



Wyoming Department of Transportation

Financial and Compliance Report

September 30, 2023





Wyoming Department of Transportation

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INDEPENDENT AUDITOR'S REPORT

To the Transportation Commission
Wyoming Department of Transportation
Cheyenne, Wyoming

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Wyoming Department of Transportation (the Department), a component unit of the State of Wyoming, as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the Department'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, each major fund, and the aggregate remaining fund information of the Department as of September 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 Department and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

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

Responsibilities of Management for the Financial Statements

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



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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 Department's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis on pages 5 through 14, Infrastructure Assets Reported Using the Modified Approach on pages 50 through 53, Schedule of Revenues Appropriated and Expenditures Allocated – Budget and Actual – WYDOT General Fund on page 54, Schedule of Revenues Appropriated and Expenditures Allocated – Budget and Actual – State Infrastructure Bank Fund on page 55, Schedules of the Department's Proportionate Shares of the Net Pension Liabilities and Schedules of the Department's Contributions on pages 56 through 58, Schedule of the Department's Proportionate Share of the Total OPEB Liability on page 59, and the Notes to Required Supplementary Information on pages 60 through 64 be presented to supplement the basic financial statements.



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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Department's basic financial statements. The Combining Nonmajor Fund Financial Statements and the Schedule of Expenditures of Federal Awards as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, this information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 5, 2024 on our consideration of the Department's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Department's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Department's internal control over financial reporting and compliance.

McGee, Hearne & Paiz, LLP

Cheyenne, Wyoming
March 5, 2024



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MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the financial report of the Wyoming Department of Transportation (Department), a component unit of the State of Wyoming, presents our discussion and analysis of the Department's financial performance during the fiscal year that ended on September 30, 2023.

FINANCIAL HIGHLIGHTS

Government-Wide Financial Statements

The Department's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources as of September 30, 2023 by \$6.07 billion. This is an increase of \$57.01 million from 2022. The Department's unrestricted net position increased by \$18.29 million from a negative \$71.14 million to a negative \$52.85 million. The Department's restricted net position increased by \$9.49 million from \$53.88 million to \$63.37 million. The Department has \$6.06 billion invested in infrastructure and capital assets which is an increase of \$29.23 million from the previous year.

The Department's investment in road, bridge, and communication infrastructure assets during the year resulted in an increase of \$22.55 million in infrastructure assets.

Fund Financial Statements

As of September 30, 2023, the Department's governmental funds reported combined fund balances of \$336.63 million, an increase of \$37.04 million. The Department's governmental funds had \$33.18 million classified as nonspendable consisting of \$33.07 million invested in inventories and \$.11 million in prepaid items related to subscription assets. The Department had \$63.37 million classified as restricted fund balance which consisted of \$1.57 million restricted for wildlife conservation, \$19.68 million restricted for the Transportation Information System, \$0.39 million restricted for radioactive waste clean-up, \$0.65 million restricted for ignition interlock device expenditures, \$2.33 million restricted for air service enhancement, \$12.63 million restricted for commercial air service improvement, \$26.06 million restricted for loans on infrastructure projects, and \$0.06 million restricted for other governmental entities per Wyoming Statute. The Department had \$81.25 million of committed fund balance at year end for the additional \$0.10 motor fuels tax committed for contractor payments on road construction. The Department had \$18.66 million classified as assigned fund balance to include \$12.76 million for the purpose of its State Infrastructure Bank Fund, \$2.07 million for the Motorcycle Safety Fund, \$1.00 million to help local governments with mass transit purchases through the Federal Transit Authority, \$2.64 million for communication system enhancements, and \$0.19 million related to other nonmajor governmental funds. The Department had \$140.18 million classified as unassigned fund balance in the WYDOT General Fund.

OVERVIEW OF THE FINANCIAL STATEMENTS

The discussion and analysis is intended to serve as an introduction to the Department's basic financial statements. In general, the purpose of financial reporting is to provide external parties that read financial statements with information that will help them to make decisions or draw conclusions about an entity. These parties do not always have the same specific objectives. In order to address the needs of as many parties as reasonably possible, the Department's basic financial statements, in accordance with required reporting standards, consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. This report also contains other supplementary information in addition to the basic financial statements.



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Government-Wide Financial Statements

The focus of the Department's government-wide financial statements is on the overall financial position and activities, similar to the focus of a private-sector business. The Department's government-wide financial statements include the Statement of Net Position and Statement of Activities. The purpose of the Statement of Net Position is to report all of the assets held, deferred outflows of resources, liabilities, and deferred inflows of resources owed by the Department. The Department reports all of its assets when it acquires ownership over the assets and reports all of its liabilities when they are incurred. The difference between the Department's total assets and deferred outflows of resources compared to total liabilities and deferred inflows of resources is titled net position. This difference is similar to the owner's equity presented by a private-sector business. Over time, changes in net position may serve as a useful indicator whether the financial position of the Department is improving or deteriorating.

The purpose of the Statement of Activities is to present all the revenues and expenses of the Department. The items presented on the Statement of Activities are measured in a manner similar to the approach used by a private-sector business in that revenues are recognized when earned or established criteria are satisfied, and expenses are reported when incurred by the Department. Revenues are reported even when they may not be collected for several months after the end of the accounting period and expenses are recorded even though they may not have been paid during the current period.

Although the Statement of Activities looks different from a private-sector business' income statement, the statement is different only in format, not substance. Whereas the private-sector business reports its bottom line as net income, the Department reports an amount described as change in net position.

The focus of the Statement of Activities is on the net cost of various activities provided by the Department. The first column identifies the cost of each of the Department's major functions. The next three columns identify the specific revenues related to the classified governmental functions. The difference between the expenses and revenues related to specific programs computes the net cost or benefit of the program, which identifies the extent to which each function of the Department draws from general revenues or is self-sufficient through fees, intergovernmental aid, and other resources.

Both of these government-wide financial statements distinguish functions of the Department that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or in part a portion of their costs through user fees and charges (business-type activities). All of the Department's activities are governmental activities. The governmental activities include road preservation and maintenance, planning, highway safety, administration, Federal transit, licensing and registration, law enforcement, statewide communication network, airport improvement, and flight services.

The Department's government-wide financial statements are presented on pages 16 and 17.

Fund Financial Statements

The fund financial statements provide more detailed information about the Department's most significant funds – not the Department as a whole. Funds are accounting devices that the Department uses to keep track of specific sources of funding and spending. Except for the General Fund, a specific fund is established to satisfy legal requirements established by external parties or governmental statutes or regulations. The Department establishes other funds to control and manage money for particular purposes or to show that it is properly using certain resources. The Department's fund financial statements are divided into two broad categories, governmental funds and fiduciary funds.



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Governmental fund financial statements consist of a Balance Sheet and Statement of Revenues, Expenditures, and Changes in Fund Balances. The statements are prepared on an accounting basis that is significantly different from that used to prepare the government-wide financial statements. All of the Department's programs are included in the governmental funds, which focus on how cash and other financial assets that can readily be converted to cash flow in and out in a short period of time. For example, amounts reported on the Balance Sheet include items such as cash and receivables collectable within a short period of time, but do not include capital assets such as land and buildings. Fund liabilities include amounts that are to be paid in a short period after the end of the fiscal year. The difference between a fund's total assets compared to total liabilities and deferred inflows of resources is labeled as the fund balance. The fund balance generally indicates the amount that can be used to finance next year's activities.

The operating statement for governmental funds reports only those revenues and expenditures that were collected in cash or paid in cash, respectively, during the current period or very shortly after the end of the year. Consequently, the governmental funds statements provide a short-term view that helps determine if there are more or fewer financial resources to finance the Department's programs. Because this information does not encompass the long-term focus of the government-wide statements, we provide an analysis following the Balance Sheet, reconciling the total fund balances to the amount of net position reported in the Statement of Net Position. There is an analysis following the Statement of Revenues, Expenditures, and Changes in Fund Balances that reconciles to the change in net position presented in the government-wide Statement of Activities.

The Department presents, in separate columns, funds that are most significant to the Department, and all other nonmajor governmental funds are aggregated and reported in a single column.

The Department's governmental fund financial statements are presented on pages 18 through 21.

Fiduciary funds are used to account for assets held by the Department for the benefit of other parties. Fiduciary funds are not presented in the government-wide financial statements because the resources of these funds are not available to finance the Department's activities. However, the financial statements of fiduciary funds are included in the Department's financial statements because the Department is financially accountable for these resources, even though they belong to other parties.

The fiduciary fund statements are presented on pages 22 through 23.

Notes to the basic financial statements provide additional information that is essential to a full understanding of data provided in the government-wide and fund statements. The notes are presented on pages 24 through 47.

Required Supplementary Information (RSI) is presented concerning the Department's infrastructure assets reported using the modified approach, budgetary schedules, proportionate share of the net pension liability, contributions to the net pension liability, proportionate share of the total OPEB liability, and notes to the Required Supplementary Information. The RSI is presented on pages 49 through 64.

In addition to the required elements, we have included the combining funds statements that provide details about our nonmajor governmental presented in single columns in the basic financial statements. These are presented immediately following the required supplementary information on pages 68 through 71.

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of the Department's financial position. The Department's assets and deferred outflows of resources exceeded liabilities and deferred



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inflows of resources by \$6.07 billion. By far the largest portion of the Department's net position reflects its investment in capital assets. The vast majority of these capital assets are the \$5.88 billion investment in road, bridge, and communication infrastructure assets. These assets are not available for future spending. The Department has \$11.24 million in outstanding debt relating to noncurrent capital assets. The Department's other significant noncurrent liabilities include net pension liability of \$159.63 million and total OPEB liability of \$170.48 million for the year ended September 30, 2023. The Department's \$63.37 million restricted net position reflects resources that are legally restricted for specific purposes. The unrestricted net position increased \$18.29 million to \$(52.85) million.

The following financial information was derived from the September 30, 2023 and 2022 Statements of Net Position.

Summary of Net Position

	2023		2022*		Increase (Decrease)	
Current assets	\$ 445,199,583	6.83%	\$ 416,438,121	6.44%	\$ 28,761,462	6.91%
Noncurrent assets						
Infrastructure	5,878,206,034	90.24%	5,855,654,904	90.81%	22,551,130	0.39%
Other capital assets	189,565,766	2.91%	182,376,438	2.75%	7,189,328	3.94%
Prepaid items	1,003,558	0.02%	-	0.00%	1,003,558	100.00%
Total assets	6,513,974,941	100.00%	6,454,469,463	100.00%	59,505,478	0.92%
Deferred outflows of resources	96,745,180	100.00%	78,258,375	100.00%	18,486,805	23.62%
Current liabilities	105,649,215	23.12%	110,482,911	26.97%	(4,833,696)	-4.38%
Noncurrent liabilities	351,295,144	76.88%	299,165,710	73.03%	52,129,434	17.42%
Total liabilities	456,944,359	100.00%	409,648,621	100.00%	47,295,738	11.55%
Deferred inflows of resources	85,717,824	100.00%	112,027,360	100.00%	(26,309,536)	-23.48%
Net position						
Invested in capital assets	6,057,537,376	99.83%	6,028,304,463	100.29%	29,232,913	0.48%
Restricted net position	63,371,680	1.04%	53,884,051	0.90%	9,487,629	17.61%
Unrestricted net position	(52,851,118)	-0.88%	(71,136,657)	-1.19%	18,285,539	-25.70%
Total net position	\$ 6,068,057,938	100.00%	\$ 6,011,051,857	100.00%	\$ 57,006,081	0.95%

*GASB 96 is effective for the year ended September 30, 2023. The year ended September 30, 2022, as presented in this column, was not restated. For further discussion, see Note 1 of this report.

The current assets of \$445.20 million consist of \$285.96 million in cash, \$125.60 million in accounts receivable, \$.10 million in advances to the primary government, \$.47 million due from the primary government, and \$33.07 million in inventories. The \$28.76 million increase in current assets is due to an increase in cash at year end due to a continued effort in fiscal year 2023 to increase cash reserves on hand and to an increase in accounts receivable which fluctuates with the timing and mix of projects in progress.

The current liabilities of \$105.65 million, a decrease of \$4.83 million, are comprised of \$85.50 million in accounts payable, \$4.80 million due to other governments, \$.07 million in accrued interest payable, \$0.18 million in deposits held for others, \$0.96 million in lease purchase payable due within one year, \$1.87 million in lease and subscription liabilities due within one year, and \$12.27 million in compensated absences due within one year. The \$4.83 million decrease is due to the decrease in accounts payable, which normally fluctuates with the timing and mix of projects in progress. The noncurrent liabilities of \$351.29 million are mostly due to the recognition of the Department's \$159.63 million net pension liability, \$170.48 million total OPEB liability, compensated absences due in more than one year of \$12.77 million, lease



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purchase agreement payable due in more than one year of \$6.73 million, and lease and subscription liabilities due in more than one year of \$1.68 million.

The following financial information was derived from the government-wide Statement of Activities and reflects how the Department's net position changed.

Summary of Changes in Net Position									
	2023		2022*		Increase (Decrease)				
Revenues									
Program revenues									
Charges for services	\$	33,964,458	3.55%	\$	29,829,382	3.57%	\$	4,135,076	13.86%
Operating grants and contributions		537,848,635	56.19%		454,859,043	54.50%		82,989,592	18.25%
Capital grants and contributions		17,244,218	1.80%		14,041,797	1.68%		3,202,421	22.81%
General revenues									
Motor fuels tax and registration fees		206,266,290	21.55%		204,860,244	24.55%		1,406,046	0.69%
Motor fuels tax and registration fees - local governments		65,168,909	6.81%		65,316,199	7.83%		(147,290)	-0.23%
Mineral royalty and severance tax		71,884,707	7.51%		68,060,799	8.16%		3,823,908	5.62%
State appropriations		3,379,081	0.35%		-	0.00%		3,379,081	100.00%
Investment income		13,453,058	1.41%		(9,696,407)	-1.16%		23,149,465	-238.74%
Other revenue		7,916,158	0.83%		7,260,891	0.87%		655,267	9.02%
Total revenue		<u>957,125,514</u>	<u>100.00%</u>		<u>834,531,948</u>	<u>100.00%</u>		<u>122,593,566</u>	<u>14.69%</u>
Expenses									
Road preservation and maintenance		611,981,082	68.00%		533,651,114	67.99%		78,329,968	14.68%
Planning		13,593,983	1.51%		12,645,074	1.61%		948,909	7.50%
Highway safety		7,391,126	0.82%		6,255,215	0.80%		1,135,911	18.16%
Administration		39,735,024	4.41%		29,797,029	3.80%		9,937,995	33.35%
Federal transit		20,345,129	2.26%		14,662,655	1.87%		5,682,474	38.75%
Licensing and registration		13,629,744	1.51%		13,327,064	1.70%		302,680	2.27%
Licensing and registration - local governments		65,168,909	7.24%		65,316,199	8.32%		(147,290)	-0.23%
Law enforcement		49,731,956	5.53%		35,705,097	4.55%		14,026,859	39.29%
Statewide communication network		11,831,772	1.31%		7,371,933	0.94%		4,459,839	60.50%
Airport improvement		65,698,824	7.30%		65,079,137	8.29%		619,687	0.95%
Flight services		707,126	0.08%		779,354	0.10%		(72,228)	-9.27%
Interest on long-term debt		304,758	0.03%		267,838	0.03%		36,920	13.78%
Total expenses		<u>900,119,433</u>	<u>100.00%</u>		<u>784,857,709</u>	<u>100.00%</u>		<u>115,261,724</u>	<u>14.69%</u>
Change in net position		57,006,081			49,674,239			7,331,842	
Net position, beginning		6,011,051,857			5,961,377,618			49,674,239	
Net position, ending	\$	<u>6,068,057,938</u>		\$	<u>6,011,051,857</u>		\$	<u>57,006,081</u>	

*GASB 96 is effective for the year ended September 30, 2023. The year ended September 30, 2022, as presented in this column, was not restated. For further discussion, see Note 1 of this report.

The Department's total revenues increased by \$122.59 million when compared to the previous year. In FY23, the Department experienced an overall increase in revenues due to increased operating grants and contributions received as well as an increase in investment earnings and mineral royalty and severance tax.

Total expenses, when compared with 2022, increased by \$115.26 million. Road preservation and maintenance expenses increased \$78.33 million in fiscal year 2023 primarily due to the size and timing of projects including due to increased Federal funding for projects. Delays in the supply chain lessened although challenges in recruitment of position vacancies continue from the pandemic.

Fund Level Financial Analysis

The Department uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.



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The Department's activities are contained in the General, State Infrastructure Bank, and nonmajor governmental funds. As previously mentioned the focus of the Department's governmental funds is to provide information on the near-term inflows, outflows, and balances of expendable resources.

At September 30, 2023, the Department's governmental funds reported combined fund balances of \$336.63 million, an increase of \$37.04 million compared to the prior year.

The General Fund is the main operating fund of the Department. As of September 30, 2023, the total fund balance was \$254.60 million. The State Infrastructure Bank fund balance as of September 30, 2023 was \$38.83 million. The remaining nonmajor governmental funds have a combined fund balance of \$43.20 million.

The following schedule presents revenues by source compared to the prior year.

Summary of Revenue - Governmental Funds							
REVENUES	2023		2022*		Increase (Decrease)		
Motor fuels tax and registration fees	\$ 115,591,477	12.10%	\$ 115,291,124	13.83%	\$ 300,353	0.26%	
Motor fuels tax and registration fees - local governments	59,877,514	6.27%	59,764,978	7.17%	112,536	0.19%	
Mineral royalty and severance tax	72,807,309	7.62%	66,789,675	8.01%	6,017,634	9.01%	
Highway user fees	110,253,984	11.54%	110,712,287	13.28%	(458,303)	-0.41%	
Highway user fees - local governments	5,291,395	0.55%	5,551,221	0.67%	(259,826)	-4.68%	
Federal aid	467,445,491	48.93%	385,237,843	46.20%	82,207,648	21.34%	
Federal grant	86,123,752	9.02%	81,412,096	9.77%	4,711,656	5.79%	
Use of property and money	53,011	0.01%	24,750	0.00%	28,261	114.19%	
Interest and investment	13,453,057	1.41%	(9,696,407)	-1.16%	23,149,464	-238.74%	
City, county, and other matching	12,901,611	1.35%	8,451,002	1.01%	4,450,609	52.66%	
Flight services	591,903	0.06%	629,008	0.08%	(37,105)	-5.90%	
Statewide communication network	301,266	0.03%	291,161	0.03%	10,105	3.47%	
Other state sources	3,379,081	0.35%	-	0.00%	3,379,081	100.00%	
Other miscellaneous	7,077,740	0.74%	9,078,056	1.09%	(2,000,316)	-22.03%	
Revenue from others	181,551	0.02%	171,511	0.02%	10,040	5.85%	
Total revenues	<u>\$ 955,330,142</u>	<u>100.00%</u>	<u>\$ 833,708,305</u>	<u>100.00%</u>	<u>\$ 121,621,837</u>	<u>14.59%</u>	

*GASB 96 is effective for the year ended September 30, 2023. The year ended September 30, 2022, as presented in this column, was not restated. For further discussion, see Note 1 of this report.

