- 40.051
Voluntary contributions         -			_		_		J,Z+0 -		-
DEDUCTIONS           Payments to other governments         -         -         3,046         -           Court bond refunds         -         -         -         31,100           Payments to employees         -         -         -         -           Miscellaneous expense         -         -         -         -           Total deductions         -         -         3,046         31,100           Net increase in fiduciary net position         3,565         354         200         8,951			-		_		_		_
Payments to other governments         -         -         3,046         -           Court bond refunds         -         -         -         31,100           Payments to employees         -         -         -         -           Miscellaneous expense         -         -         -         -         -           Total deductions         -         -         3,046         31,100           Net increase in fiduciary net position         3,565         354         200         8,951			3,565		354		3,246		40,051
Court bond refunds         -         -         -         31,100           Payments to employees         -         -         -         -         -         -           Miscellaneous expense         - <td>DEDUCTIONS</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td>	DEDUCTIONS								
Payments to employees			-		-		3,046		-
Miscellaneous expense Total deductions 3,046 31,100  Net increase in fiduciary net position 3,565 354 200 8,951			-		-		-		31,100
Total deductions         -         -         3,046         31,100           Net increase in fiduciary net position         3,565         354         200         8,951			-		-		-		-
Net increase in fiduciary net position 3,565 354 200 8,951	•						- 2.046		- 24.400
	Total deductions						3,046		31,100
	Net increase in fiduciary net position		3,565		354		200		8,951
Net position - beginning of year 206 721 27 294 200 19 785	Net position - beginning of year		206,721		27,294		200		19,785
Net position - end of year \$ 210,286 \$ 27,648 \$ 400 \$ 28,736		\$		\$		\$		\$	

			nployee elations			
Emplo	yee Relief	Co	mmittee			
-	und		Fund		Total	
\$	-	\$	-	\$	3,565	
	-		-		354	
	-		-		43,297	
	788		-		788	
	-		730		730	
(	788	_	730		48,734	
	-		-		3,046	
	-		-		31,100	
	51		-		51	
	-		627		627	
	51		627		34,824	
	737		103		13,910	
	2,594		1,249		257,843	
\$	3,331	\$	1,352	\$	271,753	







## **Schedule of Expenditures of Federal Awards**

Fodoval Crantor/Daga Through	Federal Assistance	Pass-Through Entity Identifying	Total
Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Listing Number	Number	Federal Expenditures
U.S. Department of Agriculture	INUITIDEI	Number	expenditures
Passed through the Wyoming State			
State Forestry Division			
Cooperative Forestry Assistance	10.664	18-G11020000-050	\$ 663
Total U.S. Department of Agriculture	10.004	10 011020000 030	663
rotar 6.3. Department of Agriculture			003
U.S. Department of the Interior			
Passed through the Wyoming Department of			
State Parks & Cultural Resources			
Outdoor Recreation Acquisition,			
Development and Planning	15.916	LWCF #56-00932	167,481
Total U.S. Department of Interior			167,481
U.S. Department of Justice			
Direct			
Bulletproof Vest Partnership Program	16.607	-	6,102
Total U.S. Department of Justice			6,102
'			· · ·
U. S. Department of Transportation			
Passed through the Wyoming Department			
of Transportation			
Highway Planning and Construction	20.205	CD 0.00 CD20411	180,081
Highway Safety Cluster			
State and Community Highway Safety	20.600	CP-2023-BI-CP-02	6,131
Total Highway Safety Cluster			6,131
Passed through the Wyoming Department			
of Transportation			
National Priority Safety Programs	20.616	M5HVE-2022-FA-HV-01	2,355
National Priority Safety Programs	20.616	M5HVE-2023-BI-HV-02	5,124
National Priority Safety Programs	20.616	M2HVE-2022-FA-HV-02	411
National Priority Safety Programs	20.616	OP-2023-BI-OP-01	6,942
T			14,832
Total U.S. Department of Transportation			201,044
			(Continued)