Total revenues for governmental activities increased from \$833.71 million in 2022 to \$955.33 million in 2023. The global pandemic declared in March 2020 had a negative impact on the Department's revenues from investment income, severance tax, fuel tax, highway user fees, as well as, city, county, and other matching on projects. However, the Department experienced an overall increase in revenues for 2023 due to an increase in size and timing related to road preservation and maintenance projects and law enforcement expenditures. In 2023, the Department saw an increase of investment income, mineral royalty and severance tax, and city, county and other matching as well as an increase in federal aid. The schedule on the following page shows expenditures by activities compared to the prior year.



Wyoming Department of Transportation

Summary of Expenditures - Governmental Funds

	2023		2022*		Increase (Decrease)	
EXPENDITURES						
Current						
Road preservation and maintenance	\$ 631,277,256	68.28%	\$ 550,582,661	68.12%	\$ 80,694,595	14.66%
Planning	13,382,175	1.45%	12,691,468	1.57%	690,707	5.44%
Highway safety	6,830,989	0.74%	6,297,859	0.78%	533,130	8.47%
Administration	38,587,142	4.17%	29,576,918	3.66%	9,010,224	30.46%
Federal transit	20,232,597	2.19%	14,663,863	1.81%	5,568,734	37.98%
Licensing and registration	13,210,362	1.43%	13,277,178	1.64%	(66,816)	-0.50%
Licensing and registration - local governments	65,168,909	7.05%	65,316,199	8.08%	(147,290)	-0.23%
Law enforcement	49,479,758	5.35%	40,247,149	4.98%	9,232,609	22.94%
Statewide communication network	11,773,247	1.27%	7,419,689	0.92%	4,353,558	58.68%
Airport improvement	65,447,592	7.08%	65,048,829	8.05%	398,763	0.61%
Flight services	707,126	0.08%	780,116	0.10%	(72,990)	-9.36%
Capital outlay	4,796,482	0.52%	1,231,997	0.15%	3,564,485	289.33%
Debt Service						
Principal	3,277,879	0.35%	927,432	0.11%	2,350,447	253.44%
Interest	410,523	0.04%	248,157	0.03%	162,366	65.43%
Total expenditures	<u>\$ 924,582,037</u>	<u>100.00%</u>	<u>\$ 808,309,515</u>	<u>100.00%</u>	<u>\$ 116,272,522</u>	<u>14.38%</u>

*GASB 96 is effective for the year ended September 30, 2023. The year ended September 30, 2022, as presented in this column, was not restated. For further discussion, see Note 1 of this report.

Expenditures for governmental functions increased from \$808.31 million in 2022 to \$924.58 million for fiscal year 2023, a 14.38% increase. The majority of the increase occurred in road preservation and maintenance due to the size and timing of projects impacted by previous delays in the supply chain and challenges in recruitment of position vacancies.

Capital Assets and Debt Administration

The Department's investment in capital assets for its governmental activities as of September 30, 2023 amounted to \$6.06 billion (net of accumulated depreciation, amortization, and related debt). This investment in capital assets includes infrastructure (consisting of roadways, bridges, and statewide emergency communications network), land, site improvements, buildings, equipment, construction in progress, right-to-use leased land, and subscription assets. Additional information on the Department's capital assets can be found in Note 7 of the financial statements.

During the year, the Department invested \$22.55 million in infrastructure assets, which was an increase of \$1.34 million from fiscal year 2022. The Department had additions to depreciable assets of \$19.43 million for vehicles, aircraft, and road machinery, \$1.83 million for general property, and \$1.63 million for subscription assets. The Department continues to stretch the existing equipment replacement cycle in order to reduce amounts expended. Note 7 provides more detailed information on the Department's capital asset activity during the year.



Wyoming Department of Transportation

The schedule below shows the changes in capital assets during the year:

	Ending Balance September 30, 2022	Additions	Deletions	Transfers	Ending Balance September 30, 2023
Infrastructure	\$ 5,855,654,904	\$ 22,551,130	\$ -	\$ -	\$ 5,878,206,034
Nondepreciable capital assets					
Land	\$ 8,494,808	\$ -	\$ -	\$ -	\$ 8,494,808
Work in progress	3,367,513	910,501	-	-	4,278,014
Depreciable and amortizable capital assets					
Site improvements	16,014,600	-	(16,389)	-	15,998,211
Buildings	206,641,686	-	-	-	206,641,686
Vehicles, aircraft, and road machinery	172,258,659	19,426,852	(4,944,598)	-	186,740,913
General property	22,109,413	1,826,310	(2,511,801)	-	21,423,922
Software	10,341,469	-	-	-	10,341,469
Depletable capital assets					
Gravel pit	1,233,000	-	-	-	1,233,000
Right-to-use leased land	1,231,997	-	-	-	1,231,997
Subscription assets	3,167,547	1,628,936	-	-	4,796,483
Total capital assets at historical cost	444,860,692	23,792,599	(7,472,788)	-	461,180,503
Total depreciation, depletion and amortization	(259,316,707)	(18,750,684)	6,452,654	-	(271,614,737)
Non-infrastructure capital assets - net	\$ 185,543,985	\$ 5,041,915	\$ (1,020,134)	\$ -	\$ 189,565,766

*GASB 96 is effective for the year ended September 30, 2023. The year ended September 30, 2022, as presented in this table has been adjusted for subscription assets. For further discussion, see Note 1 of this report.

The Department's infrastructure assets are recorded at historical cost in the government-wide financial statements as required by GASB Statement No. 34. The Department has elected to use the modified approach for infrastructure reporting and, therefore, does not depreciate its infrastructure assets. The infrastructure consists of the road subsystem, bridge subsystem, and the statewide communication system.

The Department manages its road network with a pavement management system developed by the Department. A consulting firm is contracted to collect the data. The pavement condition is rated in three areas: smoothness (IRI), rutting, and percent cracking for asphalt pavements and smoothness (IRI), faulting, and percent cracking for concrete pavements. A composite rating is derived from three condition ratings called the Pavement Quality Rating (PQR). The pavement management system establishes a PQR on a scale from 0 to 5 for each road section with good 5.0 to 3.6, fair 3.5 to 2.5, and poor 2.4 to 0. It is the Department's policy to maintain its Interstate National Highway Road System (Interstate NHS) at 3.0 (fair), its Non-Interstate National Highway Road System (Non-Interstate NHS) at 2.5 (fair), and its Off the National Highway Road System (Non-NHS) at 2.0 (poor). As of September 30, 2023, the Interstate NHS is at 3.2, the Non-Interstate NHS is at 2.7, and the Non-NHS is at 2.7.

The Department uses a comprehensive bridge management system to assist in managing the State's bridges. Each bridge is inspected at least once every two years. Each bridge is composed of three components: deck, superstructure, and substructure. Inspectors collect inventory data and assess the conditions of bridge components (decks, superstructures, substructures, and culverts) in accordance with the FHWA *Recording and Coding Guide for the Structure Inventory and Appraisal of the Nation's Bridges* (Coding Guide). Also, inspectors assess conditions of bridge elements (such as slabs, girders, abutments, piers, culverts, etc.) in accordance with the AASHTO *Manual for Bridge Element Inspection* (MBEI).



Wyoming Department of Transportation

Using the bridge element conditions as a basis, an inspector provides an overall condition rating for each bridge component based on a rating scale of 9 (Excellent) to 0 (Failed) in accordance with the Coding Guide. The inspector provides a separate component condition rating for a culvert.

Each bridge is given a performance rating based on the National Highway Performance Program (NHPP) guidelines. The rating is based on the minimum condition of the three bridge components (deck, superstructure, and substructure).

Targets based on the MAP-21 required state of good repair have been set for bridge conditions. The Department's goal is to maintain 10% percent of its NHS and Non-NHS bridges in Good Condition and less than 10% in Poor Condition based on bridge deck area.

As of September 30, 2023, the bridge ratings for Good Condition were 23.1% for NHS, 27.1% for Non-NHS, Fair Condition were 72.5% for NHS, 64.4% for Non-NHS, and for Poor Condition were 4.4% for NHS, and 8.5% for Non-NHS.

The Department's emergency communications infrastructure facilitates statewide radio communications for and between public safety agencies, including law enforcement, fire, emergency medical, transportation, and other entities. The Governor has appointed Public Safety Communications Commission commissioners to provide guidance regarding system operations and participation, and advice to promote system development, improvement, and efficiency.

To assess and monitor the emergency communications system's operating effectiveness, Emergency Communications Infrastructure Asset ratings are calculated from the Emergency Communications Program using various measures. Ratings are grouped as WyoLink Base/Repeater, and Other-Emergency Communications (Radio Site and Microwave). Emergency Communications maintained this infrastructure following the technical evaluation and documentation procedures detailed in the policy. The Department's policy is to maintain 95% of its emergency communications system in acceptable condition; actual overall rating was 98.2% of WyoLink assets and 99.1% of other Emergency Communications assets in acceptable or good condition at the end of the year.

The Department estimated maintenance and preservation expenditures on infrastructure assets of \$495.20 million for the year ended September 30, 2023. Actual expenditures on infrastructure for maintenance and preservation were \$562.20 million, a difference of \$67.00 million. The difference is due to the size and length of the construction projects, as well as, additional funding received and expended in 2023.

WYDOT Budgetary Highlights

Differences between the WYDOT General Fund original budget and the final amended budget reflect increases in federal aid and grants as well as mandatory expenditures driven by highway improvement and maintenance needs.

- Estimated annual resources increased by \$35.02 million due to increased federal aid received, which was attributable to the Infrastructure Investment and Jobs Act of 2021 (IIJA) where the Department received additional federal funding.
- Appropriated expenditure authority increased by \$35.02 million, which was attributable to the increase in federal aid funding as well as due to the timing and size of highway improvement and maintenance projects.



Wyoming Department of Transportation

Lease Purchase Agreement

At the end of the current year, the Department had \$7.69 million in outstanding debt related to its capital assets in the form of a lease-purchase agreement. The energy efficiencies should provide enough energy cost savings to make the principal and interest payments. This strategy allowed the Department to invest in the energy upgrades without taking financial resources from the Department's core mission of providing a safe and efficient transportation system. Additional information on the Department's lease purchase agreements can be found in Note 6 to the financial statements.

Economic Outlook

During March 2020, a global pandemic was declared by the World Health Organization related to the rapidly growing outbreak of a novel strain of coronavirus (COVID-19). The pandemic has significantly impacted the economic conditions in the U.S. as federal, state and local governments reacted to the public health crisis. The pandemic continues to challenge economic recovery through 2023. The State of Wyoming has seen improvement in revenues due to high energy prices but the labor market is still slow to recover. While supply chain issues have lessened during 2023, there still remains some adverse impact to WYDOT. WYDOT has continued to experience the challenge of employee recruitment in attempting to fill vacancies with qualified applicants impacting daily operations and project timelines.

WYDOT will continue to see increases of Federal Formula dollars as a result of IIJA, commonly referred to as the Bipartisan Infrastructure Bill (BIL). An annual average received of approximately \$100.00 million is anticipated. Based on the 2020 study undertaken by WYDOT and subsequently adjusted, additional federal dollars will help to reduce the annual unfunded transportation needs of \$406.70 million. However, this will require additional state match which puts further strain on WYDOT's state funding.

Requests for Information

This financial report is designed to provide a general overview of the Department'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 information should be addressed to Wyoming Department of Transportation, Financial Services, 5300 Bishop Boulevard, Cheyenne, Wyoming 82009.



BASIC FINANCIAL STATEMENTS



Wyoming Department of Transportation

STATEMENT OF NET POSITION

September 30, 2023

ASSETS

Current Assets

Cash with State Treasurer	\$ 285,957,923
Accounts receivable	125,601,436
Advances to primary government	100,000
Due from primary government	469,672
Inventories	33,070,552
Total current assets	445,199,583

Noncurrent Assets

Depreciable capital assets, net	176,792,944
Land and non-depreciable infrastructure	5,723,839,473
Construction in progress	167,139,383
Prepaid items	1,003,558
Total noncurrent assets	6,068,775,358
Total assets	\$ 6,513,974,941

DEFERRED OUTFLOWS OF RESOURCES

Pension related	\$ 30,924,407
OPEB related	65,820,773
Total deferred outflows of resources	\$ 96,745,180

LIABILITIES

Current Liabilities

Accounts payable	\$ 85,504,980
Due to other governments	4,804,087
Accrued interest payable	65,499
Deposits of others	182,001
Lease purchase payable, due within one year	955,469
Lease/subscription liability, due within one year	1,868,658
Compensated absences, due within one year	12,268,521
Total current liabilities	105,649,215

Noncurrent Liabilities

Lease purchase payable, due in more than one year	6,729,687
Lease/subscription liability, due in more than one year	1,684,168
Compensated absences, due in more than one year	12,769,277
Net pension liability	159,631,601
Total OPEB liability	170,480,411
Total noncurrent liabilities	351,295,144
Total liabilities	\$ 456,944,359

DEFERRED INFLOWS OF RESOURCES

Lease related	\$ 65,717
Pension related	7,307,827
OPEB related	78,344,280
Total deferred inflows of resources	\$ 85,717,824

NET POSITION

Net Investment in Capital Assets	\$ 6,057,537,376
Restricted	63,371,680
Unrestricted (Deficit)	(52,851,118)
Total net position	\$ 6,068,057,938

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



Wyoming Department of Transportation

STATEMENT OF ACTIVITIES For the Year Ended September 30, 2023

	Expenses	Program Revenues			Net (Expenses) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total Governmental Activities
FUNCTIONS/PROGRAMS					
Governmental Activities					
Road preservation and maintenance	\$ 611,981,082	\$ 24,555,491	\$ 467,543,610	\$ -	\$ (119,881,981)
Planning	13,593,983	-	-	-	(13,593,983)
Highway safety	7,391,126	54,308	4,805,836	-	(2,530,982)
Administration	39,735,024	8,867	-	-	(39,726,157)
Federal transit	20,345,129	-	199,093	17,244,218	(2,901,818)
Licensing and registration	13,629,744	8,441,178	-	-	(5,188,566)
Licensing and registration - local government	65,168,909	-	-	-	(65,168,909)
Law enforcement	49,731,956	11,445	3,660,223	-	(46,060,288)
Statewide communication network	11,831,772	301,266	-	-	(11,530,506)
Airport improvement	65,698,824	-	61,639,873	-	(4,058,951)
Flight services	707,126	591,903	-	-	(115,223)
Interest on long-term debt	304,758	-	-	-	(304,758)
Total governmental activities	\$ 900,119,433	\$ 33,964,458	\$ 537,848,635	\$ 17,244,218	(311,062,122)
General Revenue					
Motor fuels tax and registration fees					206,266,290
Motor fuels tax and registration fees - local governments					65,168,909
Mineral royalty and severance tax					71,884,707
State appropriations					3,379,081
Interest and investment income					13,453,058
Other revenue					7,916,158
Total general revenue					368,068,203
Change in net position					57,006,081
Net Position, beginning					6,011,051,857
Net Position, ending					\$ 6,068,057,938

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



Wyoming Department of Transportation

**BALANCE SHEET
GOVERNMENTAL FUNDS
September 30, 2023**

	WYDOT General Fund	State Infrastructure Bank Fund	Nonmajor Funds	Total Governmental Funds
ASSETS				
Cash with State Treasurer	\$ 203,157,390	\$ 38,826,291	\$ 43,974,242	\$ 285,957,923
Accounts receivable	125,203,380	-	398,056	125,601,436
Due from other funds	429,088	-	-	429,088
Advances to primary government	-	-	100,000	100,000
Due from primary government	-	-	469,672	469,672
Prepaid items	104,705	-	898,853	1,003,558
Inventories	33,070,552	-	-	33,070,552
Total assets	\$ 361,965,115	\$ 38,826,291	\$ 45,840,823	\$ 446,632,229
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 82,890,305	\$ -	\$ 2,614,675	\$ 85,504,980
Due to other funds	404,824	-	24,264	429,088
Due to other governments	4,804,087	-	-	4,804,087
Deposits of others	182,001	-	-	182,001
Total liabilities	88,281,217	-	2,638,939	90,920,156
Deferred Inflows of Resources				
Unavailable revenue	19,017,308	-	-	19,017,308
Lease related	65,717	-	-	65,717
Total deferred inflows of resources	19,083,025	-	-	19,083,025
Fund Balances				
Nonspendable	33,175,257	-	-	33,175,257
Restricted	-	26,061,739	37,309,941	63,371,680
Committed	81,245,180	-	-	81,245,180
Assigned	-	12,764,552	5,891,943	18,656,495
Unassigned	140,180,436	-	-	140,180,436
Total fund balances	254,600,873	38,826,291	43,201,884	336,629,048
Total liabilities, deferred inflows of resources, and fund balances	\$ 361,965,115	\$ 38,826,291	\$ 45,840,823	\$ 446,632,229

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



Wyoming Department of Transportation

RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET TO STATEMENT OF NET POSITION

September 30, 2023

Total fund balances - Total governmental funds \$ 336,629,048

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

Infrastructure and other capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds. When capital assets used in governmental activities are purchased or constructed, the cost of those assets are reported as expenditures in governmental funds. These assets and related accumulated depreciation, depletion, and amortization consist of:

Infrastructure assets	\$ 5,715,344,665	
Land	8,494,808	
Non-infrastructure WIP	4,278,014	
Infrastructure WIP	162,861,369	
Site improvements	15,998,211	
Buildings	206,641,686	
Vehicles, aircraft, and road machinery	186,740,913	
General property	21,423,922	
Gravel pits	1,233,000	
Software	10,341,469	
Right-to-use leased land	1,231,997	
Subscription assets	4,796,483	
Accumulated depreciation, depletion, and amortization	<u>(271,614,737)</u>	
		6,067,771,800

Pension and OPEB related deferred outflows of resources used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds. 96,745,180

Because the focus of governmental funds is on short-term financing, some assets (mineral and severance tax receivable) will not be available to pay for current expenditures. Those assets are offset by deferred revenue in the governmental funds and, thus, are not included in governmental fund balance. 19,017,308

Some liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds. Those liabilities consist of:

Net pension liability	\$ (159,631,601)	
Total OPEB liability	(170,480,411)	
Long-term lease purchase agreements	(7,685,156)	
Right-to-use leased/subscription liabilities	(3,552,826)	
Accrued interest on leases	(65,499)	
Compensated absences	<u>(25,037,798)</u>	
		(366,453,291)

Pension and OPEB related and other deferred inflows of resources used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds. (85,652,107)