## **Schedule of Expenditures of Federal Awards (Continued)**

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Total Federal Expenditures
U.S. Department of the Treasury			
Passed through the Wyoming Budget Department			
COVID-19 - Coronavirus State and Local			
Fiscal Recovery Funds	21.027	WY4581	\$ 2,782,110
COVID-19 - Coronavirus State and Local	21.027	WY4581	50,000
Fiscal Recovery Funds COVID-19 - Coronavirus State and Local	21.027	VV 1450 I	30,000
Fiscal Recovery Funds	21.027	WY4581	87,160
riscar recovery ranas	21.021	W14301	2,919,270
Passed through the Wyoming Hospital Association			
COVID-19 - Coronavirus State and Local			
Fiscal Recovery Funds	21.027	-	70,839
Passed through the Wyoming Office of State			
Lands & Investments			
COVID-19 - Coronavirus State and Local	24.00=		4.070.604
Fiscal Recovery Funds	21.027	-	1,270,601
Total U.S. Department of the Treasury			4,260,710
U.S. Environmental Protection Agency Passed through the Wyoming Office of State Land and Investment Board			
Drinking Water State Revolving Fund (DWSRF) Cluster			
Drinking Water State Revolving Funds	66.468	DWSRF #243	307,352
Drinking Water State Revolving Funds	66.468	DWSRF #252	1,892
Total Drinking Water State Revolving Fund			
(DWSRF) Cluster			309,244
Total U.S. Environmental Protection Agency			309,244
U.S. Department of Energy Passed through the Wyoming Energy Authority			
State Energy Program	81.041	-	12,099
Total U.S. Department of Energy			12,099
U.S. Department of Health and Human Services Passed through the Wyoming Association of Sheriffs and Chiefs of Police Substance Abuse and Mental Health Services - Projects of Regional and			
National Significance Substance Abuse and Mental Health Services - Projects of Regional and	93.243	EUDL 2022	5,941
National Significance	93.243	EUDL 2023	2,044
Total U.S. Department of Health and Human Services		<b> </b>	7,985
·			(Continued)

## **Schedule of Expenditures of Federal Awards (Continued)**

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Total Federal Expenditures		
U.S. Department of Homeland Security Direct Assistance to Firefighters Grant Total U.S. Department of Homeland Security	97.044	EMW-2021-FG-07956	\$ 19,631 19,631		
Total Expenditures of Federal Awards			\$ 4,984,959		

## **Notes to the Schedule of Expenditures of Federal Awards**

#### Note 1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (Schedule) includes the federal award activity of the City of Sheridan, Wyoming 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 Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Costs Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operation of the City of Sheridan, Wyoming, it is not intended to and does not present the financial position, changes in net position, or cash flows of the City of Sheridan, Wyoming.

## Note 2. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the generally accepted accounting principles basis of accounting. No federal financial assistance has been provided to subrecipients. Such expenditures are recognized following the cost principles contained in Uniform Guidance, wherein certain types of expenditures are not allowed or are limited as to reimbursement. Any negative amounts shown in the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

## Note 3. Indirect Cost Rate

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





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

#### INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Members of the City Council City of Sheridan, Wyoming

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the governmental activities, the businesstype activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Sheridan, Wyoming, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the City of Sheridan, Wyoming's basic financial statements and have issued our report thereon dated September 11, 2024. The Sheridan Area Water Supply Joint Powers Board ("SAWS"), the Sheridan Economic and Educational Development Authority Joint Powers Board ("SEEDA"), and the Sheridan County Travel and Tourism Joint Powers Board ("Board") issue separate audited financial statements with separate reports on internal control over financial reporting and on compliance and other matters based on financial statements performed in accordance with Government Auditing Standards. We audit those financial statements and issue those separate reports. This report does not include those separate results of the testing of internal controls over financial reporting or compliance and other matters that are reported on separately.

#### Report on Internal Control over Financial Reporting

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

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





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Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2023-001, 2023-002, 2023-003 and 2023-004 that we consider to be material weaknesses.

### Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Sheridan, Wyoming's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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 an instance of noncompliance or other matter that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and responses as item 2023-005.