Net position of governmental activities \$ 6,068,057,938

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



Wyoming Department of Transportation

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS

For the Year Ended September 30, 2023

	State			Total Governmental Funds
	WYDOT General Fund	Infrastructure Bank Fund	Nonmajor Funds	
Revenues				
Motor fuels tax and registration fees	\$ 115,591,477	\$ -	\$ -	\$ 115,591,477
Motor fuels tax and registration fees - local governments	59,877,514	-	-	59,877,514
Mineral royalty and severance tax	72,807,309	-	-	72,807,309
Highway user fees	108,311,675	-	1,942,309	110,253,984
Highway user fees - local governments	5,291,395	-	-	5,291,395
Federal aid	467,445,476	-	15	467,445,491
Federal grant	57,949,678	-	28,174,074	86,123,752
Use of property and money	-	-	53,011	53,011
Interest and investment	9,466,703	1,823,949	2,162,405	13,453,057
City, county, and other matching	11,397,113	-	1,504,498	12,901,611
Flight services	-	-	591,903	591,903
Statewide communication network	-	-	301,266	301,266
Other state sources	-	-	3,379,081	3,379,081
Other miscellaneous	7,077,740	-	-	7,077,740
Revenue from others	2,000	-	179,551	181,551
Total revenues	915,218,080	1,823,949	38,288,113	955,330,142
Expenditures				
Current				
Road preservation and maintenance	631,277,256	-	-	631,277,256
Planning	13,382,175	-	-	13,382,175
Highway safety	6,352,106	-	478,883	6,830,989
Administration	38,587,142	-	-	38,587,142
Federal transit	-	-	20,232,597	20,232,597
Licensing and registration	13,168,329	-	42,033	13,210,362
Licensing and registration - local governments	65,168,909	-	-	65,168,909
Law enforcement	49,279,818	-	199,940	49,479,758
Statewide communication network	-	-	11,773,247	11,773,247
Airport improvement	59,953,593	-	5,493,999	65,447,592
Flight services	-	-	707,126	707,126
Capital outlay	3,840,515	-	955,967	4,796,482
Debt Service				
Principal	2,577,961	-	699,918	3,277,879
Interest	394,076	-	16,447	410,523
Total expenditures	883,981,880	-	40,600,157	924,582,037
Excess (deficiency) of revenue over expenditures	31,236,200	1,823,949	(2,312,044)	30,748,105
Other financing sources (uses)				
Transfers in	108,559,739	-	11,230,106	119,789,845
Transfers out	(119,789,071)	-	(774)	(119,789,845)
Proceeds from sale of assets	1,490,809	-	6,256	1,497,065
Subscription acquisition	3,840,515	-	955,967	4,796,482
Total other financing sources (uses)	(5,898,008)	-	12,191,555	6,293,547
Net change in fund balances	25,338,192	1,823,949	9,879,511	37,041,652
Fund Balances, beginning	229,262,681	37,002,342	33,322,373	299,587,396
Fund Balances, ending	\$ 254,600,873	\$ 38,826,291	\$ 43,201,884	\$ 336,629,048

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



Wyoming Department of Transportation

RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES TO STATEMENT OF ACTIVITIES

For the Year Ended September 30, 2023

Net change in fund balances - total governmental funds \$ 37,041,652

Governmental funds report capital outlay as expenditures. However, in the Statement of Activities, the costs of those assets are allocated over their useful lives as depreciation, depletion, or amortization expense, as applicable. In the current period, these amounts are:

Expenditures for capital assets, infrastructure, and other related asset adjustments	\$ 46,343,729	
Current year depreciation, depletion, and amortization	(18,750,684)	
Disposition of assets	<u>(1,020,134)</u>	
		26,572,911

Some mineral royalties and severance tax revenues reported in the Statement of Activities do not provide current financial resources and, therefore, are not reported in the governmental funds. 298,308

Repayment of lease purchase agreement principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position. This is offset by the total proceeds from the lease purchase agreement during the year. 896,693

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. These expenses consist of:

Compensated absences	\$ (1,542,938)	
Right-to-use leased liabilities	53,583	
Subscription liabilities	706,168	
Accrued interest on leases	(45,818)	
Net pension liability	2,502,839	
Total OPEB liability	<u>(9,477,317)</u>	
		<u>(7,803,483)</u>

Change in net position of governmental activities \$ 57,006,081

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



Wyoming Department of Transportation

STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUND
September 30, 2023

	<u>Custodial Fund</u> <u>Motor Vehicle</u> <u>Registration</u> <u>(MVR) to Other</u> <u>Governments Fund</u>
ASSETS	
Cash with State Treasurer	\$ 1,719,144
Total assets	\$ 1,719,144
LIABILITIES	
Due to other governments	\$ 1,544,407
Total liabilities	\$ 1,544,407
NET POSITION	
Restricted for other governments	\$ 174,737
Total net position	\$ 174,737

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



Wyoming Department of Transportation

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION FIDUCIARY FUND For the Year Ended September 30, 2023

	<u>Custodial Fund</u>
	Motor Vehicle Registration (MVR) to Other Governments Fund
Additions	
Collections of fuel tax for other governments	\$ 5,688,914
Total additions	<u>5,688,914</u>
Deductions	
Payments of fuel tax to other governments	<u>5,720,897</u>
Total deductions	<u>5,720,897</u>
Change in net position	(31,983)
Net position, beginning	<u>206,720</u>
Net position, ending	<u><u>\$ 174,737</u></u>

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



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NOTES TO THE BASIC FINANCIAL STATEMENTS

Note 1. Nature of Activities and Significant Accounting Policies

Nature of activities: The Wyoming Department of Transportation (the “Department”) is a component unit of the State of Wyoming (the “State”), governed by the Wyoming Transportation Commission (the “Commission”). The Commission consists of a seven-member board nominated by the Governor and confirmed by the State Senate.

The primary activity of the Department is the planning, programming, design, construction, maintenance, and operation of an integrated state transportation system. Many of those activities are dependent on the availability of Federal awards. The Department is charged by State Statutes with the responsibility of managing and operating transportation-related activities and the Wyoming State Highway Patrol. The Department is also responsible for the aeronautics activities of the State. The aeronautics activities are governed by the Wyoming Aeronautics Commission, consisting of a seven-member board nominated by the Governor and confirmed by the State Senate.

Management has determined there are no entities for which the Department is considered to be financially accountable as defined by accounting principles generally accepted in the United States of America.

Government-wide financial statements: The Statement of Net Position and Statement of Activities display information about the Department as a whole. These statements include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the duplication of internal activities.

The Statement of Activities presents a comparison between direct expenses and program revenues for each function of the Department’s governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include: 1) charges paid by the recipients of goods and services offered by the programs, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented instead as general revenues. Certain indirect costs have been allocated to functional activities.

Fund financial statements: The fund financial statements provide information about the Department’s funds, including its fiduciary fund. Separate statements for each fund category – governmental and fiduciary – are presented. The emphasis of fund financial statements is on major fund, each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds.

The Department reports the following major governmental funds:

WYDOT General Fund – is used to account for expenditures related to Federal and State highway construction and maintenance, and administration. Revenue consists primarily of Federal funding and State funding. The term “WYDOT General Fund” is used to limit confusion with the State of Wyoming’s general fund. This fund also administers the collection of revenue from port-of-entry fees, gasoline and special fuel taxes, motor vehicle registration, motor carrier licenses, drivers’ license, and the Wyoming Highway Patrol.

Also included in the fund are the Wyoming Aeronautics Commission activities for administration and operations relating to airport improvements. Federal funding passes through to cities and counties for airport improvement projects.



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State Infrastructure Bank Fund – administers funds designed to provide loan and credit enhancement assistance to sponsors of transportation projects. This fund is classified as a special revenue fund.

The Department also reports the following type of fund:

Fiduciary Fund – The Department’s fiduciary fund is a custodial fund used to account for assets held by the Department as an agent for other governmental units. Assets include fees collected that are to be distributed to other entities. Since the assets in this custodial fund do not ultimately belong to the Department, this fund is excluded from the government-wide financial statements.

A summary of significant accounting policies follows:

Government-wide and fiduciary fund financial statements: The government-wide and fiduciary fund financial statements are reported using the accrual basis of accounting. The government-wide financial statements are reported using the economic resources measurement focus. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the Department gives (or receives) value without directly receiving (or giving) equal value in exchange, include motor fuel tax, registrations and fees, mineral severance tax, royalties, and investment income. On an accrual basis, revenue from motor fuels taxes are recognized in the period that fuel is sold to the consumer, motor registration taxes are recognized when collected, and mineral severance tax and royalties are recognized when eligibility criteria are met.

Governmental fund financial statements: Governmental funds are reported using the current financial resources focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The Department considers all revenues reported in the governmental funds to be available if the revenues are collected within 60 days after year end. Highway user fees, mineral severance tax royalties, and interest are considered to be susceptible to accrual.

Expenditures are recorded when the related fund liability is incurred, except for claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. Capital asset acquisitions are reported as expenditures in governmental funds.

Deposits with the State Treasurer: State Statute requires the Department to deposit all of its funds in a pooled cash account managed by the Wyoming State Treasurer. The account is reported at fair value of the securities underlying the investment pool.

State Statutes authorize the Wyoming State Treasurer to invest in securities issued or guaranteed by the U.S. Treasury or agencies of the U.S. Government; bonds issued by Wyoming agencies or political subdivisions; corporate notes, bonds, and debentures; commercial paper; banker’s acceptances; loans specifically identified by collateralized mortgage obligation, which are collateralized and paid from cash flows on mortgages, and are subject to prepayments by mortgagees which can result in interest rate fluctuation.

Receivables: Receivables consist primarily of amounts due from other governmental entities, including the State. Management believes no allowance for uncollectible amounts is necessary based on the nature of these receivables and past experience.

Inventories: Inventories, including work in progress, are valued using an average cost, less allowance for obsolete items. Inventory items are charged to expenditures when consumed.

Capital assets: Capital assets, which include work in progress, property, equipment, and infrastructure assets, are recorded at historical cost or at estimated historical cost if the actual historical cost is not



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available in the government-wide financial statements. Infrastructure assets include roads, bridges, water/sewer, lighting system, drainage systems and flood control, and rest areas. Capital assets are accounted for as expenditures in the governmental fund financial statements. Other costs incurred for repairs and maintenance are accounted for as expenditures as incurred. Amortization of intangible assets including software costs is included with depreciation expense in the financial statements. Depreciation and amortization on all assets is provided on the straight-line basis. Capital asset thresholds and estimated useful lives are presented as follows:

<u>Asset Type</u>	<u>Estimated Life</u>	<u>Capitalization Threshold</u>
Buildings	4-50 years	\$50,000
Equipment	4-20 years	\$5,000
Improvements	7-25 years	\$50,000
Infrastructure	5-40 years	\$250,000
Intangible-software - purchased	3 years	\$50,000
Intangible-software - internally generated	3 years	\$2,000,000
Vehicles and road machinery	4-25 years	\$5,000

In accordance with the alternative approach to depreciating infrastructure assets permitted by GASB Statement No. 34, the Department has elected to expense all infrastructure related expenditures, except for those expenditures related to additions to or improvement of infrastructure assets, in lieu of depreciating infrastructure assets. In order to utilize the alternative system, the Department must maintain an asset management system, which assesses asset condition and must maintain infrastructure assets at the condition level established by the Department.

The Department evaluates prominent events or changes in circumstances that affect capital assets to determine whether impairment of a capital asset has occurred. Such events or changes in circumstances that may be indicative of impairment include evidence of physical damage, enactment or approval of laws or regulations or other changes in environmental factors, technological changes or evidence of obsolescence, and changes in the manner or duration of use of a capital asset. The Department will consider an asset impaired if, both, the decline in service utility of the capital asset is significant and the event or change in circumstance is outside the normal life cycle of the capital asset. The Department will recognize an impairment loss when the Department considers a capital asset impaired, and will recognize the capital asset at the lower of carrying value or fair value.

Collections: The Department owns various works of art used to beautify its public spaces as required by State Statutes. These items are not considered to be held for financial gain. All works of art are protected, kept unencumbered, and preserved. Any proceeds from the sale of these assets are required to be used to acquire other items for public spaces. The Department does not capitalize these works of art.

Leases:

Lessee activity: The Department is a lessee for noncancelable leases of land. The Department 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 lease payments. The Department recognizes lease liabilities with an initial value of \$100,000 or more. Lease assets are initially measured as the initial amount of the lease liability, adjusted for lease payments made and any lease incentives received from the lessor at or before the commencement of the lease term, plus initial direct costs ancillary to place the asset into service. Lease assets are amortized on a straight-line basis over the shorter of the lease term or the useful life of the underlying asset. Lease assets are reported with capital assets and lease liabilities are reported with long-term liabilities on the Statement of Net Position. Key



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estimates and judgments related to leases include how the Department determines the discount rate used for the present value of expected lease payments, lease term, and lease payments. As interest rates are not explicitly stated in the leases, the Department used its estimated incremental borrowing rate as the discount rate for leases. The lease term includes the noncancelable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments. The Department monitors changes in circumstances that would require a remeasurement of its leases and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lessor activity: The Department is a lessor for noncancelable leases of buildings. For leases that meet the capitalization threshold, the Department recognizes lease receivables with an initial value of \$100,000 or more. The Department recognizes the lease receivable and a deferred inflow of resources on the Statement of Net Position. The lease receivable is initially measured 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 made. The deferred inflow of resources is initially measured as the amount of the lease receivable, plus lease payments at or before the lease commencement date, less any incentives paid to, or on behalf of, the lessee at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as lease revenue on a straight-line basis over the lease term. As interest rates are not explicitly stated in the leases, the Department used its estimated incremental borrowing rate as the discount rate for leases. The Department monitors changes in circumstances that would require a remeasurement of a lease receivable and will remeasure the lease receivable and deferred inflow of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

Subscription-Based Information Technology Arrangements (subscription): The Department has noncancelable subscriptions for various right to use information technology (IT) hardware and software. These subscriptions are contractual agreements that convey control of the right to use another party's IT software, alone or in combination with tangible capital assets, as specified in the contract for a minimum period of greater than one year, in an exchange or exchange-like transaction. The Department initially records subscription assets at the initial measurement of the subscription liability, which is measured at the present value of payments expected to be made during the term of the subscription, plus any contract prepayments made for future periods and any capitalizable initial implementation costs. Subsequently, the subscription liability is reduced by the principal portion of payments made. The Department recognizes subscription liabilities with an initial value of \$100,000 or more. Subscription assets are amortized on a straight-line basis over the shorter of the subscription term or the useful life of the underlying subscription asset. Key estimates and judgments related to subscriptions include how the Department determines the discount rate used for the present value of expected subscription payments, subscription term, and subscription payments. As interest rates are not explicitly stated in most subscription contracts, the Department used its estimated incremental borrowing rate as the discount rate for subscriptions.

Current note payable: For the 2023-2024 biennium, the State Auditor is authorized by Wyoming Statute 9-1-418 to borrow from the legislative stabilization reserve account an amount not to exceed \$100 million at any one time to meet the obligations of the Department. This statute requires an interest rate on the unpaid balance equal to the rate of return earned on the legislative stabilization reserve account in the previous fiscal year. As of September 30, 2023, there are no amounts borrowed under this authority for the Department.

Long-term debt: The Department issued long-term debt through a lease purchase agreement during 2013. The long-term debt was used to upgrade the Department's facilities and make them more energy efficient. In 2014, the Department issued long-term debt for the second phase of the energy efficiency upgrade project to upgrade buildings and roadway assets. The money saved on the utility bills, as a result of the upgrades,



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is anticipated to cover the costs of the debt service. The lease purchase agreement will be paid over a 15-year schedule which started in November 2015.

Unavailable revenue: Governmental funds report unavailable revenues as deferred inflows of resources in connection with receivables for revenues not considered available to meet current obligations. Unavailable revenue reported in the Governmental Funds Balance Sheet represents fuel taxes receivable not available to meet current obligations.

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

Postemployment benefits other than pensions (OPEB): The total OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense associated with the State of Wyoming Group Insurance Retiree Health Plan have been determined on the same basis as they are reported by the State of Wyoming. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms.

Net position: The Department's net position reported on the government-wide and fiduciary fund financial statements is allocated to the following three categories:

Net Investment in Capital Assets consists of capital assets, net of accumulated depreciation, amortization, and reduced by outstanding balances for notes and other debt that are attributed to the acquisition, construction, or improvement of those assets.

Restricted Net Position results when constraints placed on net position use are either externally imposed by creditors, grantors, contributors, and the like, or imposed by law through constitutional provisions or enabling legislation.

Unrestricted Net Position consists of net position that does not meet the definition of the two preceding categories. Unrestricted net position often is designated to indicate that management does not consider them to be available for general operations. Unrestricted net position often have constraints on resources that are imposed by management, but can be removed or modified.

Fund balances: The Department's fund balances are classified in a hierarchical structure with the following classifications: (1) Nonspendable - this classification represents fund balances that are not in spendable form (inventory, loan receivables, and prepaids), (2) Restricted - this classification includes those balances that are legally restricted for specific purposes due to constraints that are externally imposed by creditors, contributors, laws or regulations of other governments, constitutional provisions, or enabling legislation, (3) Committed - refers to fund balance that can only be used for specific purposes pursuant to constraints imposed by formal action of the Transportation Commission (highest level of decision making authority for the Department) and may be established, modified, or rescinded only through resolutions approved by the Transportation Commission, (4) Assigned - this fund balance classification includes amounts that have been constrained to being used for a specific purpose, but are neither restricted or committed and may be made under statutory authority of management of the Department, and (5) Unassigned - the portion of fund balance that is available for any purpose the Department chooses. The General Fund is the only fund that reports a positive unassigned fund balance. In governmental funds other than the General Fund, if expenditures incurred for specific purposes exceed the amounts that are restricted, committed, or assigned



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to those purposes, it may be necessary to report a negative unassigned fund balance in that fund. See further detail in Note 8.

Policy on Use of Unrestricted Fund Balance. The Department does not have a formal policy on the use of unrestricted fund balance and therefore adopts the GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* recommendation that committed amounts would be 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 could be used. The Department does not have a formal policy on the use of funds when both restricted and unrestricted resources are available for use. It is assumed that restricted resources are used first, then unrestricted resources as needed.

Interfund transactions: Interfund transactions are reflected as loans, services provided, reimbursements, or transfers. Loans are reported as receivables and payables, as appropriate, and are subject to elimination in the government-wide statements. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements occur when one fund incurs a cost, charges the appropriate benefiting fund, and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental funds are eliminated in the Statement of Activities.

Capital outlay: The Department's operations focus in part on building and maintaining roads. Since these activities are one of its main objectives, capital outlay is only segregated from current operating expenditures when the expenditures are not part of standard current operations.

Estimates: The preparation of the basic financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Recent pronouncements: In May 2020, the GASB issued Statement No. 96, which provided guidance regarding the accounting and financial reporting for subscriptions. It establishes that a subscription results in a subscription asset (an intangible asset) and a corresponding subscription liability. The provisions of the statement were effective for fiscal years beginning after June 15, 2022 and all reporting periods thereafter. The Department implemented GASB Statement No. 96 for the fiscal year ended September 30, 2023. Additional information can be found in Notes 6 and 7.

Note 2. Cash and Pooled Cash Investments

The Department has funds on deposit with the Wyoming State Treasurer's pooled investments. Deposits with the State Treasurer's pooled investments are not insured or otherwise guaranteed by the State of Wyoming, and participants share proportionally in any realized gains or losses on investments. The Department's participation in the pooled investments and mutual funds may indirectly expose it to risks associated with using, holding, or writing derivatives. However, specific information about any such transactions is not available to the Department. Detailed information on the State Treasurer's pooled cash and investments is available from that office.

Custodial credit risk: Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the Department will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. Certain deposits held in the Department's bank accounts are insured by Federal depository insurance or are collateralized by the custodian bank. As of September 30, 2023, the governmental funds did not have bank balances on deposit, nor did the fiduciary fund have any bank balances on deposit.



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The following summarizes cash and pooled cash investments:

Cash on deposit with State Treasurer \$ 287,677,067

Cash and pooled cash investments are presented in the accompanying financial statements as follows:

Statement of Net Position	
Cash with State Treasurer	\$ 285,957,923
Statement of Fiduciary Net Position	
Cash with State Treasurer	<u>1,719,144</u>
	<u>\$ 287,677,067</u>

Note 3. Accounts Receivable

Accounts receivable consists primarily of mineral royalty, fuel taxes, and grant receivables. The following schedule summarizes the carrying amounts and fair values of receivables by source at September 30, 2023:

	WYDOT	
	General Fund	Nonmajor Funds
Due from the Federal government	\$ 62,920,626	\$ 87,794
Due from other State agencies	17,334,203	82,358
Due from other governments	3,136,227	84,738
Other receivables	41,812,324	143,166
	<u>\$ 125,203,380</u>	<u>\$ 398,056</u>

Lease Receivable

The Department is a lessor for noncancelable leases of buildings that have been accounted for as a lease receivable. These leases have no variable payments nor residual value guarantees. The payments received for the year ended September 30, 2023 were \$70,308 with \$3,003 of the amount received as interest.

Note 4. Inventory

Inventories consist primarily of materials to maintain Department assets during the year. The following schedule summarizes the value of inventories at September 30, 2023:

Road materials and supplies	\$ 30,892,121
Motor operating supplies	949,703
General supplies	293,007
Statewide communication parts	716,591
Work in progress	<u>569,130</u>
	33,420,552
Less allowance for obsolescence	<u>(350,000)</u>
Total	<u>\$ 33,070,552</u>

Note 5. Interfund Transactions

Due to/from other funds: The balances in interfund receivables and payables resulted from the time lag between the dates that: 1) interfund goods and services are provided or reimbursable expenditures occur,



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2) transactions are recorded in the accounting system, and 3) payments between funds are made. Amounts due to/from other funds as of September 30, 2023 are as follows:

	Due From	Due To
WYDOT General Fund	\$ 429,088	\$ 404,824
Motorcycle Safety Fund	-	319
Federal Transit Authority Fund	-	1,642
Air Service Enhancement Fund	-	352
Flight Services Fund	-	21,504
Statewide Communication System Fund	-	447
	\$ 429,088	\$ 429,088

Advances to/from other funds: The balance of interfund advances from the State Infrastructure Bank results from the loans made to provide financing for large, long-term road construction projects. The loans are repaid to the State Infrastructure Bank Fund with future Federal obligation authorization. There were no advances as of September 30, 2023.

Transfers: Transfers were made from the WYDOT General Fund to subsidize operations of special revenue funds as mandated by the State Legislature and to maximize the Department's cash flow and Federal obligations. Transfers during the year ended September 30, 2023 are as follows:

	Transfers In	Transfers Out
WYDOT General Fund	\$ 108,559,739	\$ 119,789,071
Federal Transit Authority Fund	1,500,000	774
Transportation Information System Fund	6,624,000	-
Air Service Enhancement Fund	1,433,670	-
Flight Services Fund	100,000	-
Statewide Communication System Fund	1,572,436	-
	\$ 119,789,845	\$ 119,789,845

Note 6. Long-Term Obligations

The changes in the long-term liabilities of the Department are as follows:

	September 30, 2023				Amount Due within One Year
	Beginning Balance	Additions	Reductions	Ending Balance	
Governmental activities					
Lease purchase agreement PWB-13	\$ 1,480,075	\$ -	\$ 191,892	\$ 1,288,183	\$ 203,021
Lease purchase agreement BOA-14	7,101,774	-	704,801	6,396,973	752,448
Lease liability	1,145,030	-	53,583	1,091,447	56,184
Subscription liability	3,167,547	1,621,435	2,327,603	2,461,379	1,812,474
Compensated absences	23,494,860	13,811,459	12,268,521	25,037,798	12,268,521
Governmental activities					
Long-term liabilities	\$ 36,389,286	\$ 15,432,894	\$ 15,546,400	\$ 36,275,780	\$ 15,092,648

**GASB 96 is effective for the year ended September 30, 2023. The beginning balance, as presented in this table has been adjusted for subscription liabilities. For further discussion, see Note 1 of this report.*

Lease Purchase Agreements

The lease purchase agreements are paid through the WYDOT General Fund.

During fiscal year 2013, the Department entered into a \$2.84 million lease purchase agreement, in addition to using \$1.02 million of funds on hand, to finance energy efficiency upgrades to some of its facilities. The



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lease purchase agreement is secured by the equipment and improvements themselves. The Department capitalized \$3.86 million on improvements under this lease purchase agreement that met the capitalization policy and were recorded in its capital asset records. There was \$257,333 of depreciation associated with the equipment for the year ended September 30, 2023. The investment should allow the Department to pay the principal and interest on the lease purchase agreement from the savings on energy bills. This strategy allowed the Department to invest in and upgrade the facilities without taking financial resources from the Department’s core mission of improving and maintaining the transportation system.

Principal payments due monthly, began in June 2014 and continue through May 2029. Interest payments due monthly, began in June 2013 and continue through May 2029. Interest payments are accrued at an annual interest rate of 2.25%. The debt service payments for the fiscal year ended September 30, 2023, were \$223,241, with \$31,349 of the amount paid as interest.

Annual debt service requirements for the 2013 lease purchase agreement are as follows:

2013 Lease Purchase Agreement:

Year ended September 30,	Principal	Interest	Total
2024	\$ 203,021	\$ 26,918	\$ 229,939
2025	214,606	22,231	236,837
2026	226,664	17,279	243,943
2027	239,211	12,051	251,262
2028	252,266	6,536	258,802
2029	152,415	1,145	153,560
	<u>\$ 1,288,183</u>	<u>\$ 86,160</u>	<u>\$ 1,374,343</u>

During the fiscal year 2014, the Department entered into an additional lease purchase agreement to finance the acquisition of energy efficiency upgrades for the remaining Department-owned structures and lighting along the roadways. This is the second phase of the project that began in 2013. During the second phase, the Department borrowed \$10.46 million to acquire and install the energy efficient products. The Department expects to recover the costs associated with the lease purchase agreement from savings on the reduction of utility bills over the life of the lease purchase agreement.

During the construction phase of the agreement during fiscal years 2014 and 2015, the Department accrued interest monthly. Payments began in 2016 and will be repaid on a 15-year schedule at an interest rate of 2.85%. The lease purchase agreement is secured by the equipment and improvements. The energy efficient equipment purchased by the Department under the lease purchase agreement is mostly roadway lighting upgrades. There is no depreciation associated with the equipment as it will be expensed against the infrastructure assets.

Principal payments due monthly, began in December 2015 and continue through October 2030. Interest payments started accruing in July 2014 during the construction phase and were added to the principal at an annual interest rate of 2.85%. The debt service payments for the year ended September 30, 2023, were \$898,042, with \$193,241 of the amount paid as interest.

Annual debt service requirements for the 2014 lease purchase agreement are shown on the following page.



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2014 Lease Purchase Agreement:

Year ended September 30,	Principal	Interest	Total
2024	\$ 752,448	\$ 172,535	\$ 924,983
2025	802,290	150,443	952,733
2026	854,414	126,901	981,315
2027	908,913	101,842	1,010,755
2028	965,881	75,196	1,041,077
2029 - 2030	2,113,027	63,758	2,176,785
	<u>\$ 6,396,973</u>	<u>\$ 690,675</u>	<u>\$ 7,087,648</u>

Lease Liability

The Department is a lessee for various noncancelable leases of land that have been accounted for as right-to-use leased assets. The lease terms vary in range, extending through fiscal year 2070. These leases have no variable payments, nor do they have leaseback transactions. The leases are paid from the WYDOT General Fund. Additional information on right-to-use leased land can be found in Note 7. Future minimum lease payments are as follows:

Year ended September 30,	Principal	Interest	Total
2024	\$ 56,184	\$ 32,743	\$ 88,927
2025	58,605	31,058	89,663
2026	61,119	29,300	90,419
2027	13,918	27,466	41,384
2028	15,134	27,049	42,183
2029 - 2033	96,040	127,641	223,681
2034 - 2038	136,297	110,928	247,225
2039 - 2043	186,629	87,597	274,226
2044 - 2048	236,303	56,200	292,503
2049 - 2053	79,593	27,261	106,854
2054 - 2058	39,936	20,419	60,355
2059 - 2063	46,297	14,058	60,355
2064 - 2068	53,672	6,683	60,355
2069	11,720	352	12,072
	<u>\$ 1,091,447</u>	<u>\$ 598,755</u>	<u>\$ 1,690,202</u>

Subscription Liability

The Department has various noncancelable subscriptions for information technology software and hardware that have been accounted for as subscription assets. The subscription terms vary in range, extending through fiscal year 2032. There were no significant outflows of resources recognized for variable payments or termination penalties. In addition, the Department had no commitments under the subscriptions prior to the commencement of the subscription term. The subscriptions are paid from the WYDOT General Fund, Federal Transit Authority Fund, Transportation Information System Fund, and American Rescue Plan Fund. Additional information on subscription assets can be found in Note 7. Future minimum subscription payments are shown on the following page.



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Year ended September 30,	Principal	Interest	Total
2024	\$ 1,812,474	\$ 134,261	\$ 1,946,735
2025	563,264	29,530	592,794
2026	85,641	1,649	87,290
	<u>\$ 2,461,379</u>	<u>\$ 165,440</u>	<u>\$ 2,626,819</u>

Compensated Absences

Department employees accumulate vacation and sick leave hours for subsequent use or for payment upon termination, death, or retirement. Up to 72 days of unused vacation and up to one-half of unused sick leave, to a maximum of 60 days, vests and may be paid upon termination of employment with the Department. The non-vesting portion of the sick leave benefits totaling \$11,196,142 as of September 30, 2023, represents a contingent liability to the Department.



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Note 7. Capital Assets

Capital asset activities for the year ended September 30, 2023 are as follows:

	Beginning Balance	Additions	Deletions	Transfers	Ending Balance
Infrastructure related assets - nondepreciable					
Land - Infrastructure related	\$ 69,246,068	\$ -	\$ -	\$ -	\$ 69,246,068
Infrastructure assets					
Bridges	871,942,363	-	-	-	871,942,363
Roadways	4,697,777,057	-	-	11,995,011	4,709,772,068
Communication systems	60,089,438	-	-	-	60,089,438
Permanent easements	4,294,728	-	-	-	4,294,728
Work in progress	152,305,250	22,551,130	-	(11,995,011)	162,861,369
Total infrastructure related assets	5,855,654,904	22,551,130	-	-	5,878,206,034
Capital assets					
Nondepreciable capital assets					
Land	8,494,808	-	-	-	8,494,808
Work in progress	3,367,513	910,501	-	-	4,278,014
Depreciable and amortizable capital assets					
Site improvements	16,014,600	-	(16,389)	-	15,998,211
Buildings	206,641,686	-	-	-	206,641,686
Vehicles, aircraft, and road machinery	172,258,659	19,426,852	(4,944,598)	-	186,740,913
General property	22,109,413	1,826,310	(2,511,801)	-	21,423,922
Software	10,341,469	-	-	-	10,341,469
Depletable capital assets					
Gravel pit	1,233,000	-	-	-	1,233,000
Right-to-use leased land	1,231,997	-	-	-	1,231,997
Subscription assets	3,167,547	1,628,936	-	-	4,796,483
Total capital assets	444,860,692	23,792,599	(7,472,788)	-	461,180,503
Less accumulated depreciation, depletion, and amortization					
Site improvements	(13,541,892)	(524,992)	-	-	(14,066,884)
Buildings	(125,263,210)	(6,340,962)	-	-	(131,604,172)
Vehicles, aircraft, and road machinery	(90,817,103)	(9,086,290)	3,971,013	-	(95,932,380)
General property	(19,080,483)	(951,808)	2,481,641	-	(17,550,650)
Software	(10,340,110)	-	-	-	(10,340,110)
Gravel pit	(236,051)	-	-	-	(236,051)
Right-to-use leased land	(37,858)	(82,271)	-	-	(120,129)
Subscription assets	-	(1,764,361)	-	-	(1,764,361)
Total depreciation, depletion, and amortization	(259,316,707)	(18,750,684)	6,452,654	-	(271,614,737)
Total capital assets, net of depreciation, depletion, and amortization	185,543,985	5,041,915	(1,020,134)	-	189,565,766
Governmental activities, capital assets, net	\$ 6,041,198,889	\$ 27,593,045	\$ (1,020,134)	\$ -	\$ 6,067,771,800

*GASB 96 is effective for the year ended September 30, 2023. The year ended September 30, 2022, as presented in this table has been adjusted for subscription assets. For further discussion, see Note 1 of this report.



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Depreciation and amortization expense is charged to governmental functions as follows:

Road preservation and maintenance	\$ 16,632,064
Planning	10,299
Highway safety	9,008
Administration	427,151
Federal transit	83,290
Licensing and registration	412,571
Law enforcement	976,891
Statewide communication network	68,253
Airport improvement	131,157
	<u>\$ 18,750,684</u>

Note 8. Governmental Fund Balances

The Department's governmental fund balances are reported according to the constraints that control how amounts can be spent. Classifications include nonspendable, restricted, committed, assigned, and unassigned, which are further described in Note 1.

Below is a presentation of the fund balance classifications for the Department's funds:

	WYDOT General Fund	State Infrastructure Bank Fund	Other Nonmajor Special Revenue Funds
Fund Balances			
Nonspendable			
Inventories	\$ 33,070,552	\$ -	\$ -
Prepaid items	104,705	-	-
Restricted for			
Air service enhancement funds	-	-	2,329,619
Commercial air service improvement fund	-	-	12,633,592
Radioactive waste clean-up	-	-	390,332
Ignition interlock device expenditures	-	-	644,950
Loans made for road construction projects	-	26,061,739	-
Flight service expenditures	-	-	63,181
Wildlife conservation	-	-	1,574,032
Transportation information system	-	-	19,674,235
Committed for			
Additional \$.10 motor fuels tax for contract payments	81,245,180	-	-
Assigned to			
Loans made for road construction projects	-	12,764,552	-
Communication system enhancements	-	-	2,637,232
Motorcycle safety education	-	-	2,068,374
Other	-	-	1,186,337
Unassigned			
WYDOT General Fund	140,180,436	-	-
Total fund balances	<u>\$ 254,600,873</u>	<u>\$ 38,826,291</u>	<u>\$ 43,201,884</u>



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Note 9. Pensions – WRS

General Information

Substantially all employees of the Department, excluding hourly part-time employees, are provided with pensions through either the Public Employee Pension Plan, the State Patrol, Game & Fish Warden, and Criminal Investigator Pension Plan, or the Law Enforcement Pension Plan. These plans are statewide cost-sharing multiple-employer defined benefit contributory retirement plans administered by the WRS. The authority for establishing and amending the benefits and contribution rates rests with the Legislature of the State.

Pension plan fiduciary net position: Detailed information about the pension plan's fiduciary net position is available in the separately issued WRS financial report, which may be accessed through the WRS website at <https://retirement.wyo.gov/About/Reports?Label=Financial#categories>.

Public Employee Pension Plan

Plan description: The Public Employee Pension Plan covers the employees of the Department that do not participate in law enforcement activities. WRS is granted the authority to administer the Plan by Wyoming State Statutes 9-3-401 through 432.

Benefits provided: The benefits provided are dependent on the plan and/or the date of the member's initial employment date.

Service Retirement Tier 1: Full retirement at age 60 or qualifies for the Rule of 85. Early retirement is permitted at age 50 or 25 years of service. Formula for retirement equals 2.125% of the employee's highest average salary for the first 15 years of service plus 2.25% of the employee's highest average salary for any years of service exceeding 15 years. The highest average salary is based on the highest three years of continuous salary.

Service Retirement Tier 2: Full retirement at age 65 or qualifies for the Rule of 85. Early retirement is permitted at age 55 or 25 years of service. Formula for retirement equals 2% of the employee's highest average salary for all years of service. The highest average salary is based on the highest five years of continuous salary.

Disability Benefits: Partial or total disability retirement is available to any member who becomes incapacitated, mentally or physically, and cannot continue in the performance of his/her duties. To qualify, the member must have at least 10 years of service and must be "in service" at the time of application for disability retirement. Upon retirement for a partial disability, the member receives a monthly disability retirement benefit for the period of his/her disability equal to 50% of the normal benefit payable to the member, as if the member was eligible for normal retirement benefits. Upon retirement for a total disability, the member receives a monthly disability benefit equal to 100% of his/her service retirement benefit as if the member was eligible for normal retirement benefits. Disability benefits are payable for the life of the member or until death.

Survivor's Benefits: Certain surviving dependents receive benefits based on the deceased member's compensation and their relationship to the deceased, as well as the benefit option selected by the member at the date of retirement.

Contributions: Per Title 9-3-412 and 413 of Wyoming State Statutes, for the year ended September 30, 2023, member and employer contributions were required to be 9.25% and 9.37% of compensation,



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respectively. In accordance with Title 9-3-412(c)(ii) of Wyoming State Statutes, the Department has elected to pay 5.57% of the member contributions in addition to the employer contributions. Total contributions to the pension plan from the Department were \$14,448,026 for the year ended September 30, 2023.

State Patrol, Game & Fish Warden, and Criminal Investigator Pension Plan

Plan description: The State Patrol, Game & Fish Warden, and Criminal Investigator Pension Plan covers the sworn law officers of the Wyoming State Highway Patrol. WRS is granted the authority to administer the Plan by Wyoming State Statutes 9-3-601 through 620.

Benefits provided: The benefits provided are dependent on the plan and/or the date of the member's initial employment date.

Service Retirement: Full retirement at age 50 with 6 or more years of service. Formula for retirement equals 2.5% times the number of years of service times the three-year highest average salary with a maximum of 75% of the final average salary.

Disability Benefits: Partial or total disability retirement is available to any member who becomes incapacitated, mentally or physically, and cannot continue in the performance of his/her duties. A member who suffers a partial or total disability resulting from an individual and specific act, the type of which would normally occur only while employed, is eligible for a duty connected disability regardless of years of service. A member who is not eligible for a duty connected disability, must have at least 10 years of service and must be "in service" at the time of application for disability retirement. Upon retirement for a partial or total duty connected disability, the member receives a monthly disability retirement benefit equal to 62.5% of his/her highest average salary. Upon retirement for a partial or total nonduty connected disability, the member receives a monthly disability benefit equal to 50% of his/her highest average salary. Disability benefits are payable for the life of the member or until the member is no longer disabled or under certain other circumstances related to employment.