## The City's Response to Findings

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

## **Purpose of This Report**

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

Porter, Muirhead, Cornia & Howard Certified Public Accountants

Porter, Muirkad, arnia 4 Doward

Casper, Wyoming September 11, 2024





## REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH UNIFORM GUIDANCE

#### INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Members of the City Council City of Sheridan, Wyoming

### **Report on Compliance for Each Major Federal Program**

### Opinion on Each Major Federal Program

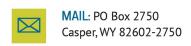
We have audited the City of Sheridan, Wyoming's compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City of Sheridan, Wyoming's major federal programs for the year ended June 30, 2023. The City of Sheridan, Wyoming's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

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

#### Basis for Opinion on Each Major Federal Program

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







#### Responsibilities of Management for Compliance

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

### Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City of Sheridan, Wyoming'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 of Sheridan, Wyoming's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City of Sheridan, Wyoming's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City of Sheridan, Wyoming's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City of Sheridan, Wyoming'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 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 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.

Porter, Muirhead, Cornia & Howard Certified Public Accountants

Porter, Muiskad, Cornia 4 Doward

Casper, Wyoming September 11, 2024

# **Schedule of Findings and Questioned Costs**

### **Section I – Summary of Auditor's Results**

**Financial Statements** 

Type of report the auditor issued on whether the financial statements audited were prepared in accordance

with GAAP:

Unmodified

Internal control over financial reporting:

Material weaknesses identified?

Yes

Significant deficiencies identified?

None reported

Noncompliance material to financial statements noted?

No

**Federal Awards** 

Internal control over major federal programs:

Material weaknesses identified?

No

Significant deficiencies identified?

None reported

Type of auditor's report issued on compliance for

major federal programs:

Unmodified

Any audit findings disclosed that are required to be

reported in accordance with 2 CFR 200.516(a)?

No

Identification of major federal programs:

Assistance Listing Number Name of Federal Program or Cluster

21.027 COVID-19 – Coronavirus State and Local

Fiscal Recovery Funds

Dollar threshold used to distinguish between

type A and type B programs: \$750,000

Auditee qualified as low-risk auditee? Yes

### **Section II – Financial Statement Findings**

#### Material Weakness in Internal Control over Financial Reporting (Continued)

### 2023-001 - Unbalanced Trial Balance

#### Criteria

Generally Accepted Accounting Principles (GAAP) as applied to governmental entities, specifically under the guidelines of the Governmental Accounting Standards Board (GASB) establishes accounting and financial reporting standards for U.S. state and local governments that ensure transparency, accountability, and consistency in financial reporting. GASB's standards mandate that governments maintain accurate and balanced trial balances to produce reliable financial statements and comply with financial reporting requirements.

#### **Condition**

The general, water and solid waste funds trial balances provided for the fiscal year ended June 30, 2023 audit were out of balance by \$2,751,968, \$28,747 and \$27,253, respectively.

#### Cause

The City's staff posted an unbalanced entry in an attempt to correct the allocation of pooled cash and investment balances. The City's new accounting software was not setup to prevent posting of an unbalanced entry. The City did not have an adequate internal control system to prevent posting of a journal entry without a secondary review.

#### Effect or Potential Effect

If a government's trial balance is not in balance, it undermines the accuracy and reliability of its financial statements, leading to potential non-compliance with Governmental Accounting Standards Board (GASB) requirements. This can result in misinformed decisions by management.

### Recommendation

We recommend enhanced training programs for accounting staff to improve their understanding of Munis software and effects of journal entry posting. Additionally, management should implement a system of internal control for all journal entries and accounting records to require review and documentation for all to support the validity and accuracy.

#### View of Responsible Officials

Adjustments were made to fiscal year 2023 ending balance to correct this finding. Staff does not expect any more adjustments to fund balances related to the implementation of the ERP system.

See Corrective Action Plan.

### **Section II – Financial Statement Findings (Continued)**

### Material Weakness in Internal Control over Financial Reporting

# 2023-002 - Preparation of Financial Statements

#### Criteria

Government Auditing Standards issued by the Government Accountability Office (GAO) by the Comptroller General of the United Stated requires management to be responsible for the preparation and fair presentation of the financial statements in accordance with the applicable financial reporting framework.

#### **Condition**

The City of Sheridan's management, in the course of their assigned duties, lack the specific skills and experience to fully prepare the external financial statements and related footnotes in accordance with accounting principles generally accepted in the United States of America (GAAP).