Survivor's Benefits: Certain surviving dependents receive benefits based on the deceased member's compensation and their relationship to the deceased, as well as the benefit option selected by the member at the date of retirement.

Contributions: Per Title 9-3-604 and 605 of Wyoming State Statutes, for the year ended September 30, 2023, member and employer contributions were required to be 14.56% and 14.88% of compensation, respectively. In accordance with Title 9-3-604 (a) of Wyoming State Statutes, the Department has elected to pay 11.92% of the member contributions in addition to the employer contribution. Total contributions to the pension plan from the Department were \$4,318,328 for the year ended September 30, 2023.

Law Enforcement Pension Plan

Plan description: The Law Enforcement Pension Plan covers the dispatchers that have elected to participate in that plan instead of the Public Employee Pension Plan. WRS is granted the authority to administer the Plan by Wyoming State Statutes 9-3-401 through 432.

Benefits provided: The benefits provided are dependent on the plan and/or the date of the member's initial employment date.

Service Retirement: Full retirement at age 60 with 4 or more years of service or at least 20 years of service regardless of age. Formula for retirement equals 2.5% times the number of years of service times the five-year highest average salary with a maximum of 75% of the final average salary.



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Disability Benefits: Partial or total disability retirement is available to any member who becomes incapacitated, mentally or physically, and cannot continue in the performance of his/her duties. To qualify, the member must have at least 10 years of service and must be “in service” at the time of application for disability retirement. Upon retirement for a partial disability, the member receives a monthly disability retirement benefit for the period of his/her disability equal to 50% of the normal benefit payable to the member, as if the member was eligible for normal retirement benefits. Upon retirement for a total disability. The member receives a monthly disability benefit equal to 100% of his service retirement benefit as if the member was eligible for normal retirement benefits. Any member previously covered under W.S. 15-5-301 through 15-5-314 may retire upon partial or total duty connected disability, the member receives a monthly disability retirement benefit for the period of his/her disability equal to 62.5% of salary at the time the disability was incurred. For a partial or total nonduty connected disability, the member receives a monthly disability retirement benefit equal to 50% of his/her salary at the time the disability was incurred. Disability benefits are payable for the life of the member or until the member is no longer disabled.

Survivor’s Benefits: Certain surviving dependents receive benefits based on the deceased member’s compensation and their relationship to the deceased, as well as the benefit option selected by the member at the date of retirement.

Contributions: Per Title 9-3-432 of Wyoming State Statutes, for the year ended September 30, 2023, member and employer contributions were required to be 8.60% and 8.60% of compensation, respectively. In accordance with Title 9-3-432 (a) of Wyoming State Statutes, the Department has elected to pay 8.60% of the member contributions in addition to the employer contributions. Total contributions to the pension plan from the Department were \$285,860 for the year ended September 30, 2023.

Net Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions

At September 30, 2023, the following table shows the total net pension liability and total pension expense for the Department, in addition to the net pension liability and pension expense for each plan, for its proportionate share of the net pension liability.

	September 30, 2023	
	Net Pension Liability	Pension Expense
Public Employee Pension Plan	\$ 129,549,949	\$ 7,842,541
State Patrol, Game & Fish Warden, and Criminal Investigator Pension Plan	\$ 26,749,512	\$ 774,574
Law Enforcement Pension Plan	\$ 3,332,140	\$ 434,111
Total Liability for Department	\$ 159,631,601	\$ 9,051,226

The net pension liability was measured as of December 31, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2022. The Department’s proportion of the net pension liability for each plan was based on the relationship of the Department’s total contributions to each plan for the year ended December 31, 2022, to the contributions of all participating employers for the same period to each plan.

The Department’s proportionate share of each plan is shown on the following page.



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	Proportionate Share at December 31, 2022	Proportionate Share at December 31, 2021
Public Employee Pension Plan	4.740532511%	4.813746703%
State Patrol, Game & Fish Warden, and Criminal Investigator Pension Plan	61.584879300%	62.223691500%
Law Enforcement Pension Plan	0.978157940%	1.143526115%

At September 30, 2023, the Department reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources as follows:

	Deferred Outflows	Deferred Inflows
Differences between expected and actual experience		
Public Employee Pension Plan	\$ 649,674	\$ (821,234)
State Patrol, Game & Fish Warden, and Criminal Investigator Pension Plan	395,252	(1,276,619)
Law Enforcement Pension Plan	78,679	(105,080)
Net difference between projected and actual earnings on pension plan investments		
Public Employee Pension Plan	11,151,709	-
State Patrol, Game & Fish Warden, and Criminal Investigator Pension Plan	3,089,304	-
Law Enforcement Pension Plan	233,861	-
Changes in proportionate share of contributions		
Public Employee Pension Plan	-	(3,506,660)
State Patrol, Game & Fish Warden, and Criminal Investigator Pension Plan	168,370	(498,459)
Law Enforcement Pension Plan	1,948	(249,256)
Change in assumptions		
Public Employee Pension Plan	3,476,805	-
State Patrol, Game & Fish Warden, and Criminal Investigator Pension Plan	1,447,745	(335,197)
Law Enforcement Pension Plan	1,379,970	(515,322)
Contributions subsequent to the measurement date		
Public Employee Pension Plan	6,890,893	-
State Patrol, Game & Fish Warden, and Criminal Investigator Pension Plan	1,853,261	-
Law Enforcement Pension Plan	106,936	-
	<u>\$ 30,924,407</u>	<u>\$ (7,307,827)</u>

An amount of \$8,851,090 reported as deferred outflows of resources related to pensions resulting from the Department's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending September 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as shown in the table on the following page.



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Year ended September 30,	Public Employee	State Patrol, Game & Fish Warden, and Criminal Investigator	Law Enforcement
	Pension Plan	Pension Plan	Pension Plan
2024	\$ (5,685,906)	\$ (1,413,785)	\$ 205,770
2025	990,061	255,359	433,691
2026	3,590,487	1,005,857	(49,649)
2027	12,055,652	3,142,965	234,988
	<u>\$ 10,950,294</u>	<u>\$ 2,990,396</u>	<u>\$ 824,800</u>

Actuarial assumptions

The total pension liability in the January 1, 2022 actuarial valuation was determined using the following actuarial assumptions adopted by the WRS Board effective at the November 17, 2021 and February 17, 2022 WRS Board Meetings for the December 31, 2022 measurement date:

	Public Employee	State Patrol, Game & Fish Warden, and Criminal Investigator	Law Enforcement
	Pension Plan	Pension Plan	Pension Plan
Inflation	2.25%	2.25%	2.25%
Salary Increases, including inflation	2.50% - 6.50%	2.50% - 8.50%	5.25% - 9.25%
Payroll Growth Rate	2.50%	2.50%	2.50%
Cost of Living Increase	0.00%	0.00%	0.00%
Investment Rate of Return, net of pension plan investment expense, including inflation	6.80%	6.80%	6.80%

Mortality - Public Employees Pension Plan:

Post-Retirement Mortality: Pub-2010 General Healthy Annuitant Mortality Table, amount weighted, fully generational, projected with the MP-2020 Ultimate Scale. Males: No Set back with a multiplier of 100%. Females: No set back with a multiplier of 103%.

Pre-Retirement Mortality: Pub-2010 General Employee Mortality Table, amount weighted, fully generational, projected with the MP-2020 Ultimate Scale. Males: No Set back with a multiplier of 100%. Females: No set back with a multiplier of 100%.

Mortality - State Patrol, Game & Fish Warden, and Criminal Investigator Pension Plan/Law Enforcement Pension Plan:

Post-Retirement Mortality: Pub-2010 Safety Healthy Annuitant Mortality Table, amount weighted, fully generational, projected with the MP-2020 Ultimate Scale. Males: No Set back with a multiplier of 100%. Females: No set back with a multiplier of 100%.

Pre-Retirement Mortality: Pub-2010 Safety Employee Mortality Table, amount weighted, fully generational, projected with the MP-2020 Ultimate Scale. Males: No Set back with a multiplier of 100%. Females: No set back with a multiplier of 100%.

Long-term expected rate of return

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



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

Experience analysis

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

Discount rate

The discount rate used to measure the total pension liability for each plan was:

Public Employee Pension Plan.....	6.80%
State Patrol, Game & Fish Warden, and Criminal Investigator Pension Plan.....	6.80%
Law Enforcement Pension Plan.....	5.53% *
*(prior year discount rate of 5.17%)	

The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the current contribution rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the employer's proportionate share of the net pension liability to changes in the discount rate

The table on the following page presents the Department's proportionate share of the net pension liability as of September 30, 2023, calculated using the discount rate as stated for each plan, as well as what the Department's proportionate share of the net pension liability for each plan would be if it were calculated using a discount rate that is one-percentage-point lower or one-percentage-point higher than the current rate.



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	1% Decrease (5.80%)	Current (6.80%)	1% Increase (7.80%)
Public Employee Pension Plan	\$ 191,298,766	\$ 129,549,949	\$ 78,376,934
State Patrol, Game & Fish Warden, and Criminal Investigator Pension Plan	\$ 43,180,659	\$ 26,749,512	\$ 13,162,103
Law Enforcement Pension Plan	\$ 5,015,061	\$ 3,332,140	\$ 1,979,422

Note 10. Post-Employment Benefits Other than Pensions (OPEB) Commitment

General Information

Plan description: Eligible employees of the Department are provided with OPEB through the State of Wyoming Group Insurance Retiree Health Plan (the Plan) – a multiple-employer defined benefit OPEB plan administered by the State of Wyoming Employee Group Insurance (EGI). Any employee of a participating agency is eligible for retiree coverage under the Plan at premium rates established by EGI, provided that:

- 1) The employee had coverage in effect under the Plan for at least one year just prior to retirement; and
- 2) The employee is eligible to receive a retirement benefit under the Wyoming Retirement System or Teachers Insurance and Annuity Association of America and either:
 - a) Has attained age 50 with at least four years of service credit as an employee of one of the employing entities participating in the Plan; or
 - b) Has at least 20 years of service credit as an employee of one of the employing entities participating in the Plan. Retirement eligibility varies under the Wyoming Retirement System. The Public Employee Pension Plan, which is the Plan applicable to the Department, requires 25 years of service credit.

The State of Wyoming Legislature has the authority to establish and amend the benefit terms of the Plan. The Plan does not issue a separate report; however, additional Plan information can be obtained from the State of Wyoming’s Annual Comprehensive Financial Report, which may be obtained from the State’s website at <http://sao.wyo.gov/publications>.

Benefits provided: The Plan provides medical and prescription drug benefits for retirees and their dependents through payment of insurance premiums for life. Surviving spouses are allowed to continue coverage after the retiree’s death provided they were covered at the time of death.

Funding Policy: The State finances this program on a pay-as-you-go basis, and there are no assets held in trust for pre-funding the obligations of the Plan. The State of Wyoming Legislature has the authority for establishing and amending the funding policy.



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OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At September 30, 2023, the Department reported a liability of \$170,480,411 for its proportionate share of the collective total OPEB liability. The collective total OPEB liability was measured as of June 30, 2022, and the total OPEB liability used to calculate the collective total OPEB liability was determined by an actuarial valuation as of June 30, 2021. The Department's proportion of the collective total OPEB liability was based on a projection of the Department's expected benefit payments during the measurement period attributable to retirees of the Department relative to the expected benefit payments during the measurement period attributable to all retirees of the Plan, actuarially determined. The projection of the sharing of benefit-related costs is based on an established pattern of practice. At June 30, 2023, the Department's proportion was 16.24282%, which was an increase from the June 30, 2022 proportion of 14.37527%.

For the year ended September 30, 2023, the Department recognized OPEB expense of \$9,477,317. At September 30, 2023, the Department reported deferred outflows of resources and deferred inflows of resources related to OPEB from the sources as follows:

	Deferred Outflows	Deferred Inflows
Expected benefit payments subsequent to the measurement date	\$ 2,996,325	\$ -
Differences between expected and actual experience	16,754,980	(17,222,355)
Change in proportionate share	11,883,025	-
Change in assumptions	34,186,443	(61,121,925)
	<u>\$ 65,820,773</u>	<u>\$ (78,344,280)</u>

An amount of \$2,996,325 is reported as deferred outflows of resources related to OPEB resulting from expected benefit payments subsequent to the measurement date. This will be recognized as a reduction of the total OPEB liability in the year ended September 30, 2024. Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in the Department's OPEB expense as follows:

Year ended September 30,	
2024	\$ (2,932,048)
2025	(2,932,048)
2026	(2,932,048)
2027	(1,213,248)
2028	(3,581,382)
Thereafter	(1,929,058)
	<u>\$ (15,519,832)</u>

Actuarial assumptions

The total OPEB liability was determined by an actuarial valuation as of June 30, 2021, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Measurement Date	June 30, 2022 (based on June 30, 2021 census data)		
Inflation	2.25%		
Salary Increases	2.50% - 8.50%, including inflation		
Mortality Rates	Pre-Retirement:	General:	Headcount-Weighted Pub-2010 General Employee, projected generationally with two-dimensional scale MP-2020.



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		Safety: Headcount-Weighted Pub-2010 Safety Employee, projected generationally with two-dimensional scale MP-2020.
	Post-Retirement:	General: Headcount-Weighted Pub-2010 Non-Safety Healthy Retiree, projected generationally with two-dimensional scale MP-2020. Safety: Headcount-Weighted Pub-2010 Safety Healthy Retiree, projected generationally with two-dimensional scale MP-2020.
	Disabled:	General: Headcount-Weighted Pub-2010 General Disabled, projected generationally with two-dimensional scale MP-2020. Safety: Headcount-Weighted Pub-2010 Safety Disabled, projected generationally with two-dimensional scale MP-2020.
Healthcare Cost Trend Rates	Pre-Medicare:	7.25% decreasing annually until reaching the ultimate trend rate of 4.50%
	Medicare:	7.25% decreasing annually until reaching the ultimate trend rate of 4.50%
	Administrative costs:	3.00%
Participation Rate		65% will elect coverage and 30% will cover a spouse.
Spouse Age Differential		Males are assumed to be 2 years older than females.
Cost Method		Entry Age Normal. Under this method, the actuarial accrued liability is based on a prorated portion of the present value of all benefits earned to date over expected future working lifetime as defined by GASB. The proration is determined so that the cost with respect to service accrued from date of hire is recognized as a level percentage of pay over the year. The Normal Cost is equal to the prorated cost for the year of the valuation.
Benefits Excluded		Benefits related to retiree dental and life insurance have been excluded from this valuation.

The healthcare cost trend rate assumptions were developed using Segal’s internal guidelines, which are established each year using data sources such as the Segal Health Trend Survey, internal client results, trends from other published surveys prepared by the Standard & Poors Dow Jones Indices, consulting firms and brokers, and consumer price index statistics published by the Bureau of Labor Statistics.

Significant assumptions are based on an experience study that covered a five-year period ending December 31, 2020. Significant assumptions varied within the various retirement Plans in the Wyoming Retirement System.

Discount rate

The discount rate used to measure the total OPEB liability was 3.54%, which represents an increase from the discount rate of 2.16% utilized for the June 30, 2021 measurement date. As the Plan is unfunded the Plan has no fiduciary net position from which to make future benefit payments. Therefore, the discount rate is based on the Bond Buyer General Obligation 20-Bond Municipal Bond Index.



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Sensitivity of the Department's proportionate share of the collective total OPEB liability to changes in the discount rate

The table below presents the Department's proportionate share of the collective total OPEB liability calculated using the discount rate of 3.54%, as well as what the Department's proportionate share of the collective total OPEB liability would be if it were calculated using a discount rate that is one-percentage-point lower or one-percentage-point higher than the current discount rate:

	1% Decrease (2.54%)	Current (3.54%)	1% Increase (4.54%)
Proportionate share of the collective total OPEB liability	\$ 206,863,205	\$ 170,480,411	\$ 142,396,035

Sensitivity of the Department's proportionate share of the collective total OPEB liability to changes in the healthcare cost trend rates

The table below presents the Department's proportionate share of the collective total OPEB liability, as well as what the Department's proportionate share of the collective total OPEB liability would be if it were calculated using healthcare cost trend rates that are one-percentage-point lower or one-percentage-point higher than the current healthcare cost trend rates:

	1% Decrease	Current	1% Increase
Pre-Medicare	6.25%	7.25%	8.25%
Medicare	6.25%	7.25%	8.25%
Proportionate share of the collective total OPEB liability	\$ 144,048,720	\$ 170,480,411	\$ 205,504,810

Note 11. Risk Management and Contingencies

The Department participates in two self-insurance plans: the State Self-Insurance Program and the State Group Insurance (employee medical, life, and dental) Program.

The Department participates in the self-insurance program, which is maintained by the State's Department of Administration and Information (A&I). The State self-insurance fund was created to handle property, casualty and liability insurance claims brought against the State. A&I generally maintains sufficient reserves for incurred but unpaid claims as well as incurred but unreported claims; losses are covered by a combination of appropriations from the State's general fund in the year in which the payment occurs and by assessing all State agencies a pro rata share of anticipated claims for the fiscal year. A&I assessed the Department \$599,606 for the 2023-2024 biennium. The Department has transferred \$299,803 to A&I in fiscal year 2023 for the first half of the biennium.

The Department also participates in an employees' group insurance program, which is co-administered with a third-party health provider/claim service company. The State self-insures medical and dental costs and sums all the risk for claims incurred by plan participants. The State does not retain any risk of loss for the life insurance plan as the insurance provider assumes all risk for claims incurred by the participant. For the period October 1, 2022, through September 30, 2023, the Department contributed 83%-99%, up to \$2,057.60 per month for insurance premiums for each covered participant towards these plans, depending on the plan chosen by the employee. Participants are responsible for paying premium charges in excess of this amount.



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The State’s group insurance fund was solvent at June 30, 2023, and the Department expects to incur no liability in connection with the group insurance program. Group insurance premiums paid by the Department during fiscal years 2023 and 2022 were \$28,087,224 and \$29,391,723, respectively.

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

Wyoming Statute 27-14-101-806 created the Wyoming Workers’ Compensation Act, which is administered by the State. All employers within the State are participants of this plan unless the employer elects not to be covered under the plan. This act requires the Department 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 Department. The Department makes monthly transfers to the State’s Department of Workforce Services. This amount is based on salaries and a split rate between hazardous and non-hazardous positions.

At June 30, 2023, the State Workers’ Compensation Fund reported a claims liability of approximately \$1.4 billion. The Department’s proportionate share of the claims liability cannot reasonably be estimated. The amount paid by the Department to the State Workers’ Compensation Fund during fiscal year 2023 was \$1,721,462.

The Department does not carry unemployment insurance but pays the cost of actual claims incurred. The Department paid \$89,794 in unemployment claims for the fiscal year ended September 30, 2023.

Note 12. Transactions with the State

The Department pays for services the State provides for warehouse and computer processing time, plus a statewide cost allocation system amount. The total disbursed for these services was \$16,344,838 for the year ended September 30, 2023.

Note 13. Commitments and Contingencies

Federal Grants: Grant monies received and disbursed by the Department are for specific purposes and are subject to audit by the grantor agency. Such audits may result in requests for reimbursement due to disallowed expenditures. Based upon prior experience and current knowledge, the Department does not believe that such disallowances, if any, would have a material effect on the financial position or results of operations of the Department.

Commitments: The Department has commitments of \$515 million. Construction, maintenance, and airport improvement contracts make up the majority of these commitments. At September 30, 2023, work has yet to be completed and approved by the Department and, as such, any Federal financial assistance has not been recognized and no current resources are restricted or encumbered.

Outstanding commitments at September 30, 2023 are as follows:

	WYDOT	
	General Fund	Nonmajor Funds
Construction and maintenance	\$ 66,579,318	\$ 279,248
Airport improvement	358,961,310	-
Other	31,196,428	57,979,489
	<u>\$ 456,737,056</u>	<u>\$ 58,258,737</u>



Wyoming Department of Transportation





REQUIRED SUPPLEMENTARY INFORMATION



Wyoming Department of Transportation

INFRASTRUCTURE ASSETS REPORTED USING THE MODIFIED APPROACH September 30, 2023

The Department accounts for its infrastructure assets using the modified approach. The infrastructure consists of the road subsystem, the bridge subsystem and emergency communications subsystem.

The Department manages its road network with a pavement management system developed by the Department. In FY21, WYDOT completed an upgrade of the Linear Referencing System (LRS) which updated all route information to GIS records for length/location of routes and adopted the Pavement Quality Rating (PQR) which is a new composite rating index. This composite index replaces the previous Present Serviceability Rating (PSR). A consulting firm is contracted to collect the data. The pavement condition is rated in three areas: smoothness (IRI), rutting, and percent cracking for asphalt pavements and smoothness (IRI), faulting, and percent cracking for concrete pavements. The smoothness index measures the longitudinal road profile and is utilized to calculate the smoothness variable based on the International Roughness Index (IRI). The rutting is measured using the height difference between the lane center and each wheel path of a cross section of road to determine the rut index (RUT). The percent cracking is a percentage of cracking in the section, determined using a standard set by the American Association of State Highway and Transportation Officials (AASHTO), based on 0-100 percent where lower values indicated less cracking. Wheel path faulting (FLT) is measured in inches and is a direct measurement between adjacent concrete slabs. A composite index rating is derived from these three condition ratings to calculate the pavement quality rating (PQR). The pavement management system establishes a PQR on a scale from 0 to 5 for each road section with the following categories:

Good	5.0 to 3.6
Fair	3.5 to 2.5
Poor	2.4 to 0.0

The National Highway System (NHS) is broken out between Interstate NHS routes and Non-Interstate NHS routes. It is the Department’s goal to maintain its Interstate NHS system at an average rating of 3.0 (fair), its Non-Interstate NHS system at an average rating of 2.5 (fair) and its Off the National Highway System (Non-NHS) at an average rating of 2.0 (poor). The Interstate NHS routes’ conditions are collected every year, the Non-Interstate NHS routes’ conditions are collected every other year, and the Non-NHS routes’ conditions are collected every other year. The road subsystem condition assessment is done every year utilizing computer simulations to predict future conditions of each highway network.

As of September 30, 2023, the overall PQR for Interstate NHS was 3.2, Non-Interstate-NHS was 2.7, and Non-NHS was 2.7. As of September 30, 2022, the overall PQR for Interstate NHS was 3.0, Non-Interstate NHS was 2.7 and Non-NHS was 2.5. As of September 30, 2021, the overall PQR for Interstate NHS was 3.2, Non-Interstate NHS was 2.8 and Non-NHS was 2.4.

The number of miles of Interstate NHS, Non-Interstate NHS, and Non-NHS with good, fair, and poor condition are presented on the following page.



Wyoming Department of Transportation

2023 PQR Condition Rating						
Condition	Interstate NHS		Non-Interstate NHS		Non-NHS	
	Number of Miles	Percent	Number of Miles	Percent	Number of Miles	Percent
Good	853	46.8%	390	18.1%	916	26.4%
Fair	638	34.9%	986	45.8%	1,272	36.8%
Poor	335	18.3%	777	36.1%	1,273	36.8%
Total	1,826	100.0%	2,153	100.0%	3,461	100.0%

2022 PQR Condition Rating						
Condition	Interstate NHS		Non-Interstate NHS		Non-NHS	
	Number of Miles	Percent	Number of Miles	Percent	Number of Miles	Percent
Good	609	33.4%	374	17.4%	422	12.2%
Fair	748	40.9%	986	45.8%	1,483	42.9%
Poor	469	25.7%	792	36.8%	1,555	44.9%
Total	1,826	100.0%	2,152	100.0%	3,460	100.0%

2021 PQR Condition Rating						
Condition	Interstate NHS		Non-Interstate NHS		Non-NHS	
	Number of Miles	Percent	Number of Miles	Percent	Number of Miles	Percent
Good	735	40.3%	437	20.3%	409	11.8%
Fair	757	41.4%	1,109	51.4%	1,466	42.4%
Poor	334	18.3%	611	28.3%	1,582	45.8%
Total	1,826	100.0%	2,157	100.0%	3,457	100.0%

The Department uses a comprehensive bridge management system to assist in managing the State's bridges. Each bridge is inspected at least once every two years. Each Bridge is composed of three components: deck, superstructure, and substructure. Inspectors collect inventory data and assess the conditions of bridge components (decks, superstructures, substructures, and culverts) in accordance with the FHWA *Recording and Coding Guide for the Structure Inventory and Appraisal of the Nation's Bridges* (Coding Guide). Also, inspectors assess conditions of bridge elements (such as slabs, girders, abutments, piers, culverts, etc.) in accordance with the AASHTO *Manual for Bridge Element Inspection* (MBEI).

Using the bridge element conditions as a basis, an inspector provides an overall condition rating for each bridge component based on a rating scale of 9 (Excellent) to 0 (Failed) in accordance with the Coding Guide. The inspector provides a separate component condition rating for a culvert.

Each bridge is given a performance rating based on the National Highway Performance Program (NHPP) guidelines. The rating is based on the minimum condition of the three bridge components (deck, superstructure, and substructure). The NHPP performance condition ratings are as follows:

Good	9 to 7
Fair	6 to 5
Poor	≤ 4

Targets based on the Moving Ahead for Progress in the 21st Century Act (MAP-21) required state of good repair have been set for bridge conditions. The Department's goal is to maintain 10% percent of its NHS and Non-NHS bridges in Good Condition and less than 10% in Poor Condition based on bridge deck area.



Wyoming Department of Transportation

2023 Structure Condition Rating				
Condition	NHS		Non-NHS	
	Area	Percent	Area	Percent
Good	1,841,115	23.1%	920,582	27.1%
Fair	5,777,559	72.5%	2,185,161	64.4%
Poor	349,604	4.4%	287,988	8.5%
Total	7,968,278	100.0%	3,393,731	100.0%

2022 Structure Condition Rating				
Condition	NHS		Non-NHS	
	Area	Percent	Area	Percent
Good	1,760,543	21.9%	927,415	28.4%
Fair	5,840,285	72.8%	2,054,072	62.9%
Poor	423,652	5.3%	285,304	8.7%
Total	8,024,480	100.0%	3,266,791	100.0%

2021 Structure Condition Rating				
Condition	NHS		Non-NHS	
	Area	Percent	Area	Percent
Good	1,615,977	19.9%	886,777	27.2%
Fair	5,929,640	72.9%	2,054,439	63.0%
Poor	588,299	7.2%	320,943	9.8%
Total	8,133,916	100.0%	3,262,159	100.0%

The Department's new emergency communications infrastructure facilitates statewide radio communications for and between public safety agencies, including law enforcement, fire, emergency medical, transportation and other entities. The Governor has appointed a Public Safety Communications Commission to provide guidance regarding system operations and participation, and advice to promote system development, improvement, and efficiency.

To assess and monitor the emergency communications system's operating effectiveness, Emergency Communications Infrastructure Asset ratings are calculated from the Emergency Communications Program maintenance measures. Ratings are grouped as WyoLink Base/Repeater, and Other Emergency Communications (Radio Site and Microwave). Emergency Communications maintained this infrastructure following the technical evaluation and documentation procedures detailed in the program's policies. The Department's policy is to maintain 95% of its emergency communications system in acceptable condition; actual overall rating was 98.2% of WyoLink assets and 99.1% of other Emergency Communications assets in acceptable or good condition at the end of the year.

A summary of the quantity and percentage of Emergency Communications infrastructure assets in acceptable condition is shown on the following page.



Wyoming Department of Transportation

2023 Condition Rating				
Condition	WyoLink		Emergency Communications	
	Number of Assets	Percent	Number of Assets	Percent
Acceptable	54	98.2%	227	99.1%
Deficient	1	1.8%	2	0.9%

2022 Condition Rating				
Condition	WyoLink		Emergency Communications	
	Number of Assets	Percent	Number of Assets	Percent
Acceptable	56	100.0%	223	99.6%
Deficient	-	0.0%	1	0.4%

2021 Condition Rating				
Condition	WyoLink		Emergency Communications	
	Number of Assets	Percent	Number of Assets	Percent
Acceptable	72	98.6%	202	98.1%
Deficient	1	1.4%	4	1.9%

The Department estimated maintenance and preservation expenditures on infrastructure assets of \$495.20 million for the year ended September 30, 2023. Actual expenditures on infrastructure for maintenance and preservation were \$562.20 million, a difference of \$67 million. The difference is due to the size and length of the construction projects. Estimated and actual amounts used to maintain or preserve the Department's infrastructure systems at the Department's target PSR ratings for the past five years are as follows:

For the fiscal year ended September 30,	Estimated (in millions)			Actual (in millions)		
	Road Network	Bridges	Emergency Communications System	Road Network	Bridges	Emergency Communications System
2019	365.4	18.5	3.4	348.8	22.0	3.4
2020	400.2	43.8	3.1	379.6	40.0	3.1
2021	484.3	94.8	3.8	351.1	40.0	3.8
2022	571.5	67.7	3.9	383.9	67.5	3.9
2023	380.4	110.7	4.1	479.4	78.7	4.1



Wyoming Department of Transportation

**SCHEDULE OF REVENUES APPROPRIATED AND EXPENDITURES ALLOCATED -
BUDGET AND ACTUAL - WYDOT GENERAL FUND
For the Year Ended September 30, 2023**

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
Revenues appropriated:				
Highway user fees	\$219,811,068	\$ 219,811,068	\$ 225,323,238	\$ 5,512,170
Mineral royalties and severance taxes	71,309,000	71,309,000	71,309,000	-
Federal aid	395,217,777	401,294,715	433,830,639	32,535,924
Federal grants	33,064,125	59,605,877	58,708,569	(897,308)
Other sources	26,329,381	28,732,976	28,703,514	(29,462)
Total revenues appropriated	745,731,351	780,753,636	817,874,960	37,121,324
Expenditures allocated:				
Highway improvement program	442,932,452	431,812,851	377,679,099	54,133,752
Highway maintenance	114,704,865	122,501,226	118,937,428	3,563,798
Transportation planning	30,380,285	33,392,663	26,124,142	7,268,521
Other	15,599,655	15,714,855	13,855,377	1,859,478
Legislative appropriated	108,295,154	143,124,165	143,124,165	-
Capital outlay	23,199,086	23,643,086	24,465,833	(822,747)
Transfers out, other State agencies	10,619,854	10,564,790	10,564,790	-
Total expenditures allocated	745,731,351	780,753,636	714,750,834	66,002,802
Revenues appropriated over expenditures allocated	\$ -	\$ -	\$ 103,124,126	\$103,124,126

See Notes to Required Supplementary Information



Wyoming Department of Transportation

**SCHEDULE OF REVENUES APPROPRIATED AND EXPENDITURES ALLOCATED -
BUDGET AND ACTUAL - STATE INFRASTRUCTURE BANK FUND
For the Year Ended September 30, 2023**

	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts (Budgetary Basis)	with Final Budget
Revenues appropriated:				
Reimbursements on advance	\$10,000,000	\$10,000,000	\$ -	\$(10,000,000)
Interest and investment revenue	319,176	319,176	850,515	531,339
Total revenues appropriated	<u>10,319,176</u>	<u>10,319,176</u>	<u>850,515</u>	<u>(9,468,661)</u>
Expenditures allocated:				
Project loans/advances	<u>15,000,000</u>	<u>15,000,000</u>	<u>-</u>	<u>15,000,000</u>
Revenues appropriated (under)/over expenditures allocated	<u>\$ (4,680,824)</u>	<u>\$ (4,680,824)</u>	<u>\$ 850,515</u>	<u>\$ 5,531,339</u>

See Notes to Required Supplementary Information



Wyoming Department of Transportation

SCHEDULE OF THE DEPARTMENT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

Public Employee Pension Plan

Last 10 Fiscal Years*

	Department's proportion of the net pension liability (asset)	Department's proportionate share of the net pension liability (asset)	Department's covered payroll	Department's proportionate share of the net pension liability as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2014	5.104146471%	\$ 77,610,610	\$ 90,224,761	86.02%	81.10%
2015	5.052798616%	\$ 89,166,344	\$ 88,707,147	100.52%	79.08%
2016	5.036738840%	\$ 117,323,165	\$ 88,054,761	133.24%	73.40%
2017	4.965505536%	\$ 120,041,107	\$ 89,024,753	134.84%	73.42%
2018	5.020331501%	\$ 114,430,450	\$ 88,720,609	128.98%	76.35%
2019	5.087874259%	\$ 154,940,570	\$ 89,116,030	173.86%	69.17%
2020	5.055181017%	\$ 118,793,027	\$ 90,264,639	131.61%	76.83%
2021	4.976550696%	\$ 108,158,350	\$ 91,589,772	118.09%	79.24%
2022	4.813746703%	\$ 73,396,231	\$ 88,731,044	82.72%	86.03%
2023	4.740532511%	\$ 129,549,949	\$ 89,682,197	144.45%	75.47%

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

See Notes to Required Supplementary Information

SCHEDULE OF THE DEPARTMENT'S CONTRIBUTIONS

Public Employee Pension Plan

Last 10 Fiscal Years

	Statutorily required contribution	Contributions in relation to the statutorily required contribution	Contribution deficiency (excess)	Covered payroll	Contributions as a percentage of covered payroll
2014	\$ 6,446,786	\$ 6,446,786	\$ -	\$ 89,000,266	7.24%
2015	\$ 6,806,929	\$ 6,806,929	\$ -	\$ 87,070,992	7.82%
2016	\$ 7,526,573	\$ 7,526,573	\$ -	\$ 89,923,215	8.37%
2017	\$ 7,441,050	\$ 7,441,050	\$ -	\$ 88,901,439	8.37%
2018	\$ 7,437,243	\$ 7,437,243	\$ -	\$ 88,639,065	8.39%
2019	\$ 7,755,983	\$ 7,755,983	\$ -	\$ 89,321,989	8.68%
2020	\$ 8,242,594	\$ 8,242,594	\$ -	\$ 92,284,497	8.93%
2021	\$ 8,232,444	\$ 8,232,444	\$ -	\$ 89,666,752	9.18%
2022	\$ 8,255,576	\$ 8,255,576	\$ -	\$ 88,106,467	9.37%
2023	\$ 9,061,446	\$ 9,061,446	\$ -	\$ 96,707,004	9.37%

See Notes to Required Supplementary Information



Wyoming Department of Transportation

SCHEDULE OF THE DEPARTMENT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

State Patrol, Game & Fish Warden, and Criminal Investigator Pension Plan Last 10 Fiscal Years*

	Department's proportion of the net pension liability (asset)	Department's proportionate share of the net pension liability (asset)	Department's covered payroll	Department's proportionate share of the net pension liability as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2014	61.283406236%	\$ 17,543,018	\$ 13,256,425	132.34%	80.91%
2015	61.283406236%	\$ 20,347,234	\$ 13,287,888	153.13%	78.99%
2016	60.371025837%	\$ 46,703,915	\$ 13,642,139	342.35%	61.07%
2017	61.245726000%	\$ 46,746,785	\$ 14,528,127	321.77%	62.53%
2018	61.051384000%	\$ 25,045,867	\$ 14,447,986	173.35%	77.54%
2019	59.942087100%	\$ 40,182,064	\$ 14,116,782	284.64%	66.53%
2020	62.241723100%	\$ 23,996,437	\$ 15,092,317	159.00%	80.01%
2021	63.248505600%	\$ 22,343,877	\$ 15,373,496	145.34%	82.47%
2022	62.223691500%	\$ 12,185,854	\$ 14,939,080	81.57%	90.66%
2023	61.584879300%	\$ 26,749,512	\$ 14,888,787	179.66%	79.78%

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

See Notes to Required Supplementary Information

SCHEDULE OF THE DEPARTMENT'S CONTRIBUTIONS

State Patrol, Game & Fish Warden, and Criminal Investigator Pension Plan Last 10 Fiscal Years

	Statutorily required contribution	Contributions in relation to the statutorily required contribution	Contribution deficiency (excess)	Covered payroll	Contributions as a percentage of covered payroll
2014	\$ 1,733,326	\$ 1,733,326	\$ -	\$ 13,116,763	13.21%
2015	\$ 1,878,094	\$ 1,878,094	\$ -	\$ 13,290,661	14.13%
2016	\$ 2,145,844	\$ 2,145,844	\$ -	\$ 14,420,992	14.88%
2017	\$ 2,166,246	\$ 2,166,246	\$ -	\$ 14,558,104	14.88%
2018	\$ 2,086,422	\$ 2,086,422	\$ -	\$ 14,021,651	14.88%
2019	\$ 2,199,735	\$ 2,199,735	\$ -	\$ 14,783,163	14.88%
2020	\$ 2,289,691	\$ 2,289,691	\$ -	\$ 15,387,705	14.88%
2021	\$ 2,258,980	\$ 2,258,980	\$ -	\$ 15,181,315	14.88%
2022	\$ 2,214,415	\$ 2,214,415	\$ -	\$ 14,881,822	14.88%
2023	\$ 2,397,639	\$ 2,397,639	\$ -	\$ 16,113,165	14.88%