#### Cause

The City of Sheridan's management, in the course of their assigned duties, lack the skills and experience to prepare accurate GAAP-basis financial statements and related footnotes.

#### Effect or Potential Effect

Since the individuals charged with preparing support for and reviewing the City of Sheridan's financial statements are not well-versed in GAAP requirements, their support and review may have limited benefit. The financial statements could include undetected errors and irregularities or omit information which is imported to readers of the financial statements.

#### Recommendation

In our judgement, management and those charged with governance need to understand the importance of this communication as it relates to external GAAP basis financial statements. While accounting personnel, management, and those charged with governance have the skills to prepare non-GAAP financial reports, we recommend accounting personnel to attend training to improve their skill in preparing GAAP basis financial reports, specifically courses geared toward reporting requirements for governmental organizations. We also recommend accounting personnel receive additional training to improve utilization of the software to produce accounting information on a GAAP basis, in addition to the budgetary basis.

### Views of Responsible Officials

Deficiencies in financial reporting for this fiscal year may be explained in whole or part to the staff changes resulting in a shortage of personnel and knowledge.

See Corrective Action Plan

### **Section II – Financial Statement Findings (Continued)**

# Material Weakness in Internal Control over Financial Reporting (Continued)

### 2023-003 – Material Audit Adjustments

#### Criteria

Government Auditing Standards issued by the Government Accountability Office (GAO) by the Comptroller General of the United States requires management to be responsible for the preparation and fair presentation of the financial statements in accordance with the applicable financial reporting framework. The City must have sufficient internal controls over the financial records and preparation of financial statements in place to allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis.

#### **Condition**

The accounting records presented for the audit contained errors that were undetected by management indicating a lack of routine review of accounts and other records. Additionally, the City was not able to identify all balances and necessary adjustments which were significant to the financial records and financial statements. Significant audit adjustments were required to correct accounting records and prevent the financial statements from being materially misstated in accordance with GAAP. Management does not have adequate internal control to ensure their accounting records are prepared and presented in accordance with the applicable financial reporting framework.

#### Cause

Management is lacking adequate review of its accounting records to identify errors and discrepancies. Management had not identified all significant accruals needed for the preparation and fair presentation of the financial statements in accordance with the applicable financial reporting framework.

### Effect or Potential Effect

Significant journal entries were posted in the following areas:

- Cash and investments
- Prepaid items
- Accounts payable
- Debt
- Advance payments on grants
- Compensated absences
- Landfill post closure
- Capital assets
- Fund balance and net position
- Transfers in and out

Journal entries were required to correct the balance for the governmental funds' financial statements and government-wide financial statements. A lack of timely and effective review of accounting records can lead to undetected errors and increased opportunity for fraud, since discrepancies are not identified timely.

### **Section II – Financial Statement Findings (Continued)**

## Material Weakness in Internal Control over Financial Reporting (Continued)

2023-003 - Material Audit Adjustments (Continued)

#### Recommendation

Management and those charged with governance need to consider procedures to ensure that complete and accurate financial information is available and evaluated in a timely manner to properly record transactions in accordance with GAAP.

### View of Responsible Officials

The City has become proficient with the new ERP financial system but acknowledges more improvements are necessary. Once fully integrated, the ERP financial system will improve financial management related processes including budget and financial statement preparation.

See Corrective Action Plan.

### Section II - Financial Statement Findings (Continued)

### Material Weakness in Internal Control over Financial Reporting (Continued)

# 2023-004 - Schedule of Expenditures of Federal Awards

#### Criteria

The City of Sheridan is responsible for the preparation of the schedule of expenditures of federal awards (SEFA) in accordance with Uniform Guidance §200.510(b) and for determining if a single audit is required based upon meeting or exceeding the threshold of expending \$750,000 or more in Federal awards during the year. At a minimum the schedule must include the following items:

List individual federal programs by federal agency. For a cluster of programs, provide the cluster name, list individual federal programs within the cluster of programs, and provide the applicable federal agency name.

- 1) For federal awards received as a subrecipient, the name of the pass-through entity and identifying number assigned by the pass-through entity must be included.
- 2) Provide total federal awards expended for each individual federal program and the CFDA number or other identifying number when the CFDA information is not available. For a cluster of programs also provide the total for the cluster.
- 3) Include the total amount provided to subrecipients from each federal program.
- 4) For loan and loan guarantees programs described in §200.502 basis for determining federal awards expended, paragraph (b), identify in the notes to the schedule the balances outstanding at the end of the audit period. This is in addition to including the total federal awards expended for loan or loan guarantee programs in the schedule.
- 5) Include notes that describe the significant accounting policies used in preparing the schedule, and note whether or not the auditee elected to use the 10% de minimis cost rate as covered in §200.414 Indirect (F&A) Costs.

#### **Condition**

The City of Sheridan's internal control is lacking identification and reconciliation process of federal expenditures to be reported the SEFA. Audit procedures revealed that the SEFA did not properly differentiate expenditures of federal awards from expenditures from state and other non-federal agencies. In addition, the SEFA did not properly reconcile to the grant activity as recorded. Significant adjustments were necessary to properly present the schedule of federal expenditures for the fiscal year ended June 30, 2023. In addition, there were several grants listed as federal expenditures but were state or local funding.

#### Cause

While the City has one individual responsible for maintaining records of grant awards and the associated expenditures, there is no system in place to review the schedule of federal expenditures, reimbursements receivable, and related financial documentation for accuracy and completeness.

#### Effect or Potential Effect

Errors in the SEFA ultimately effect the accuracy of information reported to the federal government in the City of Sheridan's data collection form. In addition, appropriate major program determination by the auditor is dependent upon the accuracy and completeness of the information included in the SEFA.

## **Section II – Financial Statement Findings (Continued)**

### Material Weakness in Internal Control over Financial Reporting (Continued)

### 2023-004 - Schedule of Expenditures of Federal Awards (Continued)

#### Recommendation

We recommend that the City of Sheridan carefully review the federal grants administered by the City of Sheridan to help ensure that the required information is accurately captured in the City of Sheridan's systems used to compile the SEFA. Additionally, we recommend that a process be developed to obtain all required information during the set-up of new federal grant awards, including a process to obtain any missing information necessary for SEFA preparation and a verification process to ensure the information is input correctly.

### Views of Responsible Officials

Staff has familiarized itself with the Federal financial reporting requirements for awards that exceed the reporting threshold and fully expect to implement the changes necessary to address this finding.

See Corrective Action Plan

### Section II - Financial Statement Findings (Continued)

#### Material Weakness in Compliance

# 2023-005 - Penalty of Perjury

#### Criteria

Payments of public money require expenditures to be certified under penalty of perjury by the vendor or by an authorized person employed by the municipality receiving the items or for whom the services were rendered [Wyoming Constitution, Article 16, Section 7 and W.S. 16-4-108(b)]

#### **Condition**

The City of Sheridan's expenditures were not certified under penalty of perjury as a required by Wyoming Statutes and Wyoming Constitution.

#### Cause

The City of Sheridan was not aware the required element was not being performed with the software conversion.

### Effect or Potential Effect

The City of Sheridan is not in compliance with Wyoming State Statutes or the Wyoming Constitution.

#### Recommendation

The City of Sheridan should require all vendors to sign the penalty of perjury statement. In the events when it is not possible to obtain the vendors' signature, an employee of the City of Sheridan with direct knowledge of the transactions may sign the penalty of perjury.

### Views of Responsible Officials

Staff has implemented a new process to generate a report of all pending checks by department with the perjury statement delivered to each applicable Department Head for review and signature.

See Corrective Action Plan

# **Section III – Federal Award Findings and Questioned Costs**

None



### **Summary Schedule of Prior Year Audit Findings**

#### **Material Weakness in Internal Control over Financial Reporting**

2022-001 - Preparation of Financial Statements

#### **Name of Contact Person:**

Darla Hawkins, Assistant City Treasurer, City of Sheridan, Wyoming

#### **Corrective Action Plan:**

Deficiencies in financial reporting for this fiscal year may be explained in whole or part to the staff changes resulting in a shortage of personnel and knowledge. The audit process had just begun when the new Assistant Treasurer and Purchasing Technician started, creating a huge disadvantage in being prepared for the audit workload as well as the normal subsequent learning curve for new personnel.

The City plans to properly staff the Treasury department in full and to have all staff complete training to have better knowledge and understanding of the statutory requirements, preparation of GAAP basis financial statements, and GASB standards. With a full staff, the City plans to make new procedures on preparing and updating documents throughout the year versus at the end of the year. The City will continue to strengthen communication between all departments and entities (Sheridan Economic and Educational Development Authority Joint Powers Board and Sheridan County Travel and Tourism Joint Powers Board), outlining expectations and responsibilities to ensure financial statements are presented timely and accurately.

### **Proposed Completion Date:**

This finding has been repeated.

### **Material Weakness in Internal Control over Financial Reporting**

2022-002 - Material Audit Adjustments

#### **Name of Contact Person:**

Darla Hawkins, Assistant City Treasurer, City of Sheridan, Wyoming

#### **Corrective Action Plan:**

Once fully staffed, the City's priority is to become proficient with the new ERP financial system. The new software shows great promise for streamlining and managing transactions more efficiently and accurately. Once fully integrated, the ERP financial system will be a great tool to help improve budget management, the approval processes, and reviews of all financial entries. Overall, the goal is to be more proactive, work on an accrual basis, increase communication, and cross-train within departments to create workforce sustainability.

#### **Proposed Completion Date:**

This finding has been repeated.



# **Financial Statement Findings**

Material Weakness in Internal Control over Financial Reporting 2023-001 – Unbalanced Trial Balance

Name of Contact Person:

Darla Hawkins, Assistant City Treasurer, City of Sheridan, Wyoming

### **Corrective Action Plan:**

Adjustments were made to FY23 ending balance to correct this finding. Staff does not expect any more adjustments to fund balances related to the implementation of the ERP system.

### **Proposed Completion Date:**

June 30. 2024



#### **Financial Statement Findings**

Material Weakness in Internal Control over Financial Reporting 2023-002 – Preparation of Financial Statements Name of Contact Person:

Darla Hawkins, Assistant City Treasurer, City of Sheridan, Wyoming

#### **Corrective Action Plan:**

Deficiencies in financial reporting for this fiscal year may be explained in whole or part to the staff changes resulting in a shortage of personnel and knowledge.

The City plans to properly staff the Treasury department in full and to have all staff complete training to have better knowledge and understanding of the statutory requirements, preparation of GAAP basis financial statements, and GASB standards. With a full staff, the City plans to make new procedures on preparing and updating documents throughout the year versus at the end of the year. The City will continue to strengthen communication between all departments and entities (Sheridan Economic and Educational Development Authority Joint Powers Board and Sheridan County Travel and Tourism Joint Powers Board), outlining expectations and responsibilities to ensure financial statements are presented timely and accurately.

### **Proposed Completion Date:**



# **Financial Statement Findings**

Material Weakness in Internal Control over Financial Reporting 2023-003 – Material Audit Adjustments

**Name of Contact Person:** 

Darla Hawkins, Assistant City Treasurer, City of Sheridan, Wyoming

### **Corrective Action Plan:**

The City has become proficient with the new ERP financial system but acknowledges more improvements are necessary. Once fully integrated, the ERP financial system will improve financial management related processes including budget and financial statement preparation.

# **Proposed Completion Date:**



# **Financial Statement Findings**

Material Weakness in Internal Control over Financial Reporting 2023-004 – Schedule of Expenditures of Federal Awards Name of Contact Person:

Darla Hawkins, Assistant City Treasurer, City of Sheridan, Wyoming

### **Corrective Action Plan:**

Staff has familiarized itself with the Federal financial reporting requirements for awards that exceed the reporting threshold and fully expect to implement the changes necessary to address this finding.

### **Proposed Completion Date:**



# **Compliance Finding**

Material Weakness in Internal Control over Financial Reporting 2023-005 – Penalty of Perjury

**Name of Contact Person:** 

Darla Hawkins, Assistant City Treasurer, City of Sheridan, Wyoming

### **Corrective Action Plan:**

Staff has implemented a new process to generate a report of all pending checks by department with the perjury statement delivered to each applicable Department Head for review and signature.

# **Proposed Completion Date:**