See Notes to Required Supplementary Information



Wyoming Department of Transportation

SCHEDULE OF THE DEPARTMENT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

Law Enforcement Pension Plan

Last 10 Fiscal Years*

	Department's proportion of the net pension liability (asset)	Department's proportionate share of the net pension liability (asset)	Department's covered payroll	Department's proportionate share of the net pension liability as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2014	1.114913918%	\$ 203,576	\$ 1,758,238	11.58%	96.53%
2015	1.081209276%	\$ 318,562	\$ 1,684,499	18.91%	94.76%
2016	1.061807493%	\$ 797,629	\$ 1,829,004	43.61%	87.49%
2017	1.133215016%	\$ 855,486	\$ 1,771,971	48.28%	88.11%
2018	1.164762869%	\$ 1,002,214	\$ 1,813,562	55.26%	87.99%
2019	1.221937857%	\$ 2,957,973	\$ 1,914,442	154.51%	71.22%
2020	1.215542030%	\$ 1,047,782	\$ 1,914,600	54.73%	89.05%
2021	1.140368313%	\$ 776,844	\$ 1,889,167	41.12%	91.82%
2022	1.143526115%	\$ 3,253,773	\$ 1,865,755	174.39%	75.62%
2023	0.978157940%	\$ 3,332,140	\$ 1,657,590	201.02%	70.30%

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

See Notes to Required Supplementary Information

SCHEDULE OF THE DEPARTMENT'S CONTRIBUTIONS

Law Enforcement Pension Plan

Last 10 Fiscal Years

	Statutorily required contribution	Contributions in relation to the statutorily required contribution	Contribution deficiency (excess)	Covered payroll	Contributions as a percentage of covered payroll
2014	\$ 146,637	\$ 146,637	\$ -	\$ 1,705,092	8.60%
2015	\$ 151,072	\$ 151,072	\$ -	\$ 1,756,022	8.60%
2016	\$ 155,258	\$ 155,258	\$ -	\$ 1,805,321	8.60%
2017	\$ 155,364	\$ 155,364	\$ -	\$ 1,806,555	8.60%
2018	\$ 162,158	\$ 162,158	\$ -	\$ 1,885,553	8.60%
2019	\$ 165,952	\$ 165,952	\$ -	\$ 1,929,669	8.60%
2020	\$ 163,677	\$ 163,677	\$ -	\$ 1,903,215	8.60%
2021	\$ 162,197	\$ 162,197	\$ -	\$ 1,886,012	8.60%
2022	\$ 145,103	\$ 145,103	\$ -	\$ 1,687,248	8.60%
2023	\$ 142,930	\$ 142,930	\$ -	\$ 1,661,975	8.60%

See Notes to Required Supplementary Information



Wyoming Department of Transportation

SCHEDULE OF THE DEPARTMENT'S PROPORTIONATE SHARE OF THE TOTAL OPEB LIABILITY

Employee Group Insurance Retiree Health Plan

Last 6 Fiscal Years *

	Department's proportion of the total OPEB liability (asset)	Department's proportionate share of the total OPEB liability (asset)	Department's covered payroll	Department's proportionate share of the total OPEB liability as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total OPEB liability
2018	15.743690000%	\$ 124,531,264	N/A	N/A	0.00%
2019	15.326560000%	\$ 156,245,938	N/A	N/A	0.00%
2020	14.355690000%	\$ 135,805,749	N/A	N/A	0.00%
2021	14.366990000%	\$ 187,724,757	N/A	N/A	0.00%
2022	14.375270000%	\$ 189,570,870	N/A	N/A	0.00%
2023	16.242820000%	\$ 170,480,411	N/A	N/A	0.00%

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

See Notes to Required Supplementary Information



Wyoming Department of Transportation

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

Note 1. Budget Structure

Commission budget: Annual budgets are submitted to the Commission for their approval at the beginning of each fiscal year for certain revenues and expenditures of the Department. The legal level of budgetary control is total expenditures for the Department. Management monitors the budget at the program level. The annual budgets are amended by the Commission in the first, second, and third quarters for each fiscal year. All annual budgets lapse at fiscal year end. The basis of the annual budget differs from GAAP as the budget is on an obligation basis, a substantially cash basis which includes long-term commitments.

Legislative budget: The Department has certain expenditures, including law enforcement, regulatory administration, and aeronautics activities, for which a budget is prepared by the Department and presented to the State Legislature. Wyoming Statutes require the Department to prepare and submit a biennial budget to the Legislature as of December 1st of each odd numbered year prior to the beginning of the Legislative budget session the following spring. The Legislature may add, change, or delete any items in the budget proposed by the Department. The Governor has the authority to amend the budget by up to 10% of the original budget. Additionally, supplemental appropriations may be approved by the Legislature during non-budget sessions held in odd numbered years. The biennial budget lapses at the end of the biennial period. The State's legal level of budgetary control is at the appropriation organization level. Budgets are maintained at an expense organization level within the appropriation organization, and the Director has the authority to transfer appropriations from one expense organization to another.

Note 2. Basis of Budgeting

One of the major focuses of the Department's budget is to account for and track commitments on construction projects. Construction project revenue and expenditures are budgeted for on a project-length basis. In order to provide information regarding the Department's long-term revenues and commitments as well as its administrative revenues and expenditures, the Department uses the terms appropriations and allocations as noted below.

Appropriations - This budgetary term includes all receipts collected on a cash basis from various taxes, fees and royalties, and those grants and other revenues not associated with long-term construction contracts. Revenues associated with long-term construction contracts are included when revenues available are identified to a specific, approved construction contract. This basis differs from accounting principles generally accepted in the United States of America (GAAP).

Allocations - This budgetary term includes all disbursements for various activities and programs not associated with long-term construction contracts. Expenditures associated with long-term construction contracts are considered allocated when a specific construction contract is approved. The actual expenditures carry forward into subsequent fiscal years until the project is complete. These project-length allocations are approved by the Wyoming Transportation and Aeronautics Commissions throughout the year as the projects are developed.

Note 3. Budgetary Reports

Stand-alone budgetary reports are prepared by the Department and are available from the Department's administration offices at 5300 Bishop Boulevard, Cheyenne, Wyoming 82009.



Wyoming Department of Transportation

Note 4. Budget Reconciliation

Explanations of certain differences between the Schedules of Revenues Appropriated and Expenditures Allocated and the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds are as follows:

	WYDOT
	<u>General Fund</u>
Revenues appropriated - actual amounts (basis of budgeting)	\$ 817,874,960
Net difference in project-related revenues budgeted each year as appropriated for the complete project, compared to revenues earned in the current year on specific contract in progress	43,638,053
Differences in accrual basis revenues and cash basis budgetary amounts	<u>53,705,067</u>
Total revenues as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances	<u>\$ 915,218,080</u>
	WYDOT
	<u>General Fund</u>
Expenditures allocated - actual amounts (basis of budgeting)	\$ 714,750,834
Net difference in project-length expenditures budgeted each year for the length of the project, compared to expenditures incurred on specific contracts in progress	(119,901,045)
Differences in accrual basis expenditures and cash basis budgetary amounts	<u>289,132,091</u>
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances	<u>\$ 883,981,880</u>
	State
	Infrastructure
	<u>Bank Fund</u>
Revenues appropriated - actual amounts (basis of budgeting)	\$ 850,515
Differences in budgetary basis to GAAP	
Unrealized gain on investments	<u>973,434</u>
Total revenues as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances	<u>\$ 1,823,949</u>
	State
	Infrastructure
	<u>Bank Fund</u>
Expenditures allocated - actual amounts (basis of budgeting)	\$ -
Differences in budgetary basis to GAAP	
Project loan advances	<u>-</u>
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances	<u>\$ -</u>



Wyoming Department of Transportation

Note 5. Retirement Commitment – Wyoming Retirement System

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

Changes in assumptions: Health care trend rates were updated along with the assumptions relating to mortality rates, retirement rates, withdrawal rates, disability rates, and salary increase rates based on the WRS December 31, 2020 actuarial experience study. Further, there have been various assumption changes from the initial measurement date reflected below through the December 31, 2022 measurement date, as indicated in the tables below:

Pension Plan Discount Rate			
Measurement Date (WRS year ended)	Public Employee Pension Plan	State Patrol, Game & Fish Warden, and Criminal Investigator	
		Pension Plan	Law Enforcement Pension Plan
2014	7.75%	7.75%	7.75%
2015	7.75%	6.13%	7.75%
2016	7.75%	6.34%	7.75%
2017	7.00%	7.00%	7.00%
2018	7.00%	6.33%	5.92%
2019	7.00%	7.00%	7.00%
2020	7.00%	7.00%	7.00%
2021	6.80%	6.80%	5.17%
2022	6.80%	6.80%	5.53%

Pension Plan Investment Rate of Return (Net of Pension Plan Investment Expense, including Inflation)			
Measurement Date (WRS year ended)	Public Employee Pension Plan	State Patrol, Game & Fish Warden, and Criminal Investigator	
		Pension Plan	Law Enforcement Pension Plan
2014	7.75%	7.75%	7.75%
2015	7.75%	6.13%	7.75%
2016	7.75%	6.34%	7.75%
2017	7.75%	7.75%	7.75%
2018	7.00%	7.00%	7.00%
2019	7.00%	7.00%	7.00%
2020	7.00%	7.00%	7.00%
2021	6.80%	6.80%	6.80%
2022	6.80%	6.80%	6.80%



Wyoming Department of Transportation

Pension Plan Inflation Rates

Measurement Date (WRS year ended)	State Patrol, Game & Fish Warden, and Criminal Investigator		
	Public Employee Pension Plan	Pension Plan	Law Enforcement Pension Plan
2014	3.25%	3.25%	3.25%
2015	3.25%	3.25%	3.25%
2016	3.25%	3.25%	3.25%
2017	3.25%	3.25%	3.25%
2018	2.25%	2.25%	2.25%
2019	2.25%	2.25%	2.25%
2020	2.25%	2.25%	2.25%
2021	2.25%	2.25%	2.25%
2022	2.25%	2.25%	2.25%

Pension Plan Salary Increases (Includes Inflation)

Measurement Date (WRS year ended)	State Patrol, Game & Fish Warden, and Criminal Investigator		
	Public Employee Pension Plan	Pension Plan	Law Enforcement Pension Plan
2014	4.25% - 6.00%	4.25% - 8.00%	4.75% - 8.00%
2015	4.25% - 6.00%	4.25% - 8.00%	4.75% - 8.00%
2016	4.25% - 6.00%	4.25% - 8.00%	4.75% - 8.00%
2017	4.25% - 6.00%	4.25% - 8.00%	4.75% - 8.00%
2018	2.50% - 6.50%	2.50% - 8.50%	4.75% - 8.75%
2019	2.50% - 6.50%	2.50% - 8.50%	4.75% - 8.75%
2020	2.50% - 6.50%	2.50% - 8.50%	4.75% - 8.75%
2021	2.50% - 6.50%	2.50% - 8.50%	3.00% - 7.00%
2022	2.50% - 6.50%	2.50% - 8.50%	5.25% - 9.25%

Pension Plan Payroll Growth Rate

Measurement Date (WRS year ended)	State Patrol, Game & Fish Warden, and Criminal Investigator		
	Public Employee Pension Plan	Pension Plan	Law Enforcement Pension Plan
2014	4.25%	4.25%	4.25%
2015	4.25%	4.25%	4.25%
2016	4.25%	4.25%	4.25%
2017	4.25%	4.25%	4.25%
2018	2.50%	2.50%	2.50%
2019	2.50%	2.50%	2.50%
2020	2.50%	2.50%	2.50%
2021	2.50%	2.50%	2.50%
2022	2.50%	2.50%	2.50%



Wyoming Department of Transportation

Cost of Living Increases

Measurement Date (WRS Year Ended)	State Patrol, Game & Fish Warden, and Criminal Investigator		
	Public Employee Pension Plan	Pension Plan	Law Enforcement Pension Plan
2014	0.00%	0.00%	0.00%
2015	0.00%	0.00%	0.00%
2016	0.00%	0.00%	0.00%
2017	0.00%	0.00%	0.00%
2018	0.00%	0.00%	0.00%
2019	0.00%	0.00%	0.00%
2020	0.00%	0.00%	0.00%
2021	0.00%	0.00%	0.00%
2022	0.00%	0.00%	0.00%

Note 6. OPEB Commitment – Wyoming Employees’ Group Insurance

Changes in benefit terms: There were no changes in benefit terms between the June 30, 2016 measurement date through the June 30, 2022 measurement date.

Changes in assumptions: The plan has experienced the following changes in assumptions:

Measurement Date (June 30):	Salary Increases		Pre-Medicare	Medicare	
	Discount Rate	Inflation Rate	Rate	HTC*	HTC*
2016	2.85%	2.50%	2.50-6.50%	6.50%	7.50%
2017	3.58%	2.50%	2.50-6.50%	6.50%	7.50%
2018	3.87%	2.25%	2.50-6.50%	7.60%	8.10%
2019	3.51%	2.50%	2.50-6.50%	7.20%	7.60%
2020	2.21%	2.25%	2.50-6.50%	7.20%	7.60%
2021	2.16%	2.25%	2.50-8.50%	7.50%	7.50%
2022	3.54%	2.25%	2.50-8.50%	7.25%	7.25%

*Healthcare trend rate

In addition, the following assumptions are updated annually as necessary:

- Health care claims costs based on recent experience
- Retiree contributions
- Health care trend rates
- Spouse age differential
- Mortality rates, retirement rates, withdrawal rates, disability rates, and disability rates based on the Wyoming Retirement System December 31, 2020 actuarial experience studies.



SUPPLEMENTARY INFORMATION



Wyoming Department of Transportation





Wyoming Department of Transportation

NONMAJOR GOVERNMENTAL FUNDS

The Department maintains the following nonmajor governmental funds:

Motorcycle Safety Fund – accounts for resources obligated for improvement of motorcycle awareness and overall motorcycle safety.

Wildlife Conservation Fund – accounts for resources restricted to support wildlife conservation efforts related to the transportation system.

Federal Transit Authority Fund – accounts for resources obligated to the operations of the Federal Transit Authority designated program.

IFTA Decal Fund – accounts for resources obligated to International Fuel Tax Agreement activity, including licenses and registrations.

Transportation Information System Fund – accounts for resources restricted for the replacement of a revenue information system.

Radioactive Waste Fees Fund – accounts for resources restricted to the safe disposition of radioactive material.

Ignition Interlock Device Fund – accounts for resources restricted to the sale and installation of ignition interlock devices associated with driving under the influence of alcohol offenses.

Air Service Enhancement Fund – accounts for resources restricted to operations of aeronautical and air service enhancements.

Commercial Air Service Improvement Fund – accounts for resources restricted to commercial air service improvements.

Flight Services Fund – accounts for resources restricted to flight travel services for other governmental entities within Wyoming.

Statewide Communication System Fund – accounts for resources obligated to preservation and enhancement of the statewide communication system.

American Rescue Plan Fund – accounts for resources obligated by the American Rescue Plan Act.



Wyoming Department of Transportation

**COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
September 30, 2023**

	Motorcycle Safety Fund	Wildlife Conservation Fund	Federal Transit Authority Fund	IFTA Decal Fund	Transportation Information System Fund
ASSETS					
Cash with State Treasurer	\$ 2,109,714	\$ 1,474,032	\$ 2,104,509	\$ 188,543	\$ 19,674,149
Accounts receivable	-	-	87,794	-	106
Advances to primary government	-	100,000	-	-	-
Due from primary government	-	-	-	-	-
Prepaid items	-	-	-	-	898,853
Total assets	\$ 2,109,714	\$ 1,574,032	\$ 2,192,303	\$ 188,543	\$ 20,573,108
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts payable	\$ 41,021	\$ -	\$ 1,192,867	\$ -	\$ 898,873
Due to other funds	319	-	1,642	-	-
Total liabilities	41,340	-	1,194,509	-	898,873
Fund Balances					
Restricted	-	1,574,032	-	-	19,674,235
Assigned	2,068,374	-	997,794	188,543	-
Total fund balances	2,068,374	1,574,032	997,794	188,543	19,674,235
Total liabilities and fund balances	\$ 2,109,714	\$ 1,574,032	\$ 2,192,303	\$ 188,543	\$ 20,573,108



Wyoming Department of Transportation

Radioactive Waste Fees Fund	Ignition Interlock Device Fund	Air Service Enhancement Fund	Commercial Air Service Improvement Fund	Flight Services Fund	Statewide Communication System Fund	American Rescue Plan Fund	Total
\$ 247,232	\$ 645,288	\$ 2,330,138	\$ 12,548,874	\$ 57,467	\$ 2,594,296	\$ -	\$ 43,974,242
143,100	-	-	84,718	38,955	43,383	-	398,056
-	-	-	-	-	-	-	100,000
-	-	-	-	-	-	469,672	469,672
-	-	-	-	-	-	-	898,853
\$ 390,332	\$ 645,288	\$ 2,330,138	\$ 12,633,592	\$ 96,422	\$ 2,637,679	\$ 469,672	\$ 45,840,823
\$ -	\$ 338	\$ 167	\$ -	\$ 11,737	\$ -	\$ 469,672	\$ 2,614,675
-	-	352	-	21,504	447	-	24,264
-	338	519	-	33,241	447	469,672	2,638,939
390,332	644,950	2,329,619	12,633,592	63,181	-	-	37,309,941
-	-	-	-	-	2,637,232	-	5,891,943
390,332	644,950	2,329,619	12,633,592	63,181	2,637,232	-	43,201,884
\$ 390,332	\$ 645,288	\$ 2,330,138	\$ 12,633,592	\$ 96,422	\$ 2,637,679	\$ 469,672	\$ 45,840,823



Wyoming Department of Transportation

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended September 30, 2023**

	Motorcycle Safety Fund	Wildlife Conservation Fund	Federal Transit Authority Fund	IFTA Decal Fund	Transportation Information System Fund
Revenues					
Highway user fees	\$ 535,033	\$ 156,182	\$ -	\$ 25,742	\$ 725,566
Federal aid	-	-	15	-	-
Federal grant	-	-	17,443,252	-	-
Use of property and money	-	-	-	-	-
Interest and investment	97,648	73,945	85,140	9,123	1,031,363
City, county, and other matching	-	-	-	-	-
Flight services	-	-	-	-	-
Statewide communication network	-	-	-	-	-
Other state sources	-	-	-	-	-
Revenue from others	-	179,551	-	-	-
Total revenues	632,681	409,678	17,528,407	34,865	1,756,929
Expenditures					
Highway safety	478,883	-	-	-	-
Federal transit	-	-	20,232,597	-	-
Licensing and registration	-	-	-	22,665	-
Law enforcement	-	-	-	-	-
Statewide communication network	-	-	-	-	-
Airport improvement	-	-	-	-	-
Flight services	-	-	-	-	-
Capital Outlay	-	-	333,158	-	-
Debt Service					
Principal	-	-	77,109	-	-
Interest	-	-	11,776	-	-
Total expenditures	478,883	-	20,654,640	22,665	-
Excess (deficiency) of revenue over expenditures	153,798	409,678	(3,126,233)	12,200	1,756,929
Other financing sources (uses)					
Transfers in	-	-	1,500,000	-	6,624,000
Transfers out	-	-	(774)	-	-
Proceeds from sale of assets	6,256	-	-	-	-
Subscription acquisition	-	-	333,158	-	-
Total other financing sources (uses)	6,256	-	1,832,384	-	6,624,000
Net change in fund balances	160,054	409,678	(1,293,849)	12,200	8,380,929
Fund Balances, beginning	1,908,320	1,164,354	2,291,643	176,343	11,293,306
Fund Balances, ending	\$ 2,068,374	\$ 1,574,032	\$ 997,794	\$ 188,543	\$ 19,674,235



Wyoming Department of Transportation

Radioactive Waste Fees Fund	Ignition Interlock Device Fund	Air Service Enhancement Fund	Commercial Air Service Improvement Fund	Flight Services Fund	Statewide Communication System Fund	American Rescue Plan Fund	Total
\$ 389,700	\$ 110,086	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,942,309
-	-	-	-	-	-	-	15
-	-	-	-	-	-	10,730,822	28,174,074
-	-	-	-	-	53,011	-	53,011
-	31,472	112,310	587,068	-	134,336	-	2,162,405
-	-	-	1,504,498	-	-	-	1,504,498
-	-	-	-	591,903	-	-	591,903
-	-	-	-	-	301,266	-	301,266
-	-	-	-	-	3,379,081	-	3,379,081
-	-	-	-	-	-	-	179,551
389,700	141,558	112,310	2,091,566	591,903	3,867,694	10,730,822	38,288,113
-	-	-	-	-	-	-	478,883
-	-	-	-	-	-	-	20,232,597
-	19,368	-	-	-	-	-	42,033
199,940	-	-	-	-	-	-	199,940
-	-	-	-	-	3,926,653	7,846,594	11,773,247
-	-	1,732,754	1,504,497	-	-	2,256,748	5,493,999
-	-	-	-	707,126	-	-	707,126
-	-	-	-	-	-	622,809	955,967
-	-	-	-	-	-	622,809	699,918
-	-	-	-	-	-	4,671	16,447
199,940	19,368	1,732,754	1,504,497	707,126	3,926,653	11,353,631	40,600,157
189,760	122,190	(1,620,444)	587,069	(115,223)	(58,959)	(622,809)	(2,312,044)
-	-	1,433,670	-	100,000	1,572,436	-	11,230,106
-	-	-	-	-	-	-	(774)
-	-	-	-	-	-	-	6,256
-	-	-	-	-	-	622,809	955,967
-	-	1,433,670	-	100,000	1,572,436	622,809	12,191,555
189,760	122,190	(186,774)	587,069	(15,223)	1,513,477	-	9,879,511
200,572	522,760	2,516,393	12,046,523	78,404	1,123,755	-	33,322,373
\$ 390,332	\$ 644,950	\$ 2,329,619	\$ 12,633,592	\$ 63,181	\$ 2,637,232	\$ -	\$ 43,201,884



Wyoming Department of Transportation





SINGLE AUDIT SECTION



Wyoming Department of Transportation

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS For the Year Ended September 30, 2023

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
U.S. Department of Transportation				
Federal Aviation Administration				
COVID-19: Airport Improvement Program	20.106	-	\$ 9,115,227	\$ 9,115,227
Airport Improvement Program	20.106	-	39,905,465	40,289,327
<i>Total Airport Improvement program</i>			<u>49,020,692</u>	<u>49,404,554</u>
Federal Highway Administration				
Highway Research & Development Program	20.200	-	-	703,392
COVID-19: Highway Planning and Construction	20.205	-	-	13,044,396
Highway Planning and Construction	20.205	-	6,169,249	457,293,081
<i>Total Highway Planning and Construction</i>			<u>6,169,249</u>	<u>470,337,477</u>
Highway Training & Education	20.215	-	-	98,857
Fuel Tax Evasion - Intergovernmental Enforcement Effort	20.240	-	-	26,400
Federal Motor Carrier Safety Administration				
<i>FMCSA Cluster</i>				
Motor Carrier Safety Assistance	20.218	-	-	2,031,740
High Priority Activities Grant and Cooperative Agreements	20.237	-	-	1,398,116
<i>Total FMCSA Cluster</i>			<u>-</u>	<u>3,429,856</u>
Federal Transit Administration				
Metropolitan Transportation Planning & State and Non-Metropolitan Planning and Research	20.505	-	199,093	199,093
COVID-19: Formula Grants for Rural Areas	20.509	-	2,012,806	2,786,864
Formula Grants for Rural Areas	20.509	-	5,897,588	8,302,355
<i>Total Formula Grants for Rural Areas</i>			<u>7,910,394</u>	<u>11,089,219</u>
<i>Transit Services Programs Cluster</i>				
COVID-19: Enhanced Mobility of Seniors & Individuals with Disabilities	20.513	-	40,000	40,000
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	-	269,759	293,598
<i>Total Transit Services Cluster</i>			<u>309,759</u>	<u>333,598</u>
<i>Federal Transit Cluster</i>				
Bus and Bus Facilities Formula Program	20.526	-	5,821,401	5,821,401
Office of the Secretary (OST) Administration Secretariate				
National Infrastructure Investments	20.933	-	-	9,368
National Highway Traffic Safety Administration				
<i>Highway Safety Cluster</i>				
State and Community Highway Safety Program	20.600	-	601,651	2,465,826
National Priority Safety Programs	20.616	-	487,174	2,340,010
<i>Total Highway Safety Cluster</i>			<u>1,088,825</u>	<u>4,805,836</u>
Alcohol Open Container Requirements	20.607	-	98,120	98,120
Total U.S. Department of Transportation			<u>70,617,533</u>	<u>546,357,171</u>
Executive Office of the President				
High Intensity Drug Traffic Areas Program	95.001	-	-	106,335
U.S. Department of Homeland Security				
Passed through the State of Wyoming Office of Homeland Security				
Homeland Security Grant Program	97.067	N/A	-	55,000
U.S. Department of Justice				
Drug Enforcement Administration				
Law Enforcement Assistance Narcotics & Dangerous Drugs Laboratory Analysis	16.001	-	-	49,151
U.S. Department of the Treasury				
Passed through the State of Wyoming Governor's Office				
COVID-19: Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A	-	15,092,753
Total Federal Award Expenditures			<u>\$ 70,617,533</u>	<u>\$ 561,660,410</u>



Wyoming Department of Transportation

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Note 1. Summary of Significant Account Policies

The Schedule of Expenditures of Federal Awards (the Schedule) is presented on the cash basis of accounting. In this basis of accounting, expenses are recognized upon payment by the Department, receipt of obligation of authority, and request for reimbursement. Such expenditures are recognized following, as applicable, either the cost principles in OMB Circular A-87, *Cost Principles for State, Local and Indicial Tribal Governments*, or the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), wherein certain types of expenditures are now allowable or are limited as to reimbursement.

Note 2. De Minimis Cost Rate

The Department uses an indirect cost rate, approved by the Federal Highway Administration, as it applies to programs funded by that agency. The Department used an 8.23% indirect cost rate through October 31, 2016. A rate of 11% was approved and applied to new projects beginning November 1, 2016. The rate of 11% is applied to existing projects when the project changes to a new activity or phase after November 1, 2016; current project activities as of November 1, 2016 will continue with the previous rate of 8.23%. An exception is for projects let to construction phase after March 31, 2016, the Department will use the rate of 11% on construction activity transactions starting November 1, 2016. For other programs not awarded by the Federal Highway Administration, the Department does not charge indirect costs under the de minimis rate. The Federal Highway Administration approved the 11% indirect cost rate for the period of October 1, 2020 to September 30, 2024.

Note 3. Basis of Presentation

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



Wyoming Department of Transportation



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

To the Transportation Commission
Wyoming Department of Transportation
Cheyenne, Wyoming

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Wyoming Department of Transportation (the Department), a component unit of the State of Wyoming, as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the Department's basic financial statements, and have issued our report thereon dated March 5, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Department's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Department's internal control. Accordingly, we do not express an opinion on the effectiveness of the Department'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 Department's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies, and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a certain deficiency in internal control, described in the accompanying Schedule of Findings and Questioned Costs as item 2023-001, that we consider to be a material weakness.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Department's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws,



Wyoming Department of Transportation

regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

The Department's Response to Finding

Government Auditing Standards requires the auditor to perform limited procedures on the Department's response to the finding identified in our audit and described in the accompanying Schedule of Findings and Questioned Costs. The Department'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 response.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Department'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 Department's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

McGee, Hearne & Paiz, LLP

Cheyenne, Wyoming
March 5, 2024



Wyoming Department of Transportation



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

To the Transportation Commission
Wyoming Department of Transportation
Cheyenne, Wyoming

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the compliance of the Wyoming Department of Transportation (the Department), a component unit of the State of Wyoming, with the types of compliance requirements identified as subject to audit in the Office of Management and Budget's *Compliance Supplement* that could have a direct and material effect on each of the Department's major Federal programs for the year ended September 30, 2023. The Department's major Federal programs are identified in the Summary of Independent Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, the Department 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 September 30, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (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 Department 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 Department'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 Department's Federal programs.



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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 Department'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 Department'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 judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Department'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 Department'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 Department'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.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with the Uniform Guidance and is described in the accompanying Schedule of Findings and Questioned Costs as item 2023-002. Our opinion on each major Federal program is not modified with respect to this matter.

Government Auditing Standards require the auditor to perform limited procedures on the Department's response to the noncompliance finding identified in our compliance audit and described in the accompanying Schedule of Findings and Questioned Costs. The Department's response was not subjected to the other auditing procedures applied in the audit of compliance, and accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

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, and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did identify a deficiency in internal control over compliance that we consider to be a significant deficiency.



Wyoming Department of Transportation

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a Federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a Federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a Federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiency in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as item 2023-002 to be a significant deficiency.

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.

Government Auditing Standards require the auditor to perform limited procedures on the Department's response to the internal control over compliance finding identified in our compliance audit and described in the accompanying Schedule of Findings and Questioned Costs. The Department's response was not subjected to the other auditing procedures applied in the audit of compliance, and accordingly, we express no opinion on the response.

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

McGee, Hearne & Paig, LLP

Cheyenne, Wyoming
March 5, 2024



Wyoming Department of Transportation

SCHEDULE OF FINDINGS AND QUESTIONED COSTS For The Year Ended September 30, 2023

I. SUMMARY OF INDEPENDENT AUDITOR'S RESULTS

Financial Statements

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

Internal control over financial reporting:

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

Noncompliance material to financial statements noted? Yes No

Federal Awards

Internal control over major Federal programs:

- Material weakness(es) identified? Yes No
- Significant deficiency(ies) identified? Yes 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 Section 2 CFR 200.516 (a)? Yes No

Identification of major Federal programs:

Assistance Listing Number(s)	Name of Federal Program or Cluster
20.205	Highway Planning and Construction
20.218, 20.237	Federal Motor Carrier Safety Assistance Cluster
20.600, 20.616	Highway Safety Cluster
21.027	Coronavirus State and Local Fiscal Relief Funds

Dollar threshold used to distinguish between Type A and Type B programs: \$3,000,000

Auditee qualified as low-risk auditee? Yes No



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SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED) For The Year Ended September 30, 2023

II. FINANCIAL STATEMENT FINDINGS

2023-001: Audit Adjustment to Accounts Payable (Material Weakness)

Criteria: An internal control structure should be designed to identify adjusting journal entries that are significant to the Department's financial statements prepared in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). Fundamental concepts in an adequate system of internal control are the identification and prevention or detection of errors on a timely basis.

Condition/context: The Department included in year-end accruals an expense related to a WyoLink project relating to services for the subsequent fiscal year which was improperly expensed in the current fiscal year under U.S. GAAP. As a result, an adjusting journal entry was proposed and recorded within the Department's Statewide Communication System Fund to decrease accounts payable and the corresponding expense by \$2,992,903.

Cause: The Department's current accounting software (PeopleSoft) does not provide the capability for the Department to track invoices using service dates. Due to limited resources and the cost of evaluating service dates on the significant volume of invoices processed by the Department, the Department has developed procedures to track invoices and accrue accounts payable based on the invoice date, which resulted in the invoice being recognized in the current fiscal year rather than in the subsequent fiscal year in accordance with U.S. GAAP.

Effect: Prior to the audit adjustment, the financial statements were not properly stated in accordance with U.S. GAAP.

Identification as a repeat finding: No.

Recommendation: We recommend the Department implement additional procedures at year end to review invoices above a specified threshold for evaluation of proper inclusion or exclusion from the financial statements in accordance with U.S. GAAP.

Views of responsible officials: Management acknowledges the finding. See Exhibit I for corrective action plan.



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III. FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

2023-002: Highway Safety Cluster – Reporting (Significant Deficiency)

<i>Assistance Listing Number/Title:</i> 20.600 State and Community Highway Safety 20.616 National Priority Safety Programs Collectively the Highway Safety Cluster
<i>Federal Agency Name:</i> U.S. Department of Transportation
<i>Award Number:</i> 69A37522300004020WYO, 69A3752230000405BWYL, 69A3752230000405CWYO, 69A3752230000405DWYM, 69A3752230000405DWYS, 69A3752230000405FWY1, 69A3752230SUP4020WYO, 69A37523300004020WYO, 69A3752330000405BWYL, 69A3752330000405CWYO, 69A3752330000405DWYM, 69A3752330000405DWYS, 69A3752330000405FWY1, 69A3752330SUP4020WYO
<i>Award Year:</i> October 1, 2021 – September 30, 2025; October 1, 2022 – September 30, 2026

Criteria: Per 2 CFR Appendix A to Part 170, recipients (i.e. direct recipients) of grants or cooperative agreements are required to report first-tier sub-awards \$30,000 or more to the Federal Funding Accountability and Transparency Act (FFATA) Sub-Award Reporting System (FSRS). The non-Federal entity must report each obligating action no later than the end of the month following the month in which the obligation was made.

Condition/context: During testing, it was determined the Department did not submit the required reports to the FSRS following the obligation of federal funds, as required under the FFATA.

Cause: The Department did not have adequate controls in place to verify the necessary reports were being properly submitted within the required time period under FFATA.

Effect: Per 2 CFR 200.339, if a non-Federal entity fails to comply with Federal statutes, regulations or the terms and conditions of a Federal award, the Federal awarding agency or pass-through entity may impose additional conditions, as described in §200.208 Specific conditions. If the Federal awarding agency or pass-through entity determines that noncompliance cannot be remedied by imposing additional conditions, the Federal awarding agency or pass-through entity may take one or more of the following actions, as appropriate in the circumstances:

- (a) Temporarily withhold cash payments pending correction of the deficiency by the non-Federal entity or more severe enforcement action by the Federal awarding agency or pass-through entity.
- (b) Disallow (that is, deny both use of funds and any applicable matching credit for) all or part of the cost of the activity or action not in compliance.
- (c) Wholly or partly suspend or terminate the Federal award.
- (d) Initiate suspension or debarment proceedings as authorized under 2 CFR part 180 and Federal awarding agency regulations (or in the case of a pass-through entity, recommend such a proceeding be initiated by a Federal awarding agency).
- (e) Withhold further Federal awards for the project or program.



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(f) Take other remedies that may be legally available.

Questioned costs: None.

Identification as a repeat finding: No.

Recommendation: We recommend the Department review its internal controls surrounding FFATA reporting and train all program managers responsible for federal funds on the processes in place to ensure all individuals responsible for completing and submitting the reports are properly trained to do so.

Views of responsible officials: Management concurs with the finding. See Exhibit I for corrective action plan.



Wyoming Department of Transportation

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS For the Year Ended September 30, 2022

II. FINANCIAL STATEMENT FINDINGS

None.

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None.



Wyoming Department of Transportation





EXHIBIT I
CORRECTIVE ACTION PLANS



WYOMING Department of Transportation

"Provide a safe and effective transportation system"

5300 Bishop Boulevard, Cheyenne, Wyoming 82009-3340



CORRECTIVE ACTION PLANS For the fiscal year ended September 30, 2023

The following is the corrective action plan for the Schedule of Findings and Questioned Costs reported in the September 30, 2023 Financial and Compliance Report for the Wyoming Department of Transportation (the Department).

I. FINANCIAL STATEMENT FINDINGS

2023-001: Audit Adjustment to Accounts Payable (Material Weakness)

Condition/context: The Department included in year-end accruals an expense related to a WyoLink project relating to services for the subsequent fiscal year which was improperly expensed in the current fiscal year under U.S. GAAP. As a result, an adjusting journal entry was proposed and recorded within the Department's Statewide Communication System Fund to decrease accounts payable and the corresponding expense by \$2,992,903.

Recommendation: We recommend the Department implement additional procedures at year end to review invoices above a specified threshold for evaluation of proper inclusion or exclusion from the financial statements in accordance with U.S. GAAP.

Corrective Action Plan: Financial Services recorded the proposed adjustment. Financial Services will evaluate and determine appropriate thresholds, considering available time and resources. Financial Services will review invoices paid subsequent to fiscal year-end above the determined thresholds for proper inclusion or exclusion in the financial statements in accordance with U.S. GAAP.

Contact: Mattie Bray, Controller, Financial Services

Anticipated Completion Date: September 30, 2024

II. FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

2023-002: Highway Safety Cluster – Reporting (Significant Deficiency)

<i>Assistance Listing Number/Title:</i> 20.600 State and Community Highway Safety 20.616 National Priority Safety Programs Collectively the Highway Safety Cluster
<i>Federal Agency Name:</i> U.S. Department of Transportation
<i>Award Number:</i> 69A37522300004020WYO, 69A3752230000405BWYL, 69A3752230000405CWYO, 69A3752230000405DWYM, 69A3752230000405DWYS, 69A3752230000405FWY1, 69A3752230SUP4020WYO, 69A37523300004020WYO, 69A3752330000405BWYL, 69A3752330000405CWYO, 69A3752330000405DWYM, 69A3752330000405DWYS, 69A3752330000405FWY1, 69A3752330SUP4020WYO
<i>Award Year:</i> October 1, 2021 – September 30, 2025; October 1, 2022 – September 30, 2026

Condition/context: During testing, it was determined the Department did not submit the required reports to the FSRS following the obligation of federal funds, as required under the FFATA.

Recommendation: We recommend the Department review its internal controls surrounding FFATA reporting and train all program managers responsible for federal funds on the processes in place to ensure all individuals responsible for completing and submitting the reports are properly trained to do so.

Corrective Action Plan: Upon learning of the requirement for the Federal Funding Accountability and Transparency Act (FFATA) reporting, the Highway Safety (HS) office completed the reporting in January 2024. The highway safety office completed FFATA reporting for grants from 2019-2023 which resulted in nine sub-awards being reported. Going forward HS will complete the FFATA reporting after the sub-award agreement is signed. During the year, HS will review agreements for additional obligations and update the FFATA reporting as necessary. Also, at the end of the year HS will conduct a final review to ensure all FFATA reporting was completed. Additionally, the Internal Review (IR) program has met with all of the grant administrators on January 29, 2024 to let them know about the FFATA requirements for each of their funding types. IR discussed the FFATA reporting requirement for sub-awards over \$30,000. Each grant administrator will determine the best way to report their sub-awards in the Federal Subaward Reporting System (FSRS).

Contact: Karson James, Highway Safety Grants Coordinator, Highway Safety and Mariá LaBorde, Internal Review Manager, Internal Review

Anticipated Completion Date: January 29, 2